HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

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HOUSE OF COMMONS

Friday, April 22, 1983

The House met at 11 p.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

MANPOWER

SCHEFFERVILLE, P.Q.—MOBILITY PROBLEM

Mr. André Maltais (Manicouagan): Madam Speaker, I would like to draw the attention of the House to the problems of the people of Schefferville with respect to mobility. Two months ago, the Federal Government agreed to pay up to $4,500 of the moving expenses of people laid off by the Iron Ore Company. I feel this arrangement should also be available to families who were not directly employed by Iron Ore but are working either for the town, the school board or the local small- and medium-sized businesses, so that anyone in Schefferville who wants to move and find a new place to live can do so with the help of federal funds. I am pleased to see that the Province of Quebec, after a lot of persuading, has agreed to pay 25 per cent of eligible costs and that the company will pay the same percentage, so that finally, the Federal Government will contribute $4,500, the Province of Quebec about $1,250 and the same will be contributed by the Iron Ore Company, so that in the final instance, thanks again to our federal programs, the people of Schefferville will be able to increase their mobility.

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[*English*]

HORTICULTURE

DAMAGE TO EASTERN ONTARIO APPLE ORCHARDS

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, the eastern Canadian apple industry suffered severe damage to its orchards caused by the 1980-81 winter, the impact of which has now reached the critical stage. The industry seeks essential financial relief similar to that which has previously been extended to other agricultural production which was subjected to abnormal climatic factors beyond its control.

As there was no tree insurance program available which would have provided the necessary protection to cover this type of disaster, eastern Canadian apple producers are looking to the federal Government for leadership in resolving this unfortunate problem. Without a viable domestic industry, the price of imported produce will only escalate, but with the help of the federal Government, Canada can improve its self-sufficiency and reverse the current trend.

Hopefully at the joint apple industry-Government meeting planned for April 26, a position acceptable to the federal Government and to the apple industry will be successfully reached and acted upon so that the apple industry can get on with the job in meeting the Government's challenge in its endeavour to buy Canadian by replacing imports with home grown produce.

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VETERANS AFFAIRS

RECOGNITION OF ACHIEVEMENTS OF SPANISH CIVIL WAR VOLUNTEERS

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I wish to raise a matter in this House once again concerning what I and many other Members feel is a serious long standing injustice in Canada.

In the late 1930s, 1,200 Canadians made their way to Spain to fight against the combined fascist forces of the Spanish army, Germany, and Italy. The war against fascism actually began in 1931 with the invasion of Manchuria by Japan, and it expanded further with fascist attacks on the elected Government of the Republic of Spain. The fight expanded between 1939 and 1941, until the entire world became involved in the fight against fascism.

It is interesting to note that one of Canada's heroes, Norman Bethune, was an active participant in the fight against fascism in Spain and in China. Norman Bethune, a Canadian, became a Chinese national hero. Canada officially ignored him for 30 years until it became convenient to recognize him as a Canadian hero because we were in the process of recognizing the Peoples' Republic of China. It was because of Bethune's great achievement over 30 years ago that we put aside questioning his political persuasion, and we put aside the fact that he had violated the Foreign Investment Review Act, and looked specifically at his achievements in Spain and in China.

Mr. Lewis: What does FIRA have to do with it?

Mr. Skelly: It is time that we looked at the achievements of the Mackenzie-Papineau Brigade and recognized the achievements of these Canadians in their contribution to the fight against fascism.

S.O. 21

[*Translation*]

EXTERNAL AFFAIRS

ISRAELI-PALESTINIAN CONFLICT—ESTABLISHMENT OF COLONIES IN OCCUPIED TERRITORIES—POSSIBLE DANGERS

Mr. Claude-André Lachance (Rosemont): Madam Speaker, this week, the State of Israel celebrated its thirty-fifth birthday. The international community, including multilateral organizations such as the United Nations and at the bilateral level, has regularly criticized the establishment of settlements in occupied territories. On the very day of Israel's thirty-fifth birthday, a new settlement in Upper Nablus was announced by the Israeli Government. Hon. Members will recall that Nablus is located more than 60 kilometers north of Jerusalem, in a territory where Palestinians and Arabs are in the majority. I would like to point out to the House that this new settlement proves that it is extremely urgent that the parties concerned, namely Israel and the Palestinians, negotiate a settlement as soon as possible, so that the Palestinians can find a place to live and have a citizenship that is recognized, and Israel can live within recognized and safe borders. Madam Speaker, these settlements are a very disturbing element of policy in the Middle East, and I hope that the House and the Government will indicate to the Government of Israel the need to negotiate.

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[*English*]

CANADA POST CORPORATION

COST OF RENOVATION OF EXECUTIVE OFFICES

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, earlier this week the press reported an interview with the president of Canada Post Corporation, Mr. Michael Warren, in which he commented that postal rates could be expected to go up again on some unspecified date. This should come, I suppose, as no surprise to any of us, but I find it particularly interesting because it has also come to my attention this week that this same Canada Post Corporation is spending upwards of a million dollars to renovate their executive offices in the Sir Alexander Campbell Building here in Ottawa. Tenders, I am informed, will be let by invitation only.

Renovations were made last August to some of the offices in the annex. In November, $300,000 was spent to renovate the eighth and ninth floors, and the expenditure of $424,000 to further re-do the executive area has just been approved. None of these contracts was made by public tender.

I commented yesterday that the budget fiasco was the product of an exhausted Government weary unto death. Clearly this condition is not limited to the Minister of Finance (Mr. Lalonde) and his cronies. Has the Cabinet surrendered all control over Government operations, or is it just too tired to care any more?

• (1110)

THE ADMINISTRATION

CONDEMNATION OF ECONOMIC POLICIES

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, the Government's economic policies clearly indicate that it is, colloquially speaking, out of its tree, that it is in fact out of touch with reality, and that it psychologically insane. I say this because the Government is refusing to deal with reality. Rather than planning for jobs, it has turned over its financial elbow room to the private sector. Rather than planning for full employment, it changes the definition of full employment. Rather than changing its policies, it changes its words.

Madam Speaker, the Government is attempting to make acceptable to Canadians what is clearly unacceptable. It is preaching as being realistic an unemployment rate of 12.4 per cent today, 10 per cent for the long-term, and an ultimate goal of 7 or 8 per cent.

The Government is playing with our dreams, our hopes and our values, rather than acting on them. The Government is denying its responsibility. It is treating the economy as if it were the weather. It is blaming what is happening today on economic analysis rather than taking appropriate action.

Not only that, the Government has a split personality. The Minister of Finance (Mr. Lalonde) refuses to speak in specifics with regard to jobs. The Minister of Employment and Immigration (Mr. Axworthy) talks about some 300,000 jobs coming out of the budget. The Government must get its act together. It is time to call in a clinical psychologist to return some sanity to this place.

* * *

HEALTH

CONTROVERSY OVER HEROIN USE IN TREATMENT OF TERMINALLY ILL

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, there has been considerable discussion recently on the possibility of using heroin once again as a pain suppressant in the treatment of terminally-ill patients. It must be remembered that while heroin remains a prescriptible drug and one which medical doctors may still administer, its importation and manufacture in Canada have been forbidden since 1955. This prohibition action was taken by the Canadian authorities at that time in compliance with the International Narcotic Control Convention established by the World Health Organization.

The use of this drug for palliative purposes is very controversial. Heroin is favoured because of ease of administering by hypodermic needle. However, very many medical practitioners are opposed to giving terminally-ill patients medication by injection, and find it more acceptable to administer medication by mouth.

The medical community has sufficient knowledge to realize that drugs given for pain are effective only if given regularly rather than intermittently. Currently there are excellent drugs available for this purpose other than heroin. Heroin is a potent respiratory depressant, a phenomenon which has lead many medical practitioners to discontinue its use before any Government intervention.

I am concerned that columnist power instead of good judgment is being used to extract money from Canadian citizens, money that could more effectively be used in other fields of medical research than returning to the use of heroin even in a limited way.

* * *

THE BUDGET

MINISTER'S DESCRIPTION OF MEDIA BEHAVIOUR

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, when is a peep a leak, and when is a leak a theft? The Minister of Finance (Mr. Lalonde) told reporters yesterday, and I quote:

> I would rather call it a theft than a leak, or a peep than a leak, if you wish.

Just to confuse matters more, the Minister then tried, through his press secretary, to put pressure on a reporter from Newsradio to withdraw the offending phrase. This was followed by intimidation, threats, and a bribe to the reporter by offering a further seven-minute interview with the Minister of Finance.

Is there no end to the Minister's largesse? The reporter was offered more interview time with the Minister if he would only remove the offending word "theft". Truly it can be said of this Minister: "Oh, what a tangled web we weave when first we practise to deceive."

It is one thing for the Minister to add $200 million to our already crippling debt load, but it seems to me that he is adding insult to injury by blaming it all on the media and then going so far as to accuse them of theft.

We are now in a situation, Madam Speaker, where reporters invited into the Minister's office for a pre-budget photo opportunity session are accused of theft for simply doing what they are invited to do in the first place—take photos of the Minister holding up his budget. This photo session cost the people of Canada $200 million in additional debt over two years, which at present interest rates costs $1 million a month.

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THE BUDGET

CALL FOR REVIEW OF BUDGETARY PRACTICE

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I want to follow up on the statement just made by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight). The evidence that the House and the country have heard over the last few days with respect to the Minister of Finance (Mr. Lalonde) is a good indication of the Peter Principle at work: when things can go wrong, they will. The Minister of Finance has added a new wrinkle: when things could be worse, they will be worse. Yesterday he compounded his difficulties.

• (1115)

In some of the statements he has made he talked about the necessity of opening the budgetary practice. I think the House of Commons ought to consider it a necessity to review the budgetary practice. If there is no case to be made in some areas for secrecy, then secrecy should be removed. We ought not to have these monumental intrusions on good sense and logic compounded by deception. Murphy's law, the Peter Principle, or whatever applies—this is a mess that is now in the hands of this House of Commons to clean up.

ORAL QUESTION PERIOD

[*English*]

THE BUDGET

FULL EMPLOYMENT—LEVEL FORECAST BY GOVERNMENT

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a question for the Right Hon. Prime Minister. Yesterday the Minister of Finance stated that 7 or 8 per cent of the work force would remain unemployed even if the economy were running full speed ahead. That pretty well confirms the projections contained in the Minister's budget that when we are supposed to be three or four years into recovery, for example in 1987, we will have an unemployment rate of 8.8 per cent, or 1.162 million Canadians unemployed. Were these personal musings of the Minister of Finance, or does the Government now accept 7 or 8 per cent to be full employment in this country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Government has views about the current situation and it has proposed a budget to deal with the situation. What happens seven or eight years down the road is a matter for pretty general conjecture. If I am Prime Minister at that time I will certainly undertake to express my views on that before the time arises.

Mr. McGrath: Madam Speaker, the Prime Minister has just confirmed what he said this morning, that he was leaving it to others to worry about unemployment five or ten years down the road. We are talking about projections of the Government based on its own strategy for economic recovery. I would remind the Prime Minister that in December, 1979, when this Party was in office and unemployment stood at 7.2 per cent and was projected to reach 8.2 per cent, as reported at page 2297 of *Hansard* the President of the Treasury Board said that our proposal showed:

—a shameful willingness to accept unemployment and economic weakness in this country on the part of the Conservative Government.

I would describe what the Prime Minister is saying today, and what the Minister of Finance said yesterday, as an outrageous copout and an outrageous betrayal of the unemployed. We have now doomed this generation to be a lost generation without any hope of obtaining jobs.

GOVERNMENT POSITION ON UNEMPLOYMENT

Hon. James A. McGrath (St. John's East): Can the Prime Minister tell the House if it is the policy of the Government that full economic recovery means full employment which, in the estimation of the Government, is an unemployment rate of 8 per cent? Is that the view of the Government? If it is, the people of Canada find it totally unacceptable.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member misquoted me when he said I would leave it to other. I was telling members of the press who were asking me the same question as the Hon. Member that they could worry about what was going to happen in seven or eight years from now and whether it would happen in any particular way, and that we were concerned with the current situation which is certainly a very difficult time for many, many Canadians.

We have presented a budget which is before the House. I find it typical of the Opposition that, not being able to deal with the budget or criticize it constructively, they are worrying about seven or eight years down the road. They should cooperate with getting this budget through; they should cooperate in improving it, if possible, and they should make the situation for Canadians here and now as good as is possible. Then we can start worrying about the longer term figures.

The budget itself has taken measures to ensure that over the medium term the deficit would be coming down and that Canadians would be able to compete more efficiently with other countries because in the next 18 months they would be putting a lot of expenditure into building our infrastructure. That is the position of the Government. I think the Hon. Member's constituents would be more satisfied if he showed himself a little more exercised about the present and stopped speculating about what happens seven or eight years down the road.

Mr. McGrath: Madam Speaker, I am not speculating; I am quoting from the Economic Strategy of this Government contained in the budget that the Minister of Finance brought down in the House a few days ago.

• (1120)

YOUTH UNEMPLOYMENT—REQUEST THAT PRIME MINISTER RESIGN

Hon. James A. McGrath (St. John's East): I would refer the Prime Minister to page 38 of the Government's Fiscal Plan which shows projections well into 1987 of over one million people unemployed. That means that five years after the Government's economic recovery plan, we will still have one million people unemployed.

Even with the Government's projected rate of recovery, unacceptable as it is, the Prime Minister knows that the last to be hired in economic recovery are young people, and today we have 600,000 young people unemployed, soon to be joined by another 300,000 graduates from our universities and post-secondary institutions. They have no hope for jobs because all we get from the budget is a possibility of 27,000 new jobs this year for young people. Is it the Prime Minister's view—because the young people are looking for an answer—that this country, blessed as it is, cannot provide opportunity for our young people coming onto the job market, because, if that is his view, why in the name of God does he not resign?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not think God has much to do with my decision to resign, and I do not know why the Hon. Member is using profanities in the House.

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NATIONAL DEFENCE

PURPOSE OF LAY-OFFS—UNION DESCRIPTION

Mr. Howard Crosby (Halifax West): Madam Speaker, my question is directed to the Minister of National Defence but also involves the Minister of Employment and Immigration. It relates to their job-creation program in the Department of National Defence. On several occasions, Madam Speaker, both Ministers have denied the charge that the Department of National Defence has dismissed 1,027 employees in order to hire 3,000 people under the NEED Program. The Ministers say they are different jobs, but the Union of National Defence Employees, and others, say the jobs are exactly the same in many cases.

What I would like to know, and I believe what all Hon. Members want to know, is who is telling the truth? Is it the Executive Vice-President of the Union of National Defence Employees, who says that employees are being dismissed so that new ones can be hired in the name of job creation? Is he telling the truth, or are the Ministers telling the truth? If the executive Vice-President of the Union of National Defence Employees' association is not telling the truth, will the Minister kindly explain what is happening and why is there this horrible misunderstanding which is affecting hundreds of Government employees?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I believe yesterday I answered a question on what the Department is doing about job creation. As far as the matter related by the Hon. Member is concerned, I would like to say that the union has made no formal representations to me with respect to any perceived conflict with employees hired through the NEED Program. The persons referred to are employees who are term employees, employees who would have happened to be terminated at a certain point in time

his constituents, "Look, do not bother with the dogs. Try to get some public works done, aqueducts—"

Mr. Waddell: You are the Prime Minister. It's your program.

Mr. Trudeau: Oh, yes, and that is what I am telling the people. However, it is hard to get through to the Hon. Member. Fortunately, some fourth grade people understand what we are doing.

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AIR CANADA

INVESTIGATION BY ROYAL CANADIAN MOUNTED POLICE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Minister of Transport. In view of some of the incredible, recent revelations about financial and corporate machinations in Montreal, could the Minister, who is responsible for Air Canada, please stand in this House and tell us what the devil is going on in Air Canada in Montreal, with the RCMP raids on the office of the Chairman of the Board, and also on his office in Quebec?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I was told by the Minister of Justice that he would answer this question because it is essentially his domain, so I will let him do that.

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, it is the long standing custom not to answer questions—

Some Hon. Members: Oh, oh!

Mr. MacGuigan: —concerning investigations which may be under way or thought to be under way.

LEASING OF HEADQUARTERS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I will direct my supplementary question to the Minister of Transport as well, since it comes directly within his jurisdiction. Can he shed some light on what is transpiring, without getting into the details of an investigation, and certainly assure the House that the present investigation has nothing whatsoever to do with Canadair or the Mackasey hearings before the Committee on Privileges and Elections and, with more particular specifics, advise as to whether the investigation is directed against Mr. Rene Amyot—

Mr. Ouellet: Speculative questions.

Mr. Nowlan: —as the former director and secretary of Place Quebec Incorporated, which sold its interest to Trizec Company, which received the successful award on the building to which Air Canada has just transferred its headquarters?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will try. I have been asked a number of questions, by a number of newspapermen in particular. One asks, "What does it have to do with this?" And the other one asks, "Does it have to do with that?" And another one asks, "Does it have to do with this?" If I answer all these questions, people will have to know what it has to do with.

Some Hon. Members: Oh, oh!

Mr. Nowlan: We have a right to know.

Mr. Pepin: That is what the problem is. I am told by the Minister of Justice and the Solicitor General that this is an RCMP inquiry, and I must not get involved in it because that is their business, and if I open my mouth on the subject I will be compromising the validity of an inquiry. I just thought I had to explain that, in order to get across to my hon. friend why I am saying nothing as opposed to my normal tendency, which is to tell him the whole truth. My hon. friend knows how much I like to answer questions he poses to me in committees and elsewhere. In this particular instance I must be abnormal, by my standards, and shut up.

Mr. Nowlan: We'll see how abnormal it is on Monday.

Mr. Nielsen: It must be Friday.

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COMMUNICATIONS

IMPOSITION OF TAX ON TELEVISION CABLE SYSTEMS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is directed to the Minister of Communications. This week's federal budget imposed a new 6 per cent tax on cable. In addition to the cable rate increases which were permitted under the six and five program, which are being charged to cable customers, how does the Minister square this increase year over year, which is roughly double the six and five program, with the various injunctions from Cabinet Ministers that ordinary Canadians must tighten their belts?

Hon. Francis Fox (Minister of Communications): Madam Speaker, the Hon. Member knows full well that this has nothing to do with the six and five program. It is a question of the tax increase which was brought down by the Minister of Finance to raise general revenues. There is, as a result of the raising of these general revenues, a program production fund which has been set up which will total some $60 million a year and which will bring about a good deal of employment for Canadians who are engaged in creative work, particularly people in the artistic or cultural community in Canada.

I think that on all sides of the House there are people who want to say that they are delighted that we have indeed been able, perhaps for the first time in our history, to put as much money at the disposal of the private sector in the area of film production. I expect that this fund of $60 million will lead to the creation of over $180 million annually in new program

production. That will obviously have a very real effect on employment, a very real effect on stimulating the private sector which is engaged in the production of films and television programs.

The Hon. Member knows, as well as I do, the number of new opportunities which will be made available in the creative community in Canada as a result of the setting up of this fund.

Mr. Beatty: If the Minister of Finance had not made his $200 million gaffe on Monday night, he would have had $200 million sitting there which could have been used for this production fund without increasing taxes. Apparently this money was just sitting there, ready to be used, but the Minister of Communications did not have access to it.

• (1140)

DEREGULATION OF SATELLITE RECEPTION EARTH STATIONS—ROLE OF CABLE COMPANIES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Let me ask a question relating to the Government's broadcasting strategy. In view of the fact that the announcement made by the Minister of Communications that the Government would be deregulating the use of earth stations has led to a number of institutions disconnecting from the cable system, yet cable companies are still being prevented from competing fairly and offering satellite services on cable, when will the Government act on its commitments and permit cable companies to compete fairly? Can the Minister confirm the fact that it could be up to a year before he actually delivers on the commitment that he made in his policy statement?

Hon. Francis Fox (Minister of Communications): Madam Speaker, the Hon. Member knows full well that a number of the matters that were contained in the broadcasting policy are matters that have to be implemented by the CRTC. We have indicated quite clearly the general direction that we see broadcasting heading over the next few years.

The Hon. Member, speaking on behalf of his Party, has not really indicated whether or not he thinks this is the direction in which we should be headed. I should add that there has indeed been a general consensus as far as I can tell, and I know the Hon. Member attended the same *Financial Post* conference on broadcasting that I did, that there seems to be a very strong support from the broadcasting community and the cable industry itself in Canada for the direction the Government intends to go in the area of broadcasting.

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SHIPBUILDING

INQUIRY RESPECTING GOVERNMENT PROGRAMS

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. It pertains to some provisions in that rather right wing budget that was presented in the House the other day. As an aside, it would appear that the Minister of Finance might be thinking seriously of challenging the Conservative leadership with his budget.

Much was made of the question of vessel acquisition and shipbuilding. There have been three programs over the years which seem to be hanging in limbo. First is the Patrol Frigate Program, second is the one that both the Conservatives and the Liberal Government announced, the $300 million Coast Guard Acquisition Program, and finally the extension of Canada's 200-mile limit in the recent shipbuilding program. We have seen nothing concrete laid down. Is this just another promise, or will the Minister give us an indication of when the Government will make those announcements concerning the Patrol Frigate Program, the Coast Guard Vessel Acquisition Program, and when it intends to implement the recent shipbuilding policy that it proposed in the House?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, first with respect to the shipbuilding policy, that program is already under way. As a matter of fact we recently made an announcement to a shipyard of $1.7 million assistance for a major contract. Also, my colleague, the Minister of State for Economic Development, will be making some announcements next week. I think the Minister of Finance has already indicated that some of these projects will be in vessel procurement.

PATROL FRIGATE PROGRAM

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, certainly one of the largest programs in place is the Patrol Frigate Program. That certainly should have been out long ago. It was our understanding that we would be hearing about it in the late spring or early summer. It now appears that that Program has been pushed back even further. Can the Minister give some indication of when the Government will move on this Program and give a real shot in the arm to the shipbuilding industry?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, since the Canadian Patrol Frigate Program is one that comes under my responsibility, I am pleased to advise the hon. gentleman that, as I have indicated in the House previously, the Program is proceeding on schedule. I trust that we would be in a position to make the final decision in terms of the identification of the contractor by next July, 1983.

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RAILWAYS

CROWNEST PASS RATE—SUPPORT FROM WESTERN CANADA FOR PROPOSED CHANGES

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is directed to the Minister of Transport. Will he tell us which groups or individual producers in western Canada are in favour of his plan to restructure the Crow rate?

regardless. However, if there is any conflict between these two programs, I will certainly look into it because clearly the NEED Program is not meant to do that. The information I have at the moment is that there is no conflict between the two programs. If the union would like to make formal representations to me, I will receive them kindly and look into the matter very seriously.

NEED PROGRAM—REPLACEMENT OF EMPLOYEE

Mr. Howard Crosby (Halifax West): Madam Speaker, the union of National Defence employees has certainly made representations. I will pass them on to the Minister so that he can examine them.

Meanwhile, may I appeal to the Prime Minister in the case of one of the employees involved? His name is Stephen Dent. He is a married man with children, including a four-week old child. On March 25 he was dismissed from his employment in the Department of National Defence. He says, and I believe him, that a person was subsequently employed last week under the NEED Program, who is providing the same work services. Does the Prime Minister agree that this kind of activity in the name of job creation in a Government Department, the Department of National Defence, should not happen? And will he undertake to look into this case and make sure that this misunderstanding is clarified and that no employee, Stephen Dent or any other person, will have to suffer the hardships of unemployment in the name of Government job creation?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the Hon. Member were genuinely interested in this case, I suspect he would have given me notice or given the Minister notice and we would have been able to look into it. He was not interested in this case. He was interested in making politics.

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EMPLOYMENT

GOVERNMENT JOB-CREATION STRATEGY

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, we in the New Democratic Party are also concerned that there seems to be a growing acceptance of the high rate of unemployment almost as natural or normal. That is contrary to what the Bishops have said, and it seems to me to be contrary to any notion of a just society. I have a question for the Prime Minister—

Mr. Malone: The High Priest.

• (1125)

Mr. Waddell: Can we keep God out of this, please? My question is for the Prime Minister. One year ago the Government's job-creation strategy seemed to be to have job spin-offs from megaprojects. If the Prime Minister would visit southern Ontario, the industrial heartland, as I have recently, he would see that the Government's job-creation strategy, continued in the budget, is basically the NEED Program which offers jobs like the raking of leaves, cleaning up of brush, and so on. Is that the message the Prime Minister wants to give to the young people of Canada, that the Government's strategy is raking leaves and cleaning up brush, and that is what we are going to have in the future of Canada?

Right Hon. P. E. Trudeau (Prime Minister): The short answer is no, Madam Speaker, that is not the strategy, that is not what the Minister of Finance has been talking about, and that is not what the Minister of Employment and Immigration has been talking about. The Hon. Member, I guess, shows the level of his ingenuity when he thinks that this $4.8 billion will be spent on raking leaves. He does not have much confidence in Canadians.

In so far as the rate of unemployment is concerned, Madam Speaker, the Hon. Member should be asked to examine his own political and economic thinking on this matter. What is a satisfying rate of unemployment? Is it 8 per cent? Is it 5 per cent? Is it 3 per cent? Or is it less? I remember a great socialist, Nye Bevan, saying that it should be 3 per cent. Now, is not 3 per cent very much unfair for the 3 per cent of unemployed people? How can a well thinking socialist—I am sure admired by the Hon. Member, as I admire Mr. Bevan myself—accept 3 per cent unemployment as not being unacceptable in a just society? The Hon. Member should do some thinking on these problems.

Mr. Waddell: Let me tell the Prime Minister that I have confidence in Canadians, but no confidence in this Government. If the Prime Minister did some reading instead of airy-fairy thinking, he would see that his budget talks about 11.5 per cent unemployment next year, and his own Minister of Finance, as quoted in *The Toronto Sun* yesterday, talks about 7 per cent unemployment. Those figures are totally unacceptable.

INQUIRY RESPECTING CANINE CENSUS

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, is the Prime Minister aware that in Windsor, Ontario, one of his job-creation programs involves a canine census; that is, the counting of dogs? That is the nature of the program. Is the Prime Minister aware of that, and does he believe, as a reader of socialists and so on, that that is the kind of job-creation program that anyone who is at all progressive would introduce?

Mr. McKnight: Lucky you are not a tree.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member talks about 7 per cent unemployment as being unacceptable. What is acceptable to the Hon. Member? Six per cent? Five per cent? Four per cent? Three per cent? Or what? He could just invent some figure that is acceptable to him. If we knew what his principles were, then perhaps we could discuss the practices.

Oral Questions

PENITENTIARIES

OBSERVANCE OF NATIVE SPIRITUAL RIGHTS—HUNGER STRIKE AT B.C. INSTITUTION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Madam Speaker, I have a question for the Solicitor General. Will the Minister say what his Department is doing to resolve the serious situation at the Kent Maximum Security Penitentiary in British Columbia where several Indian inmates are in the twenty-third day of a hunger strike because they have been restricted from carrying out their Indian spiritual ceremonies. Would the Minister intervene to resolve this serious situation as soon as possible and take steps to see that Indians have the same spiritual rights in penitentiaries as do other religious groups, which I believe is a basic principle in the New Charter of Rights?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, as a matter of interest, native religious ceremonies have not been permitted in Canadian penitentiaries in the past. I decided to change that. I asked the Correctional Service of Canada to design a policy permitting native spiritual observances in institutions. They have designed a policy. The native people in Kent are dissatisfied with that policy, and tried to get an injunction under the Charter. The court has held that the policy which CSC devised was a satisfactory one so far as the Charter is concerned, from my understanding of the judgment. I have asked to see that policy myself. I am now in the process of reviewing it to see whether changes can be made. However, I think the Indians are going a long way when they characterize this new policy, which first allows religious observance in institutions and native observance, as a form of genocide, and I think it not unreasonable that there should be some restrictions on the amount of religious material and equipment which each Indian should be allowed to have in his cell. I want to review the policy, as I say, but I am very pleased that a great deal of progress has been made on this subject in a very short time.

* * *

• (1130)

LABOUR CONDITIONS

REQUEST FOR ASSISTANCE FOR UNEMPLOYED

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I was not yet finished with the Prime Minister.

Some Hon. Members: Oh, oh!

An Hon. Member: He's on his last legs, too.

Mr. Waddell: I wonder if I could ask him a further question, seriously. I have in my hand a letter from an action group of unemployed people. These groups are going up all over the country, and they cannot direct a question to the Prime Minister, so maybe I can.

In the letter the writer states that he asked some grade four students what they would do if they were Prime Minister. One of them said, "If I were Prime Minister, I would gather taxes for the poor and help them to find jobs."

I therefore want to direct this final question to the Prime Minister. If we are to have a high rate of unemployment, which seems to be Government policy in the budget, in the statements of the Minister—I believe in full employment, but apparently the Government does not—I want to ask the Prime Minister how he will get money, real money, to these people. How will he redistribute money to these people who will suffer among the 11 per cent or 12 per cent unemployed in our society? Is this his idea of a just society? If it is not, how will he redistribute some income to these people so that they will have satisfactory and full lives like the rest of us who are working?

Right Hon. P. E. Trudeau (Prime Minister): The Hon. Member repeats again that he is in favour of full employment. He has failed, in my three attempts to get a view from him—

Mr. Waddell: I'm asking the question. Why don't I get some answers?

Mr. Trudeau: Oh, this is a cross-examination, Madam Speaker. I still do not know how the Hon. Member can speak of full employment and not be able to define it, at what statistical level he would find unemployment to be correct for a just society. However, I think he has quoted to me a good source for an answer to his question. I think that fourth grade student gave a very good answer. If the Hon. Member goes and meets with the fourth grade student, I bet he will get explanations as to why the Minister of Finance is doing the right thing, because if I understood correctly, the fourth grade student said that the Minister of Finance and the Prime Minister should gather taxes and give jobs to people. That is what the Minister of Finance is doing in his budget, with some $4.8 billion which the budget has—

Mr. Waddell: And jobs counting dogs?

Mr. Trudeau: —earmarked in order to give jobs to people. Some of it will be given to the private sector, with some $2.4 billion having been set aside for that. The other will be job creation in infrastructure by the federal Government. I would think that even the fourth grade student would be able to explain to the Hon. Member that one does not have to count dogs in order to build the infrastructure. I do not see how that would help.

What one can do is build airports, harbours, public works programs, encourage all kinds of—well, the Minister of Finance was giving examples to the Hon. Member for St. John's East the other day—make sure that the search and rescue apparatus is upgraded, make sure that Coast Guard ships are built. All these are things which Canada needs.

The kind of idea that Nye Bevan and the other Bevan were developing some 30 or 40 years ago should reach the Hon. Member. He should know that there are more things on the shelf than projects for counting dogs. He should be able to tell

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, you would not allow me to list them all. In the farm community there are groups like UGG, Unifarm, and Palliser. There are many groups in the West on the farm side who are strongly in favour of what they think the Bill is all about.

In the non-farm community it is generally accepted that this is the way to proceed. I will send my hon. friend a copy this afternoon of the list of people who have expressed a desire to see a Bill of this kind introduced.

Mr. Kilgour: Some of those groups were in favour of the Gilson plan. My understanding is that a much lesser number of them are in favour of the Minister's plan.

SASKATCHEWAN PETITION OPPOSING CHANGES

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, will the Minister give us his reaction to the 108,000 people in Saskatchewan who signed a petition opposing his plan? Will he tell us again why he thinks his plan is fair and equitable for the farming and urban communities in western Canada?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, obviously I cannot do that today, but when the Bill comes in I will do so. The difficulty to which my hon. friend alludes is one that inevitably comes with attempts to compromise. With respect to the method of payment, some say that 100 per cent should be paid to producers while others say that 100 per cent should be paid to the railways. Gilson himself compromised with 81 per cent to the producers and 19 per cent to the railways. So there has to be a compromise. You cannot accommodate everyone 100 per cent.

That is what we have done with the 50-50, in the knowledge that we did not have a monopoly on good intentions or intelligence and that, after a period of time, there would be a major review. This is the commonsense approach that we have taken. I regret that it has not yet gained unanimity in the West, but it is on its way.

* * *

FINANCE

PLIGHT OF BORROWERS COMMITTED TO HIGH INTEREST RATES

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, in the absence of the Minister of Finance I wish to address a question to the Minister of State for Finance. He will know that the Minister of Finance has repeated in the House on several occasions that he feels people who are locked into high interest rate morgages for a long period of time should be treated fairly and equitably by the lending institutions.

Is the Minister aware that the Farm Credit Corporation has people locked into mortgages at 16.75 per cent, and that the Federal Business Development Bank has Canadian businesses locked into interest rates of 22 per cent for long periods of time? Does he think that it should not be possible for them to refinance with the same institutions?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, when the Minister of Finance was asked that question, I recall that it was in regard to people who had mortgages on homes. So the specific question and the answer of the Minister related to home purchases.

Obviously the principles must be the same. First, the response is that over the last two years most of the mortgages have been short term rather than long term because of the high interest rates. The majority of people who are so-called locked in, are under contracts that are not of a long duration. Second, the Minister indicated that those companies that let mortgages at the high rates of course had to take money at rates that would cover their operations.

Having said that, the Minister undertook to talk to representatives of the banks and trust companies who are handling mortgages so that they would be as sensitive as possible to difficulties in particular cases.

RATES CHARGED BY CROWN CORPORATIONS

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my supplementary question is for the same Minister. I think he made the point precisely that the Minister of Finance was indeed talking about home owners, perhaps over 700,000, who are locked into high interest rate mortgages for periods of time, both short and long.

The federal Government does have the responsibility for two Crown corporations; the Farm Credit Corporation and the Federal Business Development Bank. Both of those are lending money over long periods of time. If the Minister can find $200 million out of thin air overnight for some programs, why is it not possible for the federal Government to have the sensitivity that it is asking of the traditional lending institutions, on behalf of the people who are committed to long term mortgages with those two Crown corporations?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I think if we accepted the Hon. Member's invitation to transfer $200 million to the banks of Canada or the trust companies of Canada, the next complaint we would hear from the Opposition is that it is a give away program to the private sector. Rather, the Minister indicated that the additional $200 million would be on top of the $4.6 billion infrastructure program. Of that, $2.4 billion goes toward immediate job creation in the country. We know that people are concerned about high interest rates, but there are many Canadians concerned about jobs immediately. That is why that $200 million was allocated toward jobs. I do not understand the Opposition's criticizing that move to put an additional $200 million toward the creation of jobs for Canadians.

• (1150)

THE BUDGET

REVIEW OF PREPARATORY PROCESS—GOVERNMENT POSITION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my question is directed to the Minister of State for Finance. During the course of the last week, with the unfortunate events surrounding the Minister of Finance, he made some suggestion that he was not happy with the closed atmosphere that surrounds budget making, that he thought it was too secret a process. Could the Minister tell the House whether or not the Government has under review the question of opening up the budget process? If that is being actively considered, in a broad, general way, how is that process envisaged by the Government?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I thank the Hon. Member for his question. That is a very important aspect of Government structure and parliamentary business. It was as a result of that kind of question and the concern raised by the Hon. Member that, for example, in June last year the then Minister of Finance issued a Green Paper calling for public discussion on this very issue. That suggestion was further developed by the present Minister of Finance, by working with the Canadian Tax Foundation in arranging a symposium on the subject with members of the Foundation, I believe scheduled for June or July. These two specific steps were taken to engage response by the public, with the opportunity for the Government to work with that private response on a very difficult subject.

EXAMINATION BY SPECIAL COMMITTEE

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the Hon. Minister will be aware that the Special Committee on Standing Orders and Procedure of the House of Commons indicated as part of its future mandate that reforms relating to the opening up of the budget process would be considered. When the Committee undertakes that kind of investigation, can it be assured of assistance and help by the Minister of Finance, the Minister of State for Finance, other Government colleagues and the Public Service of Canada, in examining this very important procedure that goes right to the heart of the events which occurred last week since budget making is not only a financial but a social policy process?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, of course I cannot speak for the agenda or the timing of Committees of the House, or what will be their work schedules, but I can say to the Hon. Member that the Minister is very concerned about it. There is no question that he will engage all Canadians, as well as Members of Parliament, because of their very constructive concerns about the process. The Minister has indicated—and it is my perception as well—that the time has long come for an examination of the entire process in order to move what I think is an antiquated procedure, into this century.

COMMUNICATIONS

SATELLITE TELEVISION RECEPTION DISHES—OWNERS' DILEMMA

Hon. John M. Reid (Kenora-Rainy River): Madam Speaker, my question is directed to the Minister of Communications. It concerns the reception of television broadcasts via satellites. The Minister has announced a new policy on the Government's approach to this, but there seems to be a gap between the policy announcements of the Minister and the law as it exists. For those individuals and organizations who have satellite receivers in place receiving off satellites, legally according to the Minister's new projected policy, but illegally according to the law as it now exists, are they to take down their receivers and wait for the law to be changed, or will they be allowed to continue to receive according to the Minister's new law? What has to be done to end this confusion?

Hon. Francis Fox (Minister of Communications): Madam Speaker, actually there is no confusion. If the Hon. Member reads the policy documents he will see very clearly that we have indeed liberalized individual receptions of satellite signals for individual purposes. Also we have indicated that in months to come the CRTC would be considering applications from present licence holders to increase the range of signals being made available to licensed operations such as cable operations. I can only suggest to the Hon. Member that any of the licensed cable operations in his area that are interested in increasing the number of available signals could make application to the CRTC.

Also I point out that less than a month ago the CRTC brought down a decision increasing the range of television services available to northern communities by modifying the licence issued to the CANCOM operations, allowing them to put on Canadian satellites the three plus one services which are available to other parts of the country. Indeed there have been a number of measures taken, not only the measures indicated in policy documents but ones of a concrete nature which have allowed over the past year an equalization of service opportunities throughout Canada.

* * *

NUCLEAR ARMAMENTS

REQUEST THAT PRIME MINISTER MEDIATE TO SECURE NUCLEAR WEAPONS FREEZE

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, my question is directed to the Prime Minister and it has to do with the growing concern of people globally about the nuclear arms race, particularly the proposed testing of the Cruise missile in Canada. Many people do not believe that a further build-up would be any kind of a deterrent. In light of the fact that the Prime Minister has a very good international reputation—it might be as good as any Canadian Prime Minister has ever had; certainly much better than his reputation in Canada—instead of involving Canada further in a nuclear arms build-up in the world, would he offer himself

and the Government of Canada as mediators to work toward a meaningful freeze of nuclear weapons, and at some point in the future to work toward the elimination of nuclear arms?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member would know that I have done a great deal in Canada to denuclearize our whole approach to defence. I did that in Canada, and I did that in NATO by denuclearizing our planes in Germany.

In so far as the over-all progress toward the reduction of nuclear arms is concerned, the Hon. Member would understand that it is not something Canada can do directly. It will depend ultimately upon negotiations between the two super powers. Canada as a member of an alliance, of which the United States is also a member, has made many suggestions in order to improve progress toward nuclear arms reduction.

I do not happen to think that the freeze is a good solution, certainly not a unilateral freeze. If we are talking about a freeze, and a verifiable one, it would certainly involve negotiations as to what we freeze, how, at what rate and how it is verified, which would be extraordinarily complex, intricate and lengthy. Rather than talk about a freeze, I think our side is correct in talking about a reduction which will take the same kind of verification and detailed negotiations. It is those negotiations which are going on now between the super powers. It is these negotiations which Canada is monitoring as closely as it can.

I think there is an honest division of opinion in Canada on whether or not the Cruise should be tested here. All I know is that that matter in a real sense, whichever way it is decided, will not be the crucial decision. The crucial decision is how quickly the two super powers are prepared to begin reducing their arsenal of atomic weapons.

Mr. Anguish: I was not talking about unilateral disarmament. I think the Prime Minister can play a meaningful role as the Prime Minister in mediation between the super powers because of his international reputation.

PROPOSED TESTING OF CRUISE MISSILE

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, my supplementary question is also directed to the Prime Minister. We have come one step closer this week to testing the Cruise missile in Canada. I think that is unfortunate. There has been a great deal of secrecy around the agreement leading up to the testing of the Cruise missile. Will the Prime Minister assure the House that there will be a ministerial statement made by either himself, the Minister of National Defence or the Secretary of State for External Affairs, outlining the steps which have been taken so far and what will be the future stpes leading up to the proposed testing of that missile, before any further agreements are signed allowing Cruise testing to take place?

Tabling of Documents

• (1200)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I could make a short statement within the framework of the Question Period. I suppose the next step would be for the United States to reach the conclusion that it is ready to ask to test the Cruise Missile in Canada. The step after that would be for the Cabinet to examine whether we should accede to that request or not. We would be happy to have views from the Hon. Member on the subject.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, April 21, 1983, meet the requirements of the Standing Orders as to form.

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, seeing that you have found my petition correct as to form, I would ask that the Clerk now read the petition.

Madam Speaker: As the Hon. Member knows, that request can only be complied with by unanimous consent. Does the House give its unanimous consent to the reading of the petition?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: The Hon. Member does not have unanimous consent.

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PRIVILEGE

MR. STEVENS—REVISED BUDGET TABLES ALLEGED MISLEADING

Madam Speaker: I am prepared to rule on the question of privilege raised by the Hon. Member for York-Peel (Mr. Stevens). However, as is usual, I would prefer to delay the ruling until the Hon. Member is present in the House.

ROUTINE PROCEEDINGS

[*English*]

THE BUDGET

TABLING OF REVISED BUDGET TABLES

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, in accordance with Standing Order 46(2), I

am tabling in both official languages revised budget tables dated April 22, 1983.

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, I rise on a point of order. I would like to ask the Minister of State for Finance (Mr. Cosgrove) whether this is in response to the request by the Hon. Member for York-Peel (Mr. Stevens).

Madam Speaker: I suppose the Leader of the Opposition may find that out when he consults the documents which have now been tabled.

Mr. Nielsen: I doubt it.

* * *

POINT OF ORDER

MR. MUNRO (ESQUIMALT-SAANICH)—REQUEST FOR INDEX TO PERMANENT AND PROVISIONAL STANDING ORDERS

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise on a point of order. My recollection is that when we agreed to the Permanent and Provisional Standing Orders taking effect at the beginning of this part of this very long session to be accepted for use in this particular part of the session for this calendar year, there was an undertaking that there would be an index provided to supplement the Table of Contents.

I have raised this question on a number of occasions. I raised it on that first day. I have raised it quite frequently since then. I understand there were requirements of the Queen's Printer, as I hope she is still called, to produce the index as soon as the budget papers have been corrected, amended, re-corrected, re-edited and now revised. I gather that that process is now complete. It may or may not be complete; there may be more revisions.

The index to our Standing Orders, permanent and provisional though they may be, is a matter that concerns all of us. I am just reminded once again that we are all waiting, not with bated breath because we would be out of breath if we were to continue bating our breath like this, for this index. I hope that within a measurable period of time we will see that index to the Permanent and Provisional Standing Orders of the House of Commons.

Madam Speaker: I have to thank the Hon. Member for his patience because I know how eagerly he is waiting for this index in order to be able to refer more easily to the Standing Orders. His patience is only equal to mine because I need this index even more than the Hon. Member. I must tell the Hon. Member that the Queen's Printer is actually printing the index, but there is trouble with the cover. The last news is that 200 copies will be ready on Monday. I will be getting those 200 copies. I am not in a position to determine, but I guess they will be distributed on a first come, first served basis.

Mr. Munro (Esquimalt-Saanich): Is the cover coming out in a blushing red, Madam Speaker?

Madam Speaker: I have no idea!

Mr. Baker (Nepean-Carleton): May I respectfully suggest that the Hon. Member for Esquimalt-Saanich (Mr. Munro) get the first copy and that it be autographed by you, Madam Speaker!

Madam Speaker: Good idea.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, the following question will be answered today: 4,721.

[*Text*]

JOHNS-MANVILLE CANADA INC.

Question No. 4,721—**Mr. Blenkarn:**

1. Has the Government received a request from Johns-Manville Canada Incorporated for a grant for $35 million to maintain its mine operation in Asbestos, Quebec?

2. Has the Government advanced any money by grant or loan or loan guarantee during any of the past five years to this company?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Departments of Industry, Trade and Commerce and Regional Economic Expansion are concerned:

1. Both of these Departments do not make public, for reasons of commercial confidentiality, information on whether a company application for assistance has been received unless and until it results in an accepted offer of assistance.

2. Both of these Departments have not advanced any money to this company by grant or loan or loan guarantee during any of the past five years.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, if question No. 4,712 could be made an order for return, this return would be tabled immediately.

Madam Speaker: Is that agreed?

Some Hon. Members: Agreed.

[*Text*]

FOLLOW-UP OF GILSON PROPOSALS

Question No. 4,712—**Mr. Althouse:**

1. Were four working groups established to do follow-up work on the Gilson proposals and, if so, how many of the persons appointed to serve on the groups were paid for their services from government funds?

2. What was the individual per diem or salary paid in each case where per diems or salaries were paid?

3. What were the specific functions of each of the four working groups?

4. (a) What was the membership of each group (b) what was the name of each member and whom did he/she represent?

5. What amount of Government funds have been expended by each of the working groups to date?

6. What is the total cost of this project expected to be?

7. On what date is the work of each group expected to be at an end?

Return tabled.

[*English*]

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

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

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

Madam Speaker: Shall all orders listed under Private Member's Public Bills preceding No. 454 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

[*English*]

Mr. Lambert: Mr. Speaker, I again raise the point that I made the other day with regard to the other Private Members' Business and the calling of Private Members' Public Bills. Bills numbered in the 400s and 600s are not being called. There was a procedure laid down which was followed with regard to Members getting a draw and then Bills were listed in the order that they were presented. It is a simple matter for those who may be in charge, whoever they may be, and God only knows because no one else knows, to draw up the precise order.

It is my view that many of the Bills in the 200s and 300s should have been called. Those persons doing the staff work should see if Members are prepared to discuss their Bills. Many of us should have been called, but we did not receive any calls. Lo and behold, out of the blue some Bill comes up for discussion on Private Members' Day. I object to that system. Those of us who have had Bills on the Order Paper for three years should bet a call long before those who have placed Bills on the Order Paper in the last six or nine months and, in some cases, within the last six weeks.

The Acting Speaker (Mr. Blaker): The Chair is in somewhat of a difficulty. Perhaps I can take a moment to explain. Private Members' Bills, Notices of Motions and Motions for Papers were organized some years ago by the office of the President of the Privy Council. It would be beyond my scope to speak knowledgeably as to how these Bills are brought forward from day to day. I know from personal conversations I have had that an effort is made to give every Hon. Member the opportunity to present and debate his Bill, Motion or Notice of Motion for Papers seriatim in the order in which it has been called from the draw.

• (1210)

Many Members, as the Hon. Member knows, will find they are busy on the particular day they are called, or for one reason or another they may not want to proceed. I have indicated that that is not within the scope of the Chair. The Hon. Member may want to argue that it ought to be within the scope of the Chair and under the responsibility of the Table. But even if he does so wish to argue, I think we would have to look to some further form of discussion in order to arrive at that point. For the moment, the Chair presumes that there has been what I might call a good faith organization of this material, and what I put before the House is the result of a procedure that is followed elsewhere and is hopefully to the satisfaction of the Members.

I do not know that I can now take the discussion any further. Perhaps the Hon. Member himself may wish to comment further. The Chair and the Members will be pleased to hear his comments.

Mr. Lambert: Mr. Speaker, I believe I made it clear from the very beginning that I certainly do not impute responsibility on the Chair but on the system behind the Chair. The Chair's original role is to preside at the draw for the 50 priority places and the Members then have the right to elect within those 50 places whatever Bill they wish to bring forward. But beyond that there must be a system.

I do recall, not so long ago, when the prior Parliamentary Secretary to the President of the Privy Council would come to the Opposition or whoever had Bills and say: "Is the Hon. Member prepared to go forward with his Bill either this week or next week?" That way, there was some order to the sequence.

I do not raise this objection simply because I am not on this week's list, but someone indicated to me that if I were ready to go forward with the first of the Bills that I have, then I would likely come forward. That is not my point. The system at the present time is just not working right.

The appearance of debate today almost seems to suggest that every week someone in the Privy Council office—and why it should be the Privy Council office handling Private Members' legislation is beyond me—merely dips into a basket and comes up with two or three names, and depending upon the

order of business to be dealt with, either papers or Private Bills or Private Members' Public Bills, we then proceed. I object to that because it means that we are to keep filing our Private Bills, and if the luck of the week's draw happens to favour you, it is like winning one of the lotteries. That is not right.

Mr. Crosby: Mr. Speaker, on the same point of order, may I make a brief intervention with respect to the problems and questions raised by the Hon. Member for Edmonton West. I share his concern about the conduct of Private Members' Business. I know it is of concern to a number of Members and it bears some close examination.

I would like in passing to record a very simplistic suggestion which I think might relieve some of the concern of Members with respect to the notification of what is to transpire regarding Private Members' Business. In particular, may I put on the record a suggestion that could be considered at some subsequent point by the Chair and by the Officers of the House of Commons. We now receive in some cases notification of what are the projected items for Private Members' Business. In fact, I have in my hand a document that is dated April 21, 1983 that lists the items to be considered or projected to be considered today in Private Members' Business.

I would simply make the suggestion that once this projection of Private Members' Business is known, it be communicated as quickly as possible to all Members so at least they will know as quickly as possible what the projected business is. I realize that similar notification can be posted and so on, but that has proved not to be successful.

I would ask the Chair and Officers of the House to consider whether there might be some more effective method for notifying Members, and preferably as much in advance of the time for considering Private Members' Business as possible. In the normal operation of the new Standing Orders, Private Members' Business is considered on a Wednesday, so that such a notification should be given no later than the preceding Monday.

Mr. Taylor: Mr. Speaker, I would like to say that I agree wholeheartedly with the remarks made by the Hon. Member for Edmonton West. I do not know how these matters are chosen. Surely there is some kind of a system. But here we are dealing with Bills going right back to No. 22, and, we are now dealing with those in the 400s and the 600s. I do not know how this is dealt with.

For weeks the Hon. Member for Vaudreuil was requesting papers from us and Bills were not even considered. I have a hunch that part of this difficulty is because the Government refuses to follow precedent by calling a session each year. We should have had a session called in 1981. There should have been a new session in 1982. There should have been a new session in 1983. Instead of that, we are still in the same session.

I know what the Government is trying to do. It gypped Private Members out of two days a week for several weeks, because after the first 200 hours of Private Members' Business only two days a week are allowed. Now under the new rules we are still gypped out of at least one Private Members' hour with the three hours allowed on Wednesday, and for this week on Friday. If the Government would follow precedent and start thinking about the country instead of itself, we would not have this difficulty. Many of these things would be taken care of.

The British House of Commons invariably starts a new session every October except when there is an election in the middle of the year. Invariably the Queen reads the Speech from the Throne. If the Government does not have its Bills finished, too bad. It is the Government's responsibility to get important legislation into the House in time for it to be finished. In the British House, if this important legislation is not finished, too bad. The House must start over again the next year. That is the way it should be.

We in Canada should follow this precedent by having one session a year, not one session that is now in its fourth year. Here is where the difficulties arise, and the responsibility for that rests entirely on the doorstep of the Prime Minister and the Government.

Mr. Gauthier: Mr. Speaker, I draw to the attention of the House that we are at this time engaged in debate on something that I fail to understand. The Speaker asked if there was unanimous consent to hold all Bills prior to No. 454. I have agreed.

I understand the concerns of some Members and I share those concerns. Sometimes we are not consulted as to the order in which Private Members' Bills are to be called on days like today. But I do not want to take any more time from the Hon. Member whose Bill has been called. I agree, and I did not hear anyone disagree, that we should proceed with Bill C-454.

Mr. McGrath: Mr. Speaker, I hope you will hear my comments although they may not be entirely relevant to the discussion. Since you are listening to grievances regarding Private Members' Business, I thought perhaps I would take this opportunity to cite my grievance. I can leave it for the learned Officers at the Table to muse over and perhaps advise Your Honour.

I had a Private Member's Bill which was considered by the House last fall. The precise time last fall escapes me at the moment but it was late last fall. There was an agreement in the House that the subject matter of the Bill would be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts. It was referred but it has not yet been considered by the Committee. I have no control over that because I am not a Member of the Committee. It is a Private Member's Bill and has nothing to do with the policy of this Party. It is strictly my own personal opinion that is reflected in the Bill.

• (1220)

If the House agrees to discharge the Bill and I agree to have the order withdrawn on condition that the subject matter is referred to the Committee, then it becomes an order of the House and is referred to the Committee. If the Committee refuses to deal with it, however, where does that leave me?

What recourse do I have? I should like the Committee to take that under consideration.

I did not raise this matter earlier because I did not want to take up the time of Private Members, but now that we are into this grievance session I raise it. It is a Bill that I have had for ten years or more and deals with our attitude toward children on television and how we use children as surrogates with regard to advertising. It would open up the whole area of Government policy with regard to television and how it deals with children's programming and that kind of thing. There was general interest in it throughout the country but it reflects my personal opinion.

I agreed to having the order withdrawn on condition that the subject matter be referred to the Committee. That was done and the order of the House was made. The Bill was referred to the Committee but the Committee has not dealt with it to date, and I would like to know what my position is.

The Acting Speaker (Mr. Blaker): I think it is obvious to the House that there is some measure of dissatisfaction with the procedure being followed with respect to Private Members' Public Bills, Motions and Notices of Motions. The Table has provided me with a copy of the ruling by the then Deputy Speaker Laniel dated December 5, 1977 in which he reviewed the practice. He indicated that in his view the House at that time had found satisfaction. I make reference to that ruling and the date because I think it will relate to my next suggestion.

It seems to me that if the Hon. Member for Edmonton West were simply to indicate, or make a motion perhaps seconded by such other Hon. Member as may feel the same way, that in view of the fact that the Standing Committee on Procedure and Organization is reviewing all of the Standing Orders and procedures of the House and that there is a strong feeling about this, the Standing Committee should examine this issue to the eventual satisfaction of Members. That might be a very direct and satisfactory way of putting the matter before the Standing Committee.

Mr. Lambert: With the greatest respect, Mr. Speaker, I would be attempting to put on a debatable motion and I do not think that I could. I have already intruded into the time of the Hon. Member who had the first item. I would agree that he be given an hour and that we just extend the time to so provide. I raised the point of order with regard to the drawing of Bills but I do not want to cut in on whoever is on the list for today. I shall write a very positive letter to the Chairman of the Committee.

The Acting Speaker (Mr. Blaker): It seems to me that the Hon. Member has resolved the point of the order. In that case perhaps we could proceed with the Bill standing in the name of the Hon. Member for Vancouver-Kingsway (Mr. Waddell).

NATIONAL PARKS ACT

AMENDMENT TO ESTABLISH PARK ON MORESBY ISLAND AND ADJACENT ISLANDS

Mr. Ian Waddell (Vancouver-Kingsway) moved that Bill C-454, an Act respecting a national park on Moresby Island and its adjacent islands, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

He said: Mr. Speaker, this Bill involves the creation of a park on south Moresby Island, which is in the Queen Charlotte Islands off the northwest coast of British Columbia amid the rainswept fiords and rugged mountains in the former ancestral home of the Haida Indians. Hon. Members may recognize the geography if they recall some of the wonderful pictures of the last remaining Haida totem poles in a state of nature on the West Coast.

I have a problem with my Bill. I found out that another Bill has been presented in the British Columbia Legislature by Mr. Lea, an Opposition MLAS. It is Bill M-208, the Southern Moresby Wilderness Park Act. His Bill is more detailed than mine and the area is better defined. In my Bill I had some problems with the definition of the area and so on.

I would ask leave of the House to let my Bill stand. Mr. Lea may shortly be in a position to implement his Bill. For other reasons as well I should like to have a chance to redraw the boundaries in a better way in my Bill. Whether we do it federally or provincially, in the end we should retain this unique area in Canada. It is a world ecological site, along with the pyramids and things like that. We should retain it for the future.

I know that many Members have indicated support for the Bill but I would ask that it stand until I can deal with the changes I have outlined.

The Acting Speaker (Mr. Blaker): The House has heard the Hon. Member's motion. Is it agreed that Bill C-454 be withdrawn from debate for today and allowed to stand?

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, what I am concerned about is whether this should not be in the form of a resolution. A very considerable expenditure of funds is involved in the creation of a national park. The Hon. Member's idea is very commendable but I would have thought it would be presented in the form of a resolution that the Government of Canada give favourable consideration to the creation of such a national park. To that extent I would say that I think he would be wise to withdraw his Bill because I think it is entirely out of order.

Mr. Waddell: Mr. Speaker, I thank the Hon. Member. He has been around the House a lot longer than I have and I appreciate his wisdom. I was hoping that I could achieve what I want by other methods, perhaps in the provincial area. I would ask the Hon. Member for Edmonton West if he would bear with me and agree to allow the Bill to stand. When I have another look at it I may want to withdraw it and put it in the

form of a resolution. But I would like to have the option, so I would ask the Hon. Member not to stand in the way of consenting to have the Bill stand.

Mr. Lambert: Agreed.

The Acting Speaker (Mr. Blaker): It is the understanding of the Chair that there is unanimous consent that the Bill shall stand.

Some Hon. Members: Agreed.

Bill stood.

The Acting Speaker (Mr. Blaker): I now have to put the question which Hon. Members will realize is basically the issue which took up the time of the House for half an hour under points of order.

Shall all orders listed under Private Members' Public Bills preceding No. 318 be allowed to stand by unanimous consent?

Mr. Taylor: Mr. Speaker, what would you do if we said no?

The Acting Speaker (Mr. Blaker): I would begin by calling the order numbers seriatim. Is there unanimous consent?

Some Hon. Members: Agreed.

* * *

• (1230)

CANADA ELECTIONS ACT

AMENDMENT TO ESTABLISH MOBILE POLLING STATIONS FOR NON-AMBULATORY ELECTORS

Mr. Donald W. Munro (Esquimalt-Saanich) moved that Bill C-518, an Act to amend the Canada Elections Act (mobile polling stations), be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, this has been an interesting interlude, if I may call it that, with respect to the order and manner in which Private Members' Bills are chosen. I do not have the actual Order Paper here describing the three Bills which were to be discussed today, but they are not in any order which one could determine from their numbering.

The Hon. Member for Edmonton West (Mr. Lambert) did raise the question of how the selection is made. I could indicate, as I am sure any other Hon. Member who has a Private Member's Bill come forward could indicate, that notice comes about as a result of a telephone call. I received such a call yesterday or the day before asking whether I would be prepared to have my particular Bill come forward. I was ready for it, but I am not satisfied, like many other Hon. Members, that this is the best way to proceed. We could revert to the practices of the past, which sometimes proved to be a pretty good order of doing business, and have the Bills selected in order after discussion with the Hon. Members involved to assure they would be here on the day their Bills are to come forward.

Another aspect of the Private Member's Bill is Private Members' Day, itself, which was not mentioned. It does not have anything to do with the change from the Wednesday to the Friday. It has to do simply with the matter of the three hours. There are never three full hours for debate on Private Members' Bills even on a Wednesday, Mr. Speaker. There are always matters such as Questions on the Order Paper and all sorts of other items which are brought forward.

I do feel, therefore, that we should take that into account. I am going to suggest, Mr. Speaker, that the proceedings of today, particularly the matter which was raised by the Hon. Member for Edmonton West and the discussion which followed, all of which contributed to this particular matter, be especially referred to the Special Committee on Procedural Reform so that it might consider the wishes of the Hon. Members as to the disposition of the three Bills on Private Members' Day.

I am delighted that my particular Bill has finally come forward for discussion. It was given first reading three years ago almost to the day, on May 2, 1980. One of the criticisms which we all have of Private Members' Business is that there is an undue delay. The Hon. Member for Bow River (Mr. Taylor) mentioned that it is largely as a result of the failure of the Government to have a second session in this particular Parliament, or probably now a third session, so that there would be some order in the numbering of our Private Members' Bills. That may be one of the reasons why my Bill, which has the number 518, is unusually high on the list. The draw should work and then one should go through the other Bills, seriatim, but with plenty of advance notice.

Another matter related to these current rules which provide for the consideration of three Private Members' Bills on Wednesdays is that there be sufficient advance notice for the Hon. Member whose Bill is being brought forward so that he may find friendly disposition in his own Party or in other Parties of the House to have the Bill discussed in a suitable manner. Therefore, I do suggest that today's proceedings be referred to that Special Committee so they might consider the views expressed here today.

I have another complaint, Mr. Speaker, if that is the way to describe it, and that is that this Bill was introduced on May 2, 1980, very shortly after it was re-written and re-presented, immediately following the election in 1980. That is a time when all of us come back here with memories of errors or corrections which we want to make in the Elections Act—and I am talking about revisions in the Elections Act. I have talked about the permanent voters' list, for example. That is something which I have felt for a long time ought to be inaugurated. It would shorten the length of the election period, for one thing, and I believe it would also be cheaper, although I have had arguments to the contrary. While the memory is still fresh in our minds, Mr. Speaker, that is the time to discuss a matter such as we have been asked to discuss today, not three years after the event.

There is another element which I have had in mind to suggest as a modification to the Elections Act. I believe that

the same privileges which exist for rural voters should be transferred to urban voters and urban voting stations. If these people, rural voters, are away during the time of the enumeration, they should still be sworn in and able to be put on the list. These things are forgotten three years after the event. I cite those examples as the most obvious.

This present Bill, Mr. Speaker, has a special purpose. I feel that it is time we made better provisions for the disabled, the handicapped, the aged and the shut-in so that they might vote.

There is one other category which I feel I should include, and that is the person who is in an emergency situation. If they are taken to the hospital because of an accident or because of sudden illness and they are deprived of their vote because they did not vote during the advance poll, they should have that opportunity. The proxy vote provision I believe is generally acknowledged as a complete mess and a failure. It does not work. I suggest, therefore, Mr. Speaker, that this particular Bill is intended to deal with that situation.

I tried the same idea once before back in 1976 after my second election. It appeared as Bill C-336. The subject matter was referred to committee where it was discussed. I have now been through four elections. On that earlier occasion I had been through only two and was perhaps not as conversant with the manner of dealing with a subject matter of that sort in Committee. However, if the subject matter of this Bill could be referred to Committee, which I would be very happy to see happen, I would be much better prepared to defend what I am intending to do through this Bill before that committee.

The last time I was before the committee on this subject I heard some of the most extraordinary rationalizations trotted out by a number of Hon. Members as to why this particular notion is not practical. What I am intending to do in this Bill, Mr. Speaker, in its simplest terms is to bring the ballot box to those who have difficulty getting out on voting day, for whatever reason.

• (1240)

The regulations for working out such a system should not be too complicated. We already have over 100 rules in the Canada Elections Act, falling into two categories under Appendix A and Appendix B. Another one or two rules to deal with mobile polling stations could be inserted without too much difficulty. Of course, the rules would have to deal with the security measures required to make sure that the ballot boxes are properly looked after at all times. That is done in any event by the polling clerk and scrutineers who should accompany the mobile van.

How do we ensure that those who vote by this method are struck off the voters' list in the place they would normally vote, so that second votes do not take place? I think that is very important and can be done. This Bill does not deal with the particulars of the manner of notification of a desire to make use of the mobile voting station. It might be two weeks or three weeks advance notice. When might the mobile poll be taken? Well, for example, on the days of the advance poll, or even a week prior to voting day. It might be two or three weeks prior, once the voters' list is stabilized.

How are the votes to be counted and distributed to the various constituencies where they belong once they have been deposited in the ballot box? Of course, there will have to be provision for the write-in vote because, as was suggested in the last committee hearing, it would be quite impossible that there be a collection of printed ballots for Montreal, Toronto or Vancouver. They are huge cities with several hospitals, for example, where the mobile poll would go and there would be people in those hospitals from several constituencies. I think there must be a method whereby, once the ballots are collected, they be distributed to the appropriate balloting station.

What service then is to be offered? To my mind, Mr. Speaker, the mobile poll should on appropriate notification call at hospitals as well as extended care facilities or nursing homes for the elderly. Even individual homes for individual voters. The proof of the need for the service can be dealt with, of course, in the regulations.

As has already been mentioned, provision will have to be made for advance notice of this particular need.

There have been many arguments put forward against this idea and that polls can even now be installed in hospitals. Well, all hospitals are not prepared to have these comings and goings. For example, a minimum of 25 people is required in order to have a poll installed in a hospital. The polling boxes are taken around from bed to bed. That is fair enough and that can be done. But if it can be done that way, I do not see why it cannot be done with a mobile poll. Having a separate polling station there to which the general public in the surrounding area might attend I think is not a very practical solution because of the unwanted and unneeded traffic withing a hospital. This applies to extended care facilities and nursing homes as well. I do not think they are prepared to put up with that sort of thing. So that many of the arguments advanced during the hearings I felt were trifling.

I think we should also bear in mind that there is provision in a number of provincial Elections Acts for this very matter. In Alberta, British Columbia and Manitoba, if I remember correctly, there is provision within the Elections Act for mobile polling stations. If it can work provincially, I see no reason why it cannot work federally.

As to notification of the person's home riding once he has voted in a mobile polling station, I think that is a very simple matter. Alexander Graham Bell is pretty well known in this country. There was some mention in one of the hearings that when you get to a hospital in a border area you might have people from another Province voting in that hospital. Still, that can be dealt with. Constituencies do stop at provincial borders, true, but there is a means of contacting the polling officer even in another Province. That comment notwithstanding, I suggest the facility is probably more useful within an urban context than in a rural context.

The write-in ballot provisions may have to be taken into account because, as I say, it would not be easy to have the

printed ballots from a number of constituencies carried around. There are travellers in Canada who unfortunately might suffer an automobile accident and be taken to a hospital and deprived of their vote. Why should they not be able to vote?

For these reasons alone, Mr. Speaker, I urge that this particular Bill be given full consideration and, if possible, referred to committee and that the committee have hearings on it. We have all heard of Bills that get lost when they go to committee. I would like to think that perhaps if we set a six-week or two-month limit, some defineable limit within which this particular subject matter would be heard and a resolution arrived at that would satisfy that problem.

Mr. Ralph Ferguson (Lambton-Middlesex): Mr. Speaker, I will only take a moment of the time of the House on this Bill, the intent of which is certainly correct and proper. I certainly agree with the Hon. Member who moved the Bill that this provision is required in a riding such as my own consisting of 6,500 square miles and we have several hospitals. The only problem I have with it, though, is that to establish one mobile polling station would mean they would never make the rounds in one day within my constituency. So that the Bill could be construed to mean that we have only one mobile polling station in each electoral district.

For this reason, I think that a suggestion to refer this Bill to the Standing Committee on Privileges and Elections is quite proper. It is the Hon. Member's second attempt to have this particular convenience to the voters introduced into the Canada Elections Act, with his first attempt made in 1976 when he introduced a Private Member's Bill in the same fashion. That Bill was referred to the Standing Committee on Privileges and Elections after second reading. It was never reported back to the House.

• (1250)

Therefore, I would move at this point:

That the motion be amended by deleting all of the words after the word "that" and substituting the following therefor:

"Bill C-518, an Act to amend the Canada Elections Act, be not now read a second time, but that the order be discharged, the Bill withdrawn, and the subject matter therein referred to the Standing Committee on Privileges and Elections".

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I am glad that Your Honour called me to second the motion. It is the second time I have had occasion to offer to second a motion presented by the Hon. Member for Lambton-Middlesex (Mr. Ferguson). Now it has actually happened that I have done it. I will not occupy the time of the House for very long because I understand that the Hon. Member for Ottawa-Vanier (Mr. Gauthier) would like to speak for a few moments. He has always had an interest in the Bill.

When the Bill does go to Committee, I hope no one will be concerned about the fact that it appears to speak about a mobile voting station, as if it were singular, per riding. I think that the Interpretations Act would allow the singular to include the plupart and that the regulatory power of the Chief Electoral Officer could be used to deal with that.

The Acting Speaker (Mr. Blaker): Order, please. The Chair has made an error. I saw the sense of agreement of the Hon. Member for Nepean-Carleton (Mr. Baker) and, of course, then proposed his name as the seconder. However, that was an error because the Hon. Member is in fact rising to speak on the subject, and perhaps, with agreement, someone else will second the motion. We will consider the amendment seconded by Mr. Maltais.

Mr. Baker (Nepean-Carleton): Mr. Speaker, it ought not to come as a surprise to any Hon. Member of the House, but your ruling is quite correct. I think that the rule concerning the seconder is something forgotten. I had hoped it would be forgotten today, but it was not.

At any rate, concerning problems, I think that the Chief Electoral Officer tries to meet the problems concerning apartment buildings, extended care and nursing homes. There is a singular problem with respect to hospitals. I must say, representing a constituency with both a rural and suburban make-up, that it would be particularly useful in rural areas. I must say that I can envisage it would be extremely useful in rural areas, where, for instance, extended care facilities are not large enough to warrant a polling station for itself. The people there have as much right to vote as people who live in larger areas.

All in all, I am delighted that my friend, the Hon. Member for Esquimalt-Saanich (Mr. Munro), has once again demonstrated his concern and brought the Bill forward and, as indicated by the Parliamentary Secretary, that it has been accepted by the Government side for consideration, as evident in the motion to withdraw the Bill and send the subject matter to the committee. I support it and look forward to hearing the words of the Hon. Member for Ottawa-Vanier.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I would like to congratulate the Hon. Member for Esquimalt-Saanich (Mr. Munro) for his Bill. I join with other Hon. Members in congratulating him on his success in having his Bill withdrawn, and having the subject matter referred to committee for study and consideration. I say this with tongue in cheek because I tried the same thing not less than a month ago concerning a matter similar to this one, and I was not as successful as the Hon. Member for Esquimalt-Saanich in convincing the Government.

The Bill I presented dealt with the right of Canadians to vote wherever they are at a time of general election, be they travelling abroad, in an embassy, on business, or working for the Canadian Forces overseas, but not as a teacher or as a member of the Forces. I thought the Bill made sense. However, I was not as lucky as the Hon. Member for Esquimalt-Saanich and I will have to go to him to learn a few tricks as to how one gets his Bill through and convinces the Government to act positively in such matters.

I just want to put a couple of comments on the record. I was told at the time that the Chief Electoral Officer, by statute,

must come before Parliament at every session and present a report within 10 days after the convening of the session. I was told that we would have a session, God knows when, some time in the future, at which time the Chief Electoral Officer would be presenting certain recommendations. My argument at the time which, I think, would support the argument of the Hon. Member for Esquimalt-Saanich, was that we indeed did pass a Constitution not a year ago, a resolution adopted by the House. I want to read Article 3 of the Constitution for the Hon. Member because I think it would be very useful in his debate. Article 3 states:

> Every citizen of Canada has the right to vote in an election of members of the House of Commons or of a legislative assembly and to be qualified for membership therein.

In my opinion, that includes those who are physically handicapped, those who are disabled or temporarily in shut-in situations, perhaps as the result of an accident, in a hospital or otherwise. To me, every Canadian, whether he works abroad or is travelling abroad, should also have the right to vote. If I understand it correctly, the idea of a mobile polling station is one which should be seriously considered by the Chief Electoral Officer in areas such as the base at Lahr, where a substantial number of Canadians are working for us who are not eligible to vote at this time because they are not members of the regular Forces or teachers on the base, but are perhaps working in administration or as doctors. A cousin of mine is in charge of radio broadcasting there. He cannot vote, nor can his wife and children.

I find it disgraceful that in a country in which we passed our Constitution less than a year ago, there are still situations where Canadians working for our own Government would not be able to vote if a general election were to be called, and would be disenfranchised because they are outside the country.

I want to congratulate the Hon. Member for Esquimalt-Saanich on his success with the Bill. I agree with the Parliamentary Secretary that it should go to committee. I would hope that he would use the argument that it is a constitutional right. It is one which we have earned and is to be followed and obeyed. He should also present argument concerning the costs involved. If the Committee is to argue costs, for God's sake, let us be frank. Not very many expenditures will be involved, although I know someone will raise it because it was raised before. I am sure the Hon. Member can get around that by saying that we are not adding any extraordinary costs to the process.

Mr. Munro (Esquimalt-Saanich): Not $200 million anyway.

Mr. Gauthier: We are just giving more Canadians, all Canadians, a basic democratic right to vote in any federal election.

Mr. Laverne Lewycky (Dauphin): Mr. Speaker, I welcome the opportunity to say a few words about some of my concerns about Bill C-518. I am definitely very supportive of this particular Bill. It is time we did introduce the measures which are espoused in the Bill. There are already some similar examples in Canada. I am referring to the fact that Manitoba is the leading light in the matter of mobile polling stations.

Mr. Munro (Esquimalt-Saanich): One of the leading lights.

Mr. Lewycky: A number of provisions exist for those electors who are not ambulatory or who live in remote areas. For example, there is provision for mail ballots for individuals who are confined to their own homes. The returning officer, himself or herself, will personally deliver and pick up those ballots. From my own involvement in provincial and federal elections, I have noticed a great contrast.

• (1300)

There is also the provision of a travelling ballot that can be transported by car, together with the ballot box, the poll book, the district returning officers, the scrutineers and poll clerks. Certain areas are designated, such as senior residences, and a poll is held in these areas at a prearranged time.

I wonder if I should call it one o'clock and continue my few remaining comments at two o'clock?

The Acting Speaker (Mr. Blaker): I was allowing time to go by. I thought the Hon. Member wanted to put the matter through prior to one o'clock but I think, from his comments, that he has further remarks to make. In that case we will call it one o'clock and I do now leave the chair until two o'clock this afternoon.

At 1:02 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When the House rose at one o'clock, the Hon. Member for Dauphin (Mr. Lewycky) had the floor.

Mr. Lewycky: Mr. Speaker, I am glad to be able to continue the discussion on this excellent Bill in the name of the Hon. Member for Esquimalt-Saanich. Bill C-518 is an Act to amend the Canada Elections Act with regard to mobile polling stations.

Before we adjourned for lunch, I was referring to the fact that in Manitoba we have had a very profitable experience for a number of years regarding the provisions of voting facilities for the disabled and handicapped. I am very grateful to have had the opportunity to work for three years with the Society for Crippled Children and Adults of Manitoba. During that time the executive director was Mr. Archie Carmichael who was responsible for sensitizing myself and many other people to the needs of the disabled and the handicapped. It is because of pressure from individuals such as he that we were able to introduce changes to the Manitoba Elections Act.

For the benefit of the House I would like to share some of the provisions which are available in the Province of Manitoba.

I believe they would be very helpful and very instructive, assuming that this Bill will be going on to Committee. There are provisions for people who are in hospital. First I should mention that mobile polls in Manitoba are called moving polls. I invite Hon. Members to take a look at the Manitoba Elections Act because some of its provisions have been tested for a long period of time.

As I was saying, people in hospitals are able to vote either in their own stations or in mobile stations. If one happens to be confined to hospital outside his or her district—and of course this is very important for people in rural areas—there is provision for special blank forms which can be used. They can be placed into mobile polling stations as well. In addition there are special provisions for the blind and for those who are in various remand centres. These polling stations are available for those people who are charged with offences but are in detention centres awaiting trial. There is no minimum number of eligible voters necessary to receive this type of ballot service. Returning officers conduct surveys to determine the need. I am very glad to report to the House that to date this has worked very well.

Also there is provision in the Manitoba Elections Act for moving polls for sparse populations. Of course, northern areas pose certain problems. The Chief Electoral Officer has the power to declare any area remote and to have a mail-in ballot. In addition, there are regular polls in as many places as possible in northern areas. For example, in Churchill a ballot box is put on a train and voting is conducted on the train at various sidings. I do not know what will happen now that VIA Rail has cut out services in that area. I notice the Hon. Minister of Transport (Mr. Pepin) is present in the Chamber. Knowing his work and concern for the handicapped, I am sure he will take this matter under consideration and ensure that people in northern areas have these opportunities. I know he is aware that there will be experiments in regard to providing a rail-bus service. Perhaps he could assist in ensuring that these things come into effect so that people in northern areas qualify.

There is another interesting provision which I would like to highlight for the benefit of the House. It deals with disabled persons who may come to polling stations but because of the physical facilities at the polls may not be able to vote there. There is a provision whereby the deputy returning officer can move the ballot box to the disabled person. Of course there is a restriction that the ballot box cannot be moved more than 50 metres from an entrance to the building where a polling station is. I think we might want to look at that provision federally because I know such concerns have been raised with the Chief Electoral Officer. I am pleased to indicate that some of these provisions are under consideration.

In Section 45(22) of the current Act there is provision, where a polling station has been set up in a sanitorium, a home for the aged, a chronic hospital or similar institution, whereby the deputy returning officer can move the ballot box from room to room to people confined in bed. Furthermore, it has been known for the ballot box to be brought outside the polling station to people who are disabled. However, this is not strictly legal. The only provision in the current Act for such situations is that of proxy voting. With the new Charter of Rights and Freedoms individuals will want to vote and cast their ballots by themselves. The current provisions are clearly inadequate, and I mentioned the situation in Manitoba because we have additional provisions there which have been found to be very successful.

I would like to emphasize another point rather strongly. I refer specifically to the Obstacles Report. It is a nice, slick document but I think we should look at the substance of it as well. We ought to look beyond the gloss and glare and at its recommendations. It contains four recommendations which directly refer to voting rights and voting provisions for the disabled. Recommendation No. 5 is that we establish a postal vote system similar to Manitoba's. That is recommendation No. 5 of the Obstacles Report, which has received widespread circulation. It is important that we set up the appropriate machinery and programs recommended in the report to meet the needs of the disabled. It is a report that was worked on by many people.

• (1410)

Recommendation No. 6 is with regard to ceasing the policy of centralizing polling places. It specifically refers to Section 33(9) of the current Elections Act which gives discretionary power to centralize polls. The specific recommendation is that we deal with this and take into consideration the mobility problems of the disabled, the aged and the infirm.

Recommendation No. 7 talks of establishing orientation sessions for polling place personnel on the needs of disabled voters. This is something that should definitely be done. Returning officers of all constituencies and their staff should be provided with special training to ensure that the needs of the disabled are highlighted and provisions for the disabled are understood by all the staff.

Recommendation No. 8 of the Obstacles Report recommends that questions regarding accessibility for disabled voters be referred to a standing committee. Bill C-518 fits into the broader scope mentioned in the Obstacles Report. I wanted to emphasize that because I know the Government has highlighted the Obstacles Report. However, we have not seen much action on the specific recommendations. I hope we will very shortly.

In summary, there must be greater provision for the non-ambulatory federal electorate, the disabled. Providing a mobile polling station fits into that category. It is encouraging to see advances in various Provinces. I again refer to the Manitoba experience. I am also encouraged by the fact that the Chief Electoral Officer has indicated that he is studying what is being done in the Provinces and is having a dialogue with them. He has also stated that he is looking at the Obstacles Report presented by the committee.

The New Democratic Party is very much in favour of extending the voting franchise. Therefore, we wholeheartedly

support the principal of the Bill. I do have one slight reservation with regard to the requirement that there have to be 50 electors before the service is offered. However, that is something that can be considered in Committee.

On behalf of the New Democratic Party, I commend the Hon. Member for Esquimalt-Saanich for his Bill. We hope it will receive speedy action, perhaps even before the next session.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to speak to the amendment which is before us. I do not want to repeat the procedural disputation we had previously. In this matter of considering the qualifications of those able to vote in a federal election, we start from the basic premise that a voter must be a person in a constituency and living within a certain polling subdivision. That is the basic rule.

As we know, a person who has moved during the election period may be able to correct his or her non-enumeration by going to a court of revision. In the usual instance of two months for the electoral period, the individual must return to his or her constituency to ensure they are on the electoral roll or that they get inscribed thereon through a court of revision. Conditions vary around the country with regard to ambulatory patients, those restricted persons and patients in hospitals.

First of all, I do not want to throw a wet blanket on this, but I suppose an electoral officer and his officials would be as welcome as a skunk at a hen party in a treatment hospital, going up and down the corridors to take the vote. The first consideration of health would immediately throw out that suggestion.

It used to be in some of the teaching hospitals that the polling station was set up in the nurses' residence. Under the present act, persons who are resident for a certain period prior to enumeration and resident at the time of the election could vote at the hospital. Other than that, patients in hospitals must return to their home, either on advance polling day or on election day.

There is one restriction that should be imposed. I cannot go so far as to say that ambulatory Canadians waltzing around in other parts of the country or the world should have the right to vote by dropping in at some point of reference and voting either by mail or otherwise. We have seen in other countries the gross difficulties that are caused by the mail-in vote. Usually most of the mail-in stuff has to be done before election day. People do not know for whom they are voting. There are any number of difficulties about voting.

There is a high proportion of Canadians who, resident in their homes, do not go out to vote. Either they are tired, it is raining or for some other reason they cannot be bothered going out to vote. It is not as though 95 per cent of Canadians vote and 5 per cent are disenfranchised because there are some restrictions on them.

In the case of hospitals, many doctors would hit you on the head for suggesting that their patients be disturbed in order to vote, to be placed on a gurney and transported to some central point in the hospital to vote, or have a troop consisting of the DRO, a porter, and scrutineers traipsing from room to room to take the ballots of patients.

Who knows the constituency of residence of the individual patients? Who are the candidates? What are the types of official ballots? These are important points. I am not saying that technically it cannot be done; certainly it can be done. You could arrange to have almost 100 per cent of the population vote if you wanted to spend the money and go to all the trouble and possibly follow up the reasons for people not voting.

• (1420)

In any event, with a mobile van moving around in a city constituency where there is a higher concentration of hospitals, the question is whether the van can get to all of them. It would certainly require more than one van in certain places and none in others. I do not know how one would cover the area in rural constituencies. Perhaps my Hon. colleague's riding of Esquimalt-Saanich may be covered by a mobile van moving at speed during the day. Perhaps Victoria could be covered. I am wondering about northern constituencies such as Skeena and Prince George and Peace River. There is no way that these constituencies could be covered even if there were several mobile vans. These questions need to be looked into.

In so far as persons who are restricted to their homes are concerned, I would think that that would present the greatest difficulty. A dear young thing with a couple of small children may say, "I cannot get away from home right now". A van would have to call at that home. That is nonsense because her husband has four hours at the end of the day free from employment to go and vote. Those people who want to vote will find the opportunity. In many cases, if people want to vote, they can. It must be remembered that people have a duty to vote. It is a freedom. People have the right to vote. That is what this democratic country must have as its foundation. Surely to goodness it is not up to the Government of Canada to take these people by the hand and lead them along a plush carpet to the polling station.

In any event, I am in agreement with the motion that the subject matter of this Bill be referred to the committee. There are many things that have been discussed by Hon. Members today with regard to electoral reform, and there are many other things that can be discussed.

The question was raised about prisoners. Well, there I draw the line. I was one of the first to participate in bringing polling stations to mental hospitals where there is a voluntary section. May I say that I do not know whether these patients gained anything by the visits of people electioneering in the hospital. Not very many patients exercised their right to vote. If patients in a mental hospital are attached to a poll and an address is given, in many instances that would stigmatize all those persons who are on the voters' list as being people who are patients in a mental hospital. I do not think that that is information that must necessarily be made public.

With those few remarks, I hope that the committee will get on with this subject and will not emulate the committee that

was charged with looking after the subject matter of the Bill presented by my colleague for St. John's East (Mr. McGrath).

The Acting Speaker (Mr. Blaker): Shall all orders listed under Private Members' Public Bills preceding Order 440 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some Hon. Members: Question.

Amendment (Mr. Ferguson) agreed to.

Motion, as amended, agreed to.

The Acting Speaker (Mr. Blaker): Accordingly the order is discharged, the Bill withdrawn, and the subject matter thereof referred to the Standing Committee on Privileges and Elections.

Bill withdrawn and order discharged.

* * *

THE SENATE OF CANADA REFORM ACT

MEASURE TO ESTABLISH

Mr. Bill Yurko (Edmonton East) moved that Bill C-640, an Act to provide for structural reform of the Senate of Canada, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I thank you and the House for the opportunity to speak on my Private Members' Bill C-640, an Act to provide for structural reform of the Canadian Senate.

My intense interest in Senate reform began in 1978 after I had resigned my ministerial post in the Government of Alberta. Since then, I have pursued several initiatives in regard to Senate reform.

This House is aware that on November 18, 1981, I introduced a motion to establish a joint committee of this House and the Senate to bring before Parliament a Bill to provide for structural reform of the Senate. That motion was seconded by the Hon. Member for Nepean-Carleton (Mr. Baker) and was debated in the House on June 4, 1982.

On November 3, 1981, I introduced Bill C-640, an Act to provide for the structural reform of the Senate of Canada. We are today debating this Bill, and I trust that Members will not hesitate to participate in the discussion.

On December 20, 1982, I released a major report entitled "Renewed Federalism; Structural Reform of the Canadian Senate". This is a major study on the origin of the Senate, its mechanics and composition, followed by a review of recent Senate reform proposals. It includes an analysis of the consequences of the Constitution Act 1981 and the new amending formula on the future of Senate reform. It also discusses the need for legitimacy, accountability, independence, and stability as well as continuity in a reformed Senate.

This is followed by an in-depth analysis of structure and content, the foundation and analysis that underlie the evolution of Bill C-640. Every Member received a copy of this report. Several thousand copies have been distributed and it is now listed as a Parliamentary Library document. The report fully discusses Bill C-640.

In addition, Mr. Speaker, the report has been translated into French and 500 copies in this official language were recently distributed. I wish to publicly apologize that it has taken so long to get the report translated and printed in French.

Many people have received a copy of the report and have commented on its content. In particular, Senator Eugene Forsey examined the document in depth. His comments have been both pertinent and useful, and I publicly thank him very much for them. All political observers acknowledge that Senate reform is urgent and is the first priority for additional constitutional reform.

• (1430)

On December 16, 1982 the Government introduced in the Senate a notice of motion to establish a Joint Committee of the Senate and House of Commons to consider Senate structural reform and to bring forth a proposal no later than December 1, 1983. The Government resolution is very similar; in fact, it is almost a copy of the resolution that I introduced on November 18, 1981. The Government resolution originating in the Senate on December 16, 1982 was approved by the House months ago. Why has the Government not moved sooner with the resolution to get the Joint Committee working? Why did it wait until yesterday after it knew we were going to debate Senate reform through Bill C-640 today? It seems to me that the Government only moves when it is prodded. Nevertheless, we must get on with the process of Senate structural reform.

Certainly the first priority is the economy of the nation, but the sickness of that very economy to a large degree is the result of a weak, ineffective and uncaring Senate. The economic failures can be attributed to the failure of federal provincial relations, as the Prime Minister (Mr. Trudeau) said in one of his latest interviews, and the lack of meaningful regional and provincial input into national economic and social policies. This input and restraint was partially the function of the Senate. But it failed to restrain the Government throughout the seventies and it completely capitulated to the Government in the eighties.

The Senate must be reformed. The function of the Senate is to represent adequately in the Canadian Parliament the national interest, the regional interests and the provincial interests. With respect to the national interest, its over-riding function is national unity, national cohesiveness and national accountability. Where was the Senate voice during the Quebec referendum, or during the growth of separatism in the West? It was not heard.

Where was the voice of the Senate in regard to regional interests during the entire debate over the National Energy Program? It was not heard.

Indeed, where was the collective voice of the Senate during the constitutional drama in regard to protecting provincial interests such as that of Quebec? Its voice was barely a whisper. Indeed, it gave up its constitutional veto with barely a whimper. A suspensive veto was appropriate, but surely not for all possible constitutional change. Surely the Fathers of Confederation set up the Senate to protect minority rights such as Quebec's language and cultural rights in a vast sea of language and cultural homogenization. Surely the Senate should have retained a narrow selective veto over certain provincial and regional interests and rights.

Yes, the Senate must be reformed—but how? In my view, Bill C-640 shows the way—a compromise between two extremes, if approval by Parliament and seven Provinces having 50 per cent of the population of Canada is to be a reality.

What are the two extremes? The first is the provincial view and that is to scrap the existing Senate and replace it with a totally provincially appointed Senate, completely subservient to provincial Governments and their interests. Such is the fundamental basis of the Ontario proposal from 1978, British Columbia's 1978 proposal, the Quebec Beige Paper proposal of 1980, the Alberta Government's proposal of 1982, and even the Pepin-Robarts 1979 proposal. This extreme is simply not acceptable to the Canadian Parliament. In my view it never will be.

The other extreme is a fully elected Senate on a regional or provincial basis. Such an elected Senate would be powerful, overshadowing and compromising the authority and influence of Premiers, provincial Governments and legislatures in federal provincial relations and bargaining. Indeed, such an elected Senate would seriously compromise the fundamental authority of the House of Commons itself. Such an elected Senate is becoming increasingly popular with proponents such as Senators Roblin, Manning and Frith and Gordon Robertson, the former Clerk of the Privy Council.

A fully elected Senate at this time is an emotional illusion. It is not a practical reality at this time. The Provinces will never accept this extreme, nor will the House of Commons. An elected Senate can only be accomplished step by step, not in one leap. Such is the essence of Bill C-640. The Bill, through the introduction of the reconfirmation principle, is a possible step by step process to a fully elected Senate on a provincial and regional basis.

What then is the reality, the direction, or solution to reform? Death of the Senate through atrophy is one solution, and it will surely be the reality soon if reform is not forthcoming. It would not be particularly difficult for a new Government in Ottawa to find agreement with seven Provinces having 50 per cent of the Canadian population to scrap the Senate, especially now that it has been reduced to a suspensive veto on constitutional change.

Is there a solution which would retain the Senate? Yes there is, and it is a compromise between the two extremes I just mentioned—a compromise acceptable to the Provinces, to the federal Government and to the people of Canada. It was just such a compromise or middle ground proposal that I put together in Bill C-640. The Senate has all the powers that it needs. What it requires is structural reform.

The key is to have a Senate of two parts—one part being provincially appointed Senators, and the other part being federally appointed Senators on a regional basis. But the structure must meet the needs for legitimacy, independence and stability. Bill C-640 does meet these needs.

To represent both the regional and provincial interests in Parliament a reformed Senate must have provincially appointed and/or elected Senators and regionally appointed and/or elected Senators. The ratio of provincial Senators to regional Senators in a restructured Senate is fundamental. In Bill C-640, this ratio is one-third provincial and two-thirds regional or federal. Some argue that this ratio should be 50-50 as in Bill C-60 or 60-40 in favour of the Provinces.

Bill C-640 recognizes five regions in Canada with each being assigned 30 Senators, mainly because the Atlantic region now has 30 Senators, for a total structure of 150 Senators. The five regions are the Atlantic, Quebec, Ontario, Central and Pacific. Of the 30 Senators in each region, each Province would appoint five to maintain equality of provincial status, and the difference would be regional Senators appointed by a Standing Committee of the House of Commons, not solely by the Prime Minister. Under Bill C-640 the Atlantic region would have 20 provincial Senators and 10 regional or federally appointed Senators. Quebec and Ontario would each have 5 provincial Senators and 25 regional, federally appointed Senators. The Central region would have 15 provincial and 15 regional Senators, and the Pacific region would have 10 provincial and 20 regional Senators.

Each Senator would be appointed for a six-year term and at the end of the term would have to seek reconfirmation or election by the people to continue in a second or third term.

Equality of provincial status in regard to provincial appointments is desirable but idealistic and has been discarded by all the provincial proposals. Indeed, provincial senatorial appointments in all provincial proposals are weighted according to population. Alberta's proposal of five population weighted categories is reasonable. There are other reasonable proposals. Therefore Bill C-640 can be altered effectively to incorporate the Alberta proposal.

• (1440)

The Atlantic region would, therefore, have 16 federally appointed Senators and 14 provincially appointed Senators. In other words, of the provincial Senators, Prince Edward Island would have two; Newfoundland, four; New Brunswick, four; Nova Scotia, four; and the rest would be regionally federally appointed Senators. The Quebec and Ontario regions would have 20 federally appointed Senators and 10 provincially appointed Senators. The Central region would have 12 federally appointed Senators and 18 provincially appointed Senators. The Pacific region would have 20 federal and 10 provincial appointments, and that is eight for British Columbia and two for the Yukon. The over-all Senate with this variation in Bill

C-640 would have 62 provincially appointed Senators and 88 federally appointed regional Senators. Provincially appointed Senators could, of course, be elected Members of provincial Legislatures, indeed even Ministers.

I structured Bill C-640 prior to the patriation of the Constitution and before an amending formula was agreed upon. If I were doing it today, I would make several modifications. The first change I would make is to provide the Provinces with the right to recall their appointed Senators by a two-thirds vote of their Legislative Assembly. Second, I would use Alberta's suggested weighting formula of provincially appointed Senators, rather than 5 appointments by each province. Third, I would limit the total Senate to 125 Members, of which 62 would be provincially appointed and 63 federally appointed or regional Senators. Each of the five regions would then have 25 Senators. It would not be necessary to maintain the Atlantic region at 30 Senators with the new Constitution. The Atlantic region would have 14 provincial Senators and 11 federally appointed Senators. Both Ontario and Quebec regions would have 10 provincial appointments and 15 federal appointments. The Central region would have 18 provincial—Alberta 8, Manitoba 6, and Saskatchewan 4—appointments and seven federal appointments. The Pacific region would have ten provincial appointments that is, British Columbia, eight; Yukon, two provincial Senators, and fifteen federal appointments.

Such a mix would surely be more acceptable to the Provinces than the mix suggested in Bill C-640. I shall be following closely the meetings and hearings of the Joint Committee on Senate Structural Reform, and I trust that each Hon. Member of this House will also be following closely those meetings. I trust that many Hon. Members will read the report which my office has presented. I will make myself available to explain any part of it to any Hon. Member of this House. This is a topic, Mr. Speaker, which I can speak on for hours, but I see my time is up. I hope that other Hon. Members will participate in this debate.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, before I discuss some of the details of the Bill before us this afternoon, I would like to commend the Hon. Member for Edmonton East (Mr. Yurko) on his long-standing efforts to encourage public debate on Senate reform. He has acquired an in-depth knowledge of many of the intricacies associated with reform of the other place. He has demonstrated a grasp of the main issues to be addressed in Senate reform, and of the obstacles which may need to be overcome before it can be achieved. Moreover, he has done his best to expand the discussion on Senate reform, both among Hon. Members and among the general public. The Hon. Member for Edmonton East has been very dedicated on the subject. The Bill which we are discussing today was introduced in November, 1981, nearly a year and a half ago. At that time the Hon. Member circulated a few pages of explanatory notes about Bill C-640. That was a useful step, since I am sure many would agree that parts of this Bill are somewhat complex. A couple of weeks later, the Hon. Member presented a motion asking that a special joint committee of both Houses be established to report on "structural reform of the Senate". This motion requested that the proposed Committee consider a number of reports on Senate reform published in recent years, along with the federal Government's Bill C-60 of 1978, and this Bill.

The Hon. Member's motion was debated on June 4, 1982, but was not adopted. However, he had a chance to present his ideas on Senate reform on that occasion, as did a number of others from all political Parties. Even though his motion was not adopted, he was not daunted. He published a concise article in the well respected journal "Policy Options" in September-October 1982. Last December, he circulated a detailed and, I feel, a useful study prepared by him and his research assistant. The study is called "Renewed Federalism: Structural Reform of the Canadian Senate". It contains a great deal of information on the history of Senate reform and on several major proposals for reform of the past several years. And, as we might expect, in that report Bill C-640 appears as the Hon. Member's recommendation for Senate reform. I was interested to hear today that he has other suggestions regarding the question of Senate reform which, perhaps are not reflected in Bill C-60. Nevertheless, his concern and his contribution to this question is certainly formidable.

As Hon. Members can see, the sponsor of today's Bill has become a determined advocate of Senate reform. While his own particular remedy may not be considered perfect, it has a number of good points. More important, perhaps, is the way in which he has stimulated a debate on Senate reform through the various efforts which I have described. These efforts have been timely. Last December, as we all know, the terms of reference of a Special Joint Committee were announced and agreed to by the House and by the other place. The Committee will soon begin its work. I hope that a public debate on Senate reform will ensue as a result of the appointment of this Committee and that a large number of Canadians will become involved in this very important question. The Hon. Member has helped to encourage such a debate and I hope he will continue his work as the Committee carries out its task.

I believe, Mr. Speaker, it would be useful to consider just why the Hon. Member has pursued the subject of Senate reform so assiduously. I know his sincerity is unquestioned, and I believe many Hon. Members would agree with his reasons for arguing that Senate reform should be seriously considered. When he spoke on his motion on June 4, 1982, the Hon. Member for Edmonton East pointed out that with patriation an amending formula was incorporated in the Canadian Constitution along with a Charter of Rights and Freedoms. He went on to say, "We must now take the reform process one step further". In his remarks that day, and on other occasions, he implied that this next stage in the reform process should involve an examination of our national political institutions. In the notes which he circulated with Bill C-640, he stated:

> The fact is that reform of the Senate won't wait much longer. We have reached a point in our national development where we must make our institutions more responsive to every facet of Canadian society.

The Hon. Member's views on the phases through which constitutional reform might proceed accord with the feelings of

many Hon. Members on this side of the House. Since at least 1968, Liberal Ministers and the Prime Minister (Mr. Trudeau) have said that once patriation was achieved, once we had the means to amend all parts of our Constitution in Canada, we might then turn our attention to national institutions. We can now amend all our Constitution here, Mr. Speaker, through the amending formula with its various procedures for different items of constitutional change. I feel that with the establishment of the Special Joint Committee on Senate Reform we are embarking on that second phase.

When I quoted from the notes the Hon. Member for Edmonton East circulated with Bill C-640, I referred to his view that our institutions should be more responsive. I think it is fair to say that this notion of responsiveness is closely connected to the desire of many to see the Senate's role in regional representation strengthened. In his article in "Policy Options" the Hon. Member wrote:

• (1450)

> Unless steps are taken to provide the regions and provinces with a more meaningful input and role in the institutions of the central Government, there is every indication that national unity will be increasingly threatened.

It is no exaggeration to say, Mr. Speaker, that these words strike a cord among many of those who have been looking at Senate reform in the past few years. The Canada West Foundation examined how the Senate might better speak for the regions in its 1981 report entitled "Regional Representation". All the details of their proposed reform may not find favour with everyone, but I encourage Hon. Members to consider the analysis in this very interesting report. The former Secretary to the Cabinet, Gordon Robertson, has written about Senate reform on several occasions. He is very concerned about regional representation in national institutions, as was evident in a speech he made in Quebec City only a month ago when he said:

> In Canada ... our regional differences are unusually wide and deep. They require to be effectively represented, voiced and discussed as a part of the operation of our central governing structure.

It is clear that this concern about regional representation in Parliament is shared by the Government. The Special Joint Committee's terms of reference make this very clear. That Committee has been asked:

> To consider and report upon ways by which the Senate of Canada could be reformed in order to strengthen its role in representing people from all regions of Canada and to enhance the authority of Parliament to speak and act on behalf of Canadians in all parts of the country;

So, Mr. Speaker, it is plain that the Hon. Member is far from a lone voice calling for a serious examination of regional representation in the other place. Rather, he is one among a growing number who feel that the Senate should, through some kind of reform, be better able to speak on behalf of the various regions of this country. This theme of regional representation is evident in Bill C-640 which allocates 30 Senators to each of five regions, even though direct representation of the Provinces is also included.

While I feel the Hon. Member should be given a great deal of credit for this Bill, some parts of it puzzle me. In the remainder of my remarks I would like to raise a few questions. Others may wish to comment on some of these points later in the debate. The Bill's sponsor may himself think about some of them if he plans to develop further his ideas on Senate reform. I understand from listening to him, and I think it is to his credit, that he is prepared to keep an open mind and develop this very important question and policy as he goes.

First of all, I must ask why a Senate of 150 Members is proposed. At present, there are 104 seats in the other place.

Mr. McGrath: One hundred and six.

Mr. MacLellan: One hundred and six.

Mr. McGrath: Six from Newfoundland.

Mr. McKinnon: The same as B.C.

Mr. MacLellan: Well, 104, 106, but in that general framework.

Mr. McGrath: There was 100; is that right?

Mr. MacLellan: There was 100. Therefore, why increase its size by almost 50 per cent? Other proposals in recent years have raised the total membership somewhat as well. The Goldenberg-Lamontagne Committee report proposed 126 seats; Bill C-60 suggested 188; others, however, like the Pepin-Robarts task force, suggested a smaller Senate of around 60 members. It is useful to make some comparisons with second Chambers in other federal countries. The American Senate, for example, has 100 members. In Australia, there are 64 Senators, and in the Federal Republic of Germany there are only 45 members in the federal second Chamber, the Bundesrat. I offer this only as a thought, but I wonder whether Canadians would readily accept such an increase in the size of the Senate, especially when this House is to increase by 28 Members after redistribution.

I would also like to comment on the Bill's provision, namely Clause 10, for Senators to have their terms reconfirmed on the basis of a so-called non-partisan campaign. That Clause reads as follows:

> A Senator campaigning for reconfirmation shall do so on a non-partisan basis, identifying with no official political party represented in the House of Commons but identifying only with the role and performance of the Senate of Canada.

In the report he prepared last December, the Hon. Member explained the purpose of this Clause, namely to remove the process of reconfirmation from the realm of partisan politics as much as possible. Senators seeking reconfirmation would not be able to fall back on their Party affiliation. They would be compelled to campaign exclusively on their "record of achievement" in terms of legislative review or regional representation.

Now, if I might say so, this sounds rather unidealistic, Mr. Speaker. How could Senators divorce themselves from their political parties? After all, according to this Bill, 50 of them would be appointed by provincial Governments and the rest by what is called a Regional Appointments Standing Committee of this House. Why should we expect that some six years after their appointment Senators would conduct a reconfirmation

campaign as "neutral" representatives? In fact, perhaps the Members of a reformed Senate could help to strengthen our national political Parties in areas where representation is now lacking. In this case, why should they want to hide their Party's allegiance? I know the Hon. Member would like to see regional representation emphasized above other considerations in a reformed Senate, but I am not sure we should go as far as he proposes, even if Section 10 of Bill C-640 were practical.

There are other questions about this Bill that come to mind but I know other Hon. Members wish to participate in what I consider a very timely debate. Once again, I commend the Hon. Member for Edmonton East for his hard work and thoughtful presentations on Senate reform. He has helped to show how the Parliament of Canada can help lead a public debate on Senate reform. I hope other Members will follow his example in the coming months as our Special Joint Committee carries out its work. I would think, as a personal observation, that members of the Special Joint Committee would be remiss if they did not include the Hon. Member for Edmonton East as one of their witnesses. I hope that they will give very careful attention to the Hon. Member's Bill C-640. It is a good piece of work which serves the Parliament and people of Canada well, and I would like to commend the Hon. Member.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I would like to thank the Hon. Member for Edmonton East (Mr. Yurko) for bringing Bill C-640 before the House. I think the question of Senate reform is one which has been appropriate in Canada for many years. As has been said before, everyone knows we need Senate reform because, quite frankly, the Senate has not served the cause of Canadian democracy. In fact, it has very often served to undermine it. We should not be surprised because, in fact, the Senate was not designed to enhance democracy; rather, it was designed to keep a check on it. It is to prevent a surfeit of democracy. Sir John A. Macdonald, in one of his more cynical comments, said, "We must protect the interests of minorities, and the rich are always fewer in number than the poor". So much for the protection of minorities, those whom the Senate is supposed to look after.

• (1500)

The Senate does not have a terribly distinguished history. In 1896, allegations were made that Senate seats were on sale at a bargain basement rate of $10,000. The money was supposed to go into the coffers of the Party which was in power at that time, which just happened to be the Liberal Party.

Mr. Nickerson: Things haven't changed very much.

Mr. Manly: I do not believe that Senate seats are being sold these days. I believe that they are being given away.

In our time we have seen a steady stream of appointments by the present Prime Minister (Mr. Trudeau), who has appointed friends and cronies. Therefore, I welcome the Hon. Member's initiative in bringing forth the Bill.

Bill C-640 attempts to deal with some of the problems in Senate appointment. One of the basic problems, as those of us from western Canada know, is the present regional imbalance. I am not sure whether it is laughable or lamentable, but considering the low opinion which most of us have of the Senate, I suppose it is laughable that a Province like British Columbia, with 2.8 million people, has six Senators, and Prince Edward Island has four Senators. Perhaps six Senators is enough for British Columbia. However, the Hon. Member wants to get around this imbalance by creating an extra region in the Pacific which would take in British Columbia and the Yukon. That seems to be a reasonable compromise if we are to have a Senate. However, we must ask if we really need more Senators. Is this really the route by which to go?

I am concerned that Bill C-640 has a very cumbersome process of appointment. The Hon. Member for Edmonton East outlined a two-tiered system of appointments by which some would be appointed on a regional basis through the federal Government and others would be appointed provincially by provincial Governments. The process seems to me to be cumbersome and rather difficult to understand. It would mean that ordinary people would not really know how their Senators were appointed. Of course, that would be no different from now when many people wonder how the Senators are appointed.

The Hon. Member pointed to the problem that a fully-elected Senate would overshadow the House of Commons. To me this seems to rather beg the question. If a Senate which was to be elected and had real power would overshadow the House of Commons, and that is really what we are afraid of, then what is this whole exercise about? If we need to strengthen the House of Commons so that we have the power to do the things that we need to do to serve the people of Canada, let us do that, but let us not just tinker with the system and have a Senate which is neither fish nor fowl, nor even a good red herring.

The appointments of Senators by the Provinces, which the Hon. Member would retain, would continue to retain the patronage elements which I think all of us, or at least all of us within this Party, would want to see eliminated.

The possibility of the reconfirmation of present Senators when they reach the age of 75 rather boggles the mind. Some of these Senators whom we have seen appointed over the last few months will not reach the mandatory age of retirement until well into the twenty-first century. To think that 25 years from now, these tired old Senators would come up and people would actually have to vote as to whether or not they wanted them to retire finally or not, seems to me to be a little bit ludicrous.

However, apart from the specific merits or demerits of Bill C-640, it seems to me that there are two fundamental questions which we must ask about Senate reform. The first is, will any genuine reform of the Senate be acceptable to the Government? The quick answer to that is no. The Government does not want Senate reform because there is no point in it from the

point of view of the Government. There is no point in reforming the Senate because it is ideally designed to serve its two main functions, those functions being to serve as the top prize in the pyramid of patronage and to serve as an internal lobby for business interests. I would just like to make a couple of comment on each of those points.

In terms of patronage, we have seen the appointments made by the present Prime Minister over the last several years, We have seen former executive assistants appointed. We have seen the appointment of a Conservative Member to the Senate, a Member from a seat which, in all probability, would go Liberal in a byelection and which, indeed, did go Liberal. We have seen the appointment of a former Member for Spadina to the Senate, a Member whose main qualification, according to *Saturday Night* magazine, was that he travelled well. He was appointed in order to make way for a parachute candidate who was supposed to land in Spadina and take that seat for the Liberals and, hopefully, have a seat in the Cabinet. Unfortunately, my colleague, the Hon. Member for Spadina (Mr. Heap), managed to win that seat for the New Democratic Party because the people of Spadina and the people of Canada just do not like the kind of patronage associated with that kind of parachute candidate.

We have seen the appointment of the former Clerk of the Privy Council to the Senate. Yesterday, the announcement came that one of the Prime Minister's long-time friends and travelling companions was appointed. The list continues. In addition, the Senate has been used as a plum and a safe haven for Party organizers and bagmen, by both the Liberals and the Conservatives. It has been used as a source for pseudo-representation on the Cabinet from regions where those particular Parties have not had the ability to elect Members, the Conservatives from Quebec, the Liberals from the Prairies and British Columbia. Therefore, we see very well that the Senate has served the interests of the Government as the top prize in patronage appointments.

Second, the Government is not particularly anxious to see the Senate disappear because its friends and big business want the Senate there. It serves as an internal lobby for business interests. In a study of the Canadian Senate by Colin Campbell, called "The Canadian Senate: A Lobby from Within", at page 71, he quotes two Senators who discussed their method of operation. One said:

> Without us, the Cabinet and the bureaucracy would never get the type of cooperation out of the private sector which is needed to make the system run.

Mr. Campbell continued:

> The second corporation lawyer emphasizes the tactics which business reviewers employ. He says that they frequently ask members of their law firms to help them draft amendments to Bills. Then they lobby according to an established pattern: "I go to the Minister in charge and show him what I think should be changed in the Bill and ask for his cooperation; then I go over to the Commons and start lobbying among the M.P.s, pointing out, of course, that I have been to see the Minister and that I have his blessing."

● (1510)

> Another Senator touches upon some of these points when he summarizes his perception of business review. Although the role emerges from the business and legal expertise of senators, he says, it relates most fundamentally to an appreciation of the legislative process. Bureaucrats want to 'cover the waterfront' in legislation. Senators, on the other hand, ask two crucial questions of each Bill before they vote on it. First, does it preserve Parliament's ultimate authority to make law, especially by denying Ministers excessive discretionary powers? Second, does it meet those requirements of the business community which are essential to maintenance of the free enterprise system? This Senator's view, then, is explicitly oligarchic. In fact, he voluntarily suggests that the Founding Fathers established the Senate because "they were worried about the possibility, without an Upper House, of popular swings which would take command in the House of Commons and generate legislation that throws the whole system out of whack."

Campbell details the efforts of Senators in restricting progressive tax changes or in the dilution of FIRA.

We all recognize that business has legitimate interests and that those interests need to be represented in Parliament. But those interests should be seen in context with other legitimate interests; the interests of consumers and labour. Any conflicts between those different interests should be fought out in the public arena. Business should not have the privileged access to the ears of Ministers and to caucus which the Senate gives them and does not give to other groups. Yet this is the very basic reason for the existence of the Senate.

It seems to me that from the point of view of the Government which can use the Senate as a patronage plum and wants to represent the interests of business, it has the Senate as a convenient lobby to keep it informed and it has no real interest in Senate reform.

That leads me to the second question and perhaps the most basic of all: is the Senate worth reforming? Do we need a Senate? From the point of view of our Party, the answer is no. The Senate has not served the Canadian people in the past. We do not see any useful functions that the Senate can be serving in the present or in the future, and the most meaningful contribution we can make to Senate reform in our time is to push for its abolition. I urge that upon my hon. friends.

Mr. Evans: Mr. Speaker, it is a pleasure for me to stand and speak on Bill C-640 today.

Mr. Taylor: Mr. Speaker, I rise on a point of order. Our Party has not yet had a chance to take part in this debate. Surely we are entitled to one speaker.

The Acting Speaker (Mr. Kilgour): I was misinformed. In that case I will recognize the Hon. Member for St. John's East (Mr. McGrath).

Hon. James A. McGrath (St. John's East): Mr. Speaker, I will give the Hon. Member for Ottawa Centre (Mr. Evans) a little time so that he can have the privilege of talking out the Bill. I will leave that honour and distinction to him.

The question that was posed to us by the Hon. Member who just took his seat is: do we need a Senate? I believe that we do. I believe that the federal system does require a bicameral legislature. I do not believe that there is a federal state in the world that does not have a bicameral legislature. It is for the very obvious and fundamental reason that varying sizes of states or provinces mean various sizes in the representation of those states and provinces. Therefore it is necessary to have an upper Chamber to balance the disproportionate representation which often takes place in the elected Chamber or House.

The subject of Senate reform is almost as old as the nation itself. It has been in existence since shortly after we became a nation. It is interesting and ironic that we should be talking today about Senate reform when we look around this place and find, I suspect, that we ourselves are desperately in need of a little reform in this institution.

I would hesitate to draw to the attention of the House the fact that we may be operating with something less than a quorum, although there is a quorum within the environs of this Chamber. If there were to be a quorum called we would have a quorum very quickly.

The fact of the matter is that we are dealing with reforming the other House of our Parliament. When one sees the attendance here today, I suppose it is commensurate with the interest that there is here in that particular subject.

I am one who believes that the Senate can and does serve a very useful function. If we go back over the committees of the Senate, I can think of the Committee on Poverty which conducted an excellent study and brought in excellent recommendations under Senator Croll. I think of the Senate Committee on Aging, and the Committee on the Media. There are a number of Senate and standing committees of the Senate which do very good work on an ongoing basis. The problem is that no one knows what is going on there because no one pays any attention to it, least of all the press. I believe that is unfortunate.

We find ourselves in a position today where events have overtaken the Hon. Member's Bill. Only yesterday, the House agreed to a joint resolution for a Senate-House committee on the subject of Senate reform. It is interesting that that initiative came from the Senate, and it is to the credit of the Senate that it would include Members of the House of Commons on a joint committee. They did not have to proceed in that manner and could have carried on their study with their own committee, as we are indeed doing with our special committee on our rules. They felt, quite rightly and to their credit, that the elected representatives of the people should have some say in reforming the Senate of our Parliament.

To my knowledge there will be, for the first time, a Joint Committee on Senate reform. That is not to suggest that it has not been studied before. One only has to go to the Library of Parliament to see the reams and reams of paper from numerous studies over the past 70 years. I believe this is the first time, however, that it has been the subject of a joint committee of both Houses.

Having said that events have overtaken the Bill in terms of the joint resolution setting up the Joint Committee, I believe that we have to give that Committee an opportunity to do its work. We should not prematurely judge what our representatives on that Committee will put forward and whatever consensus they will arrive at with the representatives from the other place. Hence, one resists the temptation of putting forward one's own particular views on how one sees Senate reform.

I do believe that we will continue to require a Senate if our federation is to survive and prosper. How else can smaller Provinces be assured of an equal voice in the affairs of the nation unless we have an upper House that tends to balance the disproportionate representation by population that we have in this, the elected Chamber?

It is interesting to note that that great democracy to the south of us only got around to having an elected Senate after the turn of the century. I stand to be corrected, but I believe it was around 1912 that the U.S. Senate became an elected House. Prior to that time I believe it was appointed by the States of the Union. Today, of course, it is not only an elected Senate but, in terms of the U.S. Congress, it is a very powerful Senate and one that has caused many problems in regard to the division of power within the U.S. Constitution. Indeed, an example of that is the Canada-U.S. Boundaries and Fisheries Agreement. That was an agreement that was painfully worked out between the Governments of Canada and the United States over a period of two years, only to be killed on the floor of the Senate by the Senate Committee on Foreign Relations. This gives some idea of the scope and the power which has grown in the elected Senate of the United States. Which should we have in Canada? Should we have an elected Senate? There is an argument to be made for that, and I tend to opt for it. Should we have a Senate of term appointments? Some suggest ten-year appointments. Members could certainly put forward arguments to support that thesis.

• (1520)

I certainly do not believe that the tenure right now is acceptable. I believe the life tenure, or what virtually amounts to a life tenure, retirement at 75 years of age, is not acceptable. Should we have appointments made solely by the Provinces? Should we have appointments made by the Provinces and the federal Government, or should we opt for an elected Senate? These are the questions which will be studied by the Joint Committee. I look forward to the report of that Committee. Perhaps it will generate a more lively debate than we have had in this place today.

Having said all that, I suspect that if we come back here in 25 or 50 years' time, we will still be talking about Senate reform. The point can be made and has to be made that there is a role in our federal system for the Senate. Whether it should take the form of an elected Senate, a term-appointed Senate, a life-appointed Senate, a Senate of regional representation, a Senate elected by some form of proportional representation or a combination of all these, are questions which seize the imagination. One can only hope that the Joint Committee will once and for all put the subject to rest. In any event, whatever evidence comes before the Joint Committee, I hope we will still have a bicameral legislature. If our country is to survive as a federal state, we have to have a bicameral legislature.

Mr. John Evans (Ottawa Centre): Mr. Speaker, in the time remaining I would like to make a few comments in the area of Senate reform. I agree with the Hon. Member for St. John's East (Mr. McGrath) that there should be a bicameral system in Canada. I disagree strongly with the position of the New

Democratic Party which, strangely enough, is precisely that of the Labour Party of Britain. That Party believes the House of Lords should be done away with, just as the New Democratic Party thinks that our Senate should be done away with.

The real issue before us with regard to Senate reform is not so much the question of whether or not there should be a second Chamber. I think reasonable people can see very strong grounds for the continuance of a second Chamber, a Chamber of sober second thought, of serious deliberation on particular issues; a Chamber whose membership does have a longer or more permanent tenure than the membership of the House of Commons, which gives rise to the development of the necessary expertise for sober second thought. For example, the United States Senate has terms of six years, whereas the United States House of Representatives has terms of two years.

Mr. Kilgour: Tell us something we do not know.

Mr. Evans: The Hon. Member for Edmonton-Strathcona (Mr. Kilgour) knows so very little that just about anything I could say would be a great improvement.

The point of the Senate is to provide that sober second thought which perhaps is not possible with an elected House of Commons.

The question raised by the Hon. Member for St. John's East was whether the Senate should be elected. I think that is a very serious issue, and I happen to disagree with it. The Senate should not be elected because we do not have a system which has a separation of the executive and the legislative such as the one in the United States that gives rise to the possibility of and rationale for having an elected Senate.

If we had an elected Senate and an elected House of Commons where the Government sat in the House of Commons, where the legislative and the executive were melded together, we would have serious conflict of interest problems between the two bodies. At what point would the power of the Senate cease to over-ride the power of the House of Commons, in which the Government would presumably sit, or would the Prime Minister and the Government sit in the Senate from time to time?

These kinds of questions where you do not have the separation of the executive and the legislative mean that it is very difficult to have an elected second Chamber. We have to have a second Chamber, but it cannot be elected in a popular fashion so that its jurisdiction and authority over-rides that of the legitimately elected Members of the House of Commons.

I see my time is up. If the House would allow me, I would certainly continue, but I understand the time allotted for the debate has expired.

The Acting Speaker (Mr. Blaker): The Hon. Member for Ottawa Centre (Mr. Evans) is quite correct. Pursuant to Standing Order 24(2) it is my duty to interrupt proceedings and to call it four o'clock.

It being four o'clock, pursuant to order made Thursday, April 14, 1983, this House stands adjourned until Monday next at eleven o'clock a.m., pursuant to the provisions of Standing Order 2(1).

At 3.27 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, April 25, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Thursday, April 21, consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government; and the amendment of Miss Carney (p. 24689).

• (1110)

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, you will remember that last autumn before unemployment reached the present unacceptable level of two million Canadians, the Prime Minister (Mr. Trudeau) treated us to a series of television homilies in which, above all else, he appealed to the Canadian people for trust. I have gone back over newspaper reports with such headlines as "Trudeau urges Canadians to show trust", "Lower prices through trust, Trudeau asks". That is from *The Globe and Mail* of October 21, 1982.

In his speech on October 20, 1982 he said:

> I dwell on the need for trust because what we have achieved so far is young and fragile. We must strengthen our trust in each other because trust is the only bond that will allow us to unite our efforts and combine our strengths to meet the challenge we face.

That is what the Prime Minister said six months ago—that we were to trust him and his colleagues to exercise the kind of leadership that would be necessary to overcome our economic ills; we were to work together; we were to have faith in him and to trust him. Here we are six months later, six tortuous months later, hundreds of thousands more Canadians are without jobs, the deficit has soared to astronomical levels and the Government brings down a supposed, cure-all budget. I will deal with some of the budget measures in a few minutes.

First of all, I want to draw attention to the Prime Minister's latest musings or, I could say diatribe, about the word "trust". What he has had to say is far from philosophical. In his press conference on April 22, just last Friday, again he dealt with trust between Canadians. Turning his back on his appeal of six months ago for trust among Canadians, he lectured, he berated them, because he does not think they can be trusted to spend their money as they should.

Look at the headlines that followed that oration by the Prime Minister. "Can't trust the public with tax cuts, the Prime Minister said", as reported in the Montreal *Gazette* for April 23. "Canadian buyers can't be trusted to spend at home, Trudeau says" is highlighted in the *Kingston Whig Standard* of April 23. The Prime Minister says that the budget did not provide for sales tax breaks to consumers because they would not spend money at home; they could not be trusted to spend money unless on imports or perhaps on travelling abroad. He went on to say that he did not give a tax break to manufacturers because they could not be trusted to pass on the extra revenues to consumers. He did not want to see the Provinces getting any additional moneys because they could not be trusted to do anything but pocket the funds.

There we have the Prime Minister's current view of trust between Canadians and their Government. It is quite a different view from that which he expressed six months ago.

What does he say now? Canadians cannot be trusted to act in the best interests of the country. They would be liable to spend any additional money travelling abroad. This, sir, from the Prime Minister who, when he was travelling through Southeast Asia earlier this year, commented that he was not particularly concerned about the plight of Canadians because they would probably all be sunning themselves in southern climes or would be out on the ski hills having themselves a good time.

• (1115)

The Prime Minister's understanding of ordinary Canadians, indeed, sir, "passeth all understanding". He thinks that Canadians cannot be trusted, that given the chance they will goof off somewhere. The real problem with the Prime Minister is that he insists on applying his own personal standards to other Canadians. Nothing could more clearly underline how out of touch with reality he really is. How can he believe that two million unemployed Canadians would be out cavorting on the ski hills? How can he imagine that home owners, farmers and small-business people, who have gone through the agonies of loss of their homes, their businesses and their families' farms, would now be lolling on some beach somewhere in the knowledge that their financial problems are all a thing of the past?

The Prime Minister is out of touch and Hon. Members of the Government's benches are out of touch, and I say that to the Hon. Member for Ottawa Centre (Mr. Evans) if he believes what the Prime Minister said in his press conference of last Friday about having no trust in Canadians, about Canadians not being trusted to do the right thing by their

country. He had better find out what is actually happening with ordinary Canadians across this country. He had better find out that Canadians can be trusted. That is what I say to the Hon. Member for Ottawa Centre.

Mr. Fisher: Talk about the budget.

Miss MacDonald: I will certainly talk about measures in the budget because not only is the Prime Minister out of touch with reality, but so in many ways is his Minister of Finance (Mr. Lalonde). What they do not comprehend is that the people of Canada are no longer willing to buy their prescriptions. Even less are they willing to be made the butt of jokes and ridicule by the Prime Minister and his Minister of Finance. People have had too much suffering, too much uncertainty, too much frustration and of being stretched to the limits of their human and physical endurance by this Government now to be made the butt of sick jokes by the Prime Minister.

The treatment accorded the critical unemployment problem in Canada today by the budget of the Minister of Finance was also little more than a sick joke, although he did not use the same terminology as the Prime Minister. The Minister of Finance couched his approach to the issue in seemingly appropriate words. He said: "My dominant concern in preparing this budget has been to help the more than 1.5 million Canadians who want to work but cannot find jobs". That is his dominant concern. Did he really mean it or did he only say it?

I find it difficult, Mr. Speaker, if not impossible, to accept the words of the Minister of Finance as sincere when his budget provides for 182,000 more Canadians out of work this year than last, when it estimates that there will be more unemployed in 1985 than in 1982, and that there will still be a million-plus unemployed by 1987 and beyond. Either his "dominant" concern is really for the unemployed or it is not. His words say one thing but his budget says something entirely different.

This approach by the Minister of Finance, this "say one thing, mean another" phenomenon, touches many aspects of the budget. Taxpayers are promised a break but in the next few years they are going to have to pay additional taxes of $3.570 billion. The housing industry, through a number of measures, has been promised a building boom, all these measures which are going to bring about a building boom. I ask the Minister responsible for housing why, at the same time that this was done, did the Government propose to jack up the federal tax on construction materials? What help is that to the construction industry?

Mr. Fisher: What date does that tax begin?

Miss MacDonald: The Parliamentary Secretary to the Minister of Finance (Mr. Fisher) asks what date is the increase in building tax to begin. It begins in 1984, but what confidence does it instil in the construction industry when the Government threatens to impose higher taxes on it? Businessmen and investors are promised inflation indexing of capital gains, but they will be taxed year by year on those gains whether or not they have materialized. Small business is promised help with its losses when the greatest concern they now have is with expansion and trying to rebuild profits.

• (1120)

Parents are promised an increased Child Tax Credit indexed to inflation, but the income threshold will be frozen, as will the $710 dependant child tax deduction. The progress of time and inflation will effectively and not too distantly eliminate both these benefits.

What, then, does the Minister really mean by the budget, so complex that it took almost two months of delay before he could bring it in and twice the normal length to explain? Yet as we have all seen, the deficit and spending program was adjusted upward by $200 million within a matter of a mere 24 hours.

We are told that the private sector is to be the cutting edge of both recovery and new employment. The Minister's predecessor deliberately threw two million people out of work in this country—deliberately threw them out of work—by the measures he introduced which crippled the private sector. Now this Minister of Finance hopes that with the timely application of a few band-aids, the private sector will not only walk again but carry everything else along with it.

Sir, if anyone or anything in our economy can work a miracle with such slender resources, I have no doubt it will be the private sector, those manufacturers and industries, large and small, that are the real producers of our national wealth. But at the same time as the Minister is giving the private sector this half-hearted boost, he continues to tell us there will be little or no change until the world economy changes. This, of course, is part of the ongoing Liberal litany that all our problems are the fault of someone else. Our difficulties are created elsewhere and so, too, will be our solutions. The Minister sits before the media, Mr. Speaker, and explains that British Columbia coal will not get moving again until Japanese steel picks up. That will not be until people in the United States start buying again.

The argument of interlocking economies would be more valid were all our trading partners to have an equally dismal economic record as Canada has. Then the Government might have something to base that claim on. It would be more compelling if Japan also had a 12.5 per cent rate of unemployment, which it does not; or West Germany with double-digit inflation these past several years, which it has not; or the U.S., even with its huge deficit spending, which is nowhere near equivalent to our own $31.3 billion deficit.

The truth is that we are not the helpless dependants of international welfare that the Minister of Finance would make us out to be. We do not need to wait for others, sir, to pull ourselves out of the economic mess that this Government has put us in. There is much we ourselves can do to raise this country out of the financial quagmire. But there is precious little that this budget will allow us to do along those lines.

Yes, I will agree that the budget has given the business communities some of the incentives and tools it needs to modernize, to invest in plant and machinery, to expand its

research and development facilities, to get back on the road to productivity and world competitiveness. And, like the business community itself, we can applaud these long overdue measures in this direction. We have been urging them, sir, for many months now. But even at that, there is only so much a leaner and hungrier private sector can achieve until people start buying.

That, sir, has to be the basis of our economic recovery. Until businesses and manufacturers start increasing their inventory, until consumers start purchasing the end product, until that comes about there will be no significant reduction in unemployment in this country. Yet what encouragement is there for consumers in this budget to start that whole process moving? There is precious little, according to the Consumers Association of Canada. It gave this Budget a C minus, and I would say it was being generous in doing that.

• (1125)

The biggest purchase which most consumers will make during their lifetime is their own home. As I mentioned earlier, there are measures promising a boom in housing purchase and building. There is the topping up proposal for the RHOSPs, the Home Ownership Stimulation Plan, the Home Renovation Plan and the Residential Rehabilitation Assistance Plan. Obviously, those are supportive measures and they are to be applauded. I have said that before and I now say that to the Minister responsible for housing. However, I want to give him a piece of advice coming from home owners; these measures do not amount to a critical factor in trying to trigger a boom in home building or home buying. What the potential home purchaser and owner wants more than anything else is confidence, confidence that the roller coaster of interest rates will not return two, three or four years down the road.

If inflation is truly beaten as Hon. Members opposite claim, if we are on the road to recovery as the Minister believes, then a program guaranteeing mortgage deductibility on payments over a given rate of interest would have cost the Government nothing, if that is what they truly believe. However, it would do more toward encouraging home buying and, therefore, home building than any of the measures which the Minister of Finance has placed in his budget. I see that the Minister responsible for housing is shaking his head. Obviously, he is not speaking to the same prospective home buyers as I am. It is the question of interest rates which is uppermost in their minds. It is the major concern of those who have lost homes and those who are still paying high interest rates.

Of course, the budget does provide for some direct initiative for consumer spending in the withdrawal provisions for RHOSPs. However, perhaps the Minister responsible for housing can explain why the Minister of Finance did not stipulate in that measure that the provision would apply to goods, furniture and appliances made in Canada. Why did he not add that provision? Why not boost our own manufacturers? Why not put them before others? That would have immediately stimulated and triggered jobs here in Canada. Surely that is what the Minister of Finance said was his dominant concern in the budget. When he had the opportunity to do something about it, why did he not direct that one measure to the whole question of job creation for Canadians in Canada?

Thomas Maxwell, the chief economist of the Conference Board of Canada, points out that firms will only begin to invest when they can see that consumers are beginning to spend. Without that spending by consumers, he concludes, there will simply be no durable recovery.

I can see that Your Honour is awaiting the conclusion of my remarks, but I would like to say that without that commitment by consumers, that encouragement of consumers to spend, there will be no real improvement in the tremendous unemployment situation that we face in the country today. The Government simply did not come to grips with that in the budget.

Mr. Deputy Speaker: Are there Hon. Members rising to ask questions of the Hon. Member who has just spoken? If not, the Chair will recognize the Minister of the Environment (Mr. Roberts).

• (1130)

Hon. John Roberts (Minister of the Environment): Madam Speaker, a few minutes ago my colleague, the Minister of State for Economic Development (Mr. Johnston), announced some of the details and fundamentals of the Special Recovery Projects Program which the Canadian Government is mounting as an important part of its response to the economic challenge to the country. That response is one of the major elements in the budget that was presented by my colleague, the Minister of Finance, which is a recovery budget. It is a budget which is designed to bring, and will bring, the country on track, to respond to our economic problems and particularly to create jobs in our economy. It is a recovery budget designed to create jobs both in the short term and in the longer term.

The rationale for that budget has been clearly expressed by a variety of Members in the House. It is a budget based on the belief that the strong motor force for creating jobs must be through the private sector's efforts. It is a budget designed to continue the efforts we have made in the past to create a stronger and more positive context for the private sector's activities.

There also is another important wing of our efforts, and that is through the federal Government's own activities to create jobs in the Canadian economy. We are not a Government imbued with a Reaganomic spirit which believes that only the private sector can create jobs and that the only responsibility of Government is to create an atmosphere in which the private sector can do so. We also believe as a Government that there are appropriate times for it to step in and directly assist in the creation of jobs within the Canadian economy.

The budget made it clear that it is important that the Government takes such steps now. While we may look forward to the impact of the very favourable changes which the Minister of Finance (Mr. Lalonde) has introduced to encourage the private sector and the investment intentions of the private

sector, it is clear that major private sector investment will only be more active as we move toward the end of 1983 and well into 1984. There is a need to create jobs and strengthen productive capacity now, in preparation for the renewed private sector efforts which we believe will take place as a result of the positive suggestions in the budget.

That is the rationale underlying the Special Recovery Projects Program we have brought forward. It is to find and move forward projects which the federal Government can undertake to create jobs in the very short term which leave lasting benefits of strengthening the productive infrastructure and capacity of our country.

When the Minister of Finance presented the budget last week, he outlined two central recovery goals. The first goal is to ensure that the recent stirrings of growth start to pervade the whole economy of Canada as quickly as possible; the second is to make sure that the recovery is strong and durable in order to create good, permanent, satisfying and well-paying jobs for Canadians.

The Special Recovery Projects Program is the cornerstone of the foundation which the federal Government is laying to meet these two goals. This Special Recovery Projects Program is the largest Special Capital Investment Program ever undertaken by the Government of Canada. It will create jobs now, both in the communities where facilities will be built and in the centres where orders will be placed for goods and services. It will assist in several currently weak sectors, including construction, shipbuilding, fisheries and forest products. I hope I will have time to expand considerably on the forest sector which, of course, given my responsibility to the Canadian forest service, is one area of particular interest to me and I believe to many Members in the House.

The Special Capital Investment Program will put key infrastructures into place to improve the productivity of Canadian industry and meet the competitive challenges that will arise during world wide recovery.

At the outset I should say something about the economic environment in which this federal recovery investment is taking place. Total capital spending in all sectors of the Canadian economy, public and private, is expected to decline at the present time by more than 3 per cent in 1983. Even more significant is the expected decline of 8.2 per cent in investment in the private sector. That decline follows a decline of over 5 per cent in capital investment last year.

Through accelerating planned federal spending we will make up some of this investment short-fall and contribute substantially to national economic recovery. By bringing forward our investment projects we will improve the pace of recovery within the country.

Of the $2.4 billion directed to the special projects over the next four years, $1.7 billion will constitute a new injection of funds. In 1983-84 we are adding $600 million to our already forecast expenditures for construction and for the purchase of goods and services, which is an increase of approximately 35 per cent. In 1984-85 we will add $700 million to the forecast expenditures for an augmentation of about 33 per cent. In 1985-86 the additional expenditures will amount to approximately $400 million, which is an increase of about 22 per cent over our forecast of expenditures.

This program will put in place the financing of over 100 capital projects. I should stress how these projects have been selected. They are not make-work projects in the sense of being directed only to the creation of jobs. We believe that they will create jobs quickly in the Canadian economy, but, they are jobs which are also designed to enhance the productive capacity of the country. These are projects which departments have considered necessary over the coming decade for the development of the infrastructure. What we are simply doing is bringing them forward to make sure that they are paced properly within the perspective of economic recovery.

During the early stages of budget planning the Government asked departments to review their capital spending plans for future years and identify those projects which were useful, constructive and could be brought forward for early implementation. These projects were tested against a variety of key selection criteria. We were looking for initiatives that could be started within six months. The projects were screened according to the contribution they could make to investment and growth in key sectors and regions.

One of our important efforts in relation to these projects is to try to cut through some of the bureaucratic red tape that so often seems to surround Government decision-making. We have established a special Cabinet committee to accelerate the process of decision-making. Tendering and contracting times are being shortened and we will be working closely with key groups in the private sector to get their support for fast-tracking projects, not only at the selection and approval stages but throughout implementation.

The Special Recovery Projects Board, comprising a variety of senior civil servants, has been established to work with all the departments that are involved in this program in order to monitor its progress and expedite the process wherever possible.

In effect, 100 capital projects are being brought forward. The $1.5 billion of expenditures which would have taken place later in the decade is being brought forward to create jobs now in a way which will enhance the productive capacity of our country and speed its recovery. Special efforts are being made to provide quick administrative implementation measures to ensure this happens quickly. Two of these 100 major projects were announced today. My colleague the Minister of Supply and Services (Mr. Blais) announced the addition of $630 million in expenditure over the next four years to upgrade the quality of the Canadian Coast Guard, which is obviously a key need in our society, one which will have considerable technological and spin-off benefits.

I announced today that the federal Government is prepared to spend up to $147 million over the next four years under the capital program to strengthen in conjunction with the Provinces the capacity of Canada to fight forest fires across the

country through the purchase of up to 20 CL-215 fire bombers from Canadair.

Mr. McDermid: Bail that company out one way or the other.

Mr. Roberts: I am sorry that the Hon. Member opposite does not seem to understand the importance of this step and the importance of the forest industry in Canada. I would like to stress that this important step takes place within the context of the general forest strategy which the Government brought forward and implemented. It is an example of how the Special Recovery Capital Projects Program can help strengthen some of these industries in Canada which are the foundation industries of this country. We can help strengthen the resource sector, help it through some of its current difficulties and respond to the long-term opportunities it provides to our country.

• (1140)

Approximately 18 months ago the federal Government brought forward its forest sector strategy paper. It outlined the key areas where there is a need for action on the part of the provincial Governments, the private sector and the federal Government. We isolated those areas in the forest industry structure where there is a special need for Government assistance, a need to upgrade human resources in the forest sector and a need to strengthen the marketing systems for it.

There is an essential need to focus on the problem of reforestation and provide programs which will lead Canadian industry to transform itself from an industry that is simply exploiting a given resource to one which treats the forest as it properly should be treated, as a renewable resource. We need policies to put into place the reforestation which the forest industry so badly needs. The fourth key area of action which we saw that had to be met was the need to fight disease and fires throughout Canada.

The federal Government has acted in each of those specific, crucial areas of the industry. On the human resources side it brought forward an initiative of over $15 million for the next three years to assist through block grants to forest faculties across the country, and through a human resources program that is awarding 20 Canadian forestry scholarships this year and up to 50 by 1985-86. We brought forward a program under the federal internship program to employ 300 forestry students over the summer. We increased contract research to universities. Overall, there is a $15 million program to strengthen the human resources side and meet the human resources needs of the industry.

We have entered into arrangements with the provincial Governments in relation to reforestation. The federal Government has committed $130 million in expenditure by the year 1985-86. We are now in the process of signing with each of the provincial Governments a reforestation accord. One has been signed with the Province of Nova Scotia, we are ready to sign one with the Province of Prince Edward Island and I expect that in the next two years we will sign agreements with each of the provincial Governments, agreements which attach criteria designed to ensure that, through federal-provincial co-operation, we tackle the needs of reforestation in this country. We have signed research agreements with over half of the Provinces and expect to sign such an agreement with each of the ten Provinces by the end of this year. In this fiscal year we expanded our commitment to research by over $5 million.

One of the important areas where action still needs to be taken is in relation to the control of disease and in relation to the control of fire. The Special Recovery Capital Projects Program and the purchase of fire bombers which I have announced today will be supplemented by further announcements in the next few weeks. We will be using the over-all Special Recovery Projects Program to support the forest strategy. It will be used to bring federal forest research facilities up to the standards needed to carry out the federal share of responsibility in the forestry sector. We are going to ensure that the facilities are adequate to develop the skills required in the modern forest industry. It will be used to protect our Canadian forestry resource. We have acted in the past through our support for the establishment of the Canadian Inter-Agency Fire Centre in Winnipeg, a very much needed step to improve co-operation and co-ordination between the Provinces and the federal Government.

I want to give Members some idea of the importance of combatting fire in Canada each year and the reason why this purchase of water bombers is such an essential step for us to take at this time. The forest area lost to fire in Canada each year regularly exceeds the area harvested. Over the last five years there have been some extreme fire seasons. During that period, forest fires have burned on the average of three and a half times more forest land than was harvested. Clearly, losses of that magnitude cannot be borne.

To put it every more graphically, in a record fire season like 1980 forest fires burned an area in Canada equivalent to a six-kilometre-wide strip from coast to coast, a six-kilometre strip right across the country. That is the size of forest area that we lost in one year to fire alone. It is a bit difficult to determine the exact economic impact of that. Obviously it is substantial. Estimates place the loss of such dimensions as something in the order of $350 million. Average annual fire losses are in the order of $53 million per year.

Action is required, action which involves both the federal and provincial Government, to improve our capacity both to suppress and to combat fires. That is why I announced today that we are prepared to spend $147 million over the next four years to purchase up to 20 CL-215 water bombers from Canadair in Montreal to combat the menace of forest fires.

Four of these aircraft will be for use in the Yukon and Northwest Territories and 16 will be available for a national fleet of water bombers to be operated by the Provinces. These aircraft are to be obtained under the terms of a federal-provincial co-operative supply agreement which the Government is considering as a request from the Canadian Council of Resource and Environment Ministers on behalf of the Provinces.

Under the terms of such an agreement, the federal Government will purchase one aircraft for each one purchased by the Provinces. Apart from the four which we will buy for the Yukon and Northwest Territories, it will be a matching program. Each CL-215 will cost about $6 million. Consultations are under way with the Provinces to finalize their arrangements for participation in the water bomber purchase program.

The Canadian CL-215 is the only aircraft specifically designed as a water-scooping fire bomber and it is the only modern fire bomber in production. This aircraft is a Canadian concept and it is a major achievement of the Canadian aerospace industry. It has a proven track record and it has earned an excellent reputation both in Canada and overseas.

The water bombers purchased by the federal Government will constitute a national fleet to meet peak fire season needs when provincial firefighting resources are fully committed. That is when the failure to have enough "flying fire trucks" results in hundreds of millions of dollars worth of timber losses, such as in the 1980 fire season when forest losses were estimated to be over $350 million.

The aircraft will be assigned to individual Provinces to operate and they will be responsible for all operating costs. Allocation of these aircraft for firefighting duty during peak forest fire periods will be co-ordinated by the Canadian Inter-Agency Forest Fire Centre in Winnipeg. The Department of Transport will own the national fleet of aircraft on behalf of the federal Government. The Provinces and Territories will operate the national fleet as part of their present fire bomber fleets.

Besides keeping a technologically important production line in operation, the water bomber purchase will enable the federal and provincial Governments to command a large enough production run to allow for both continued and for economic production. As a result, Canadair will have a viable production schedule that will benefit the company, the forest industry and the labour forces of both the aerospace and forestry sectors.

If I still have a moment, I would like to spell out in a little more detail some of the job implications of such an effort. Of course, I cannot give a specific commitment on job creation in relation to the program because it will depend upon the co-operation of the Provinces and the finalization of our agreements with them. It will depend to some extent as well on whether the international orders which we expect will follow through from this program. We believe there will be an international market for at least 20 of these CL-215s. If one takes into account the four that we are purchasing, the 16 which we are prepared to purchase if matched by the Provinces, the 16 which the Provinces purchase to meet that commitment and another 20 which we expect to sell internationally, we are talking about potential sales of 56 CL-215s over the next four-year period. That will create jobs for Canadair in Montreal. It will also create jobs elsewhere such as Fort Erie, Sault Ste. Marie, Winnipeg and Vancouver. There is that additional spin-off effect. Repair, overhaul and maintenance is expected to create more jobs as well.

• (1150)

In total, we believe this program could create 1,200 direct jobs and 265 sub-contract jobs. If the orders go out for all 56 planes as we expect, it will provide something like 9,000 person-years of work over the first stage of the program.

Mr. Speaker, I have dwelt on this one example because it is of particular concern to me as the Minister responsible for forests, but I hope it illustrates how, through the Special Recovery Projects Program, we can at the same time bring forward projects and start them now. This will have the effect of enhancing the productivity of our country, of realizing its potential, and of creating jobs in the immediate short term. That is what the program is about. That is what it is designed to do. Mr. Speaker, that is what it will do.

Mr. McDermid: Mr. Speaker, I have a couple of questions for the Minister. First, can he assure the taxpayers in the country that the amount paid Canadair for these water bombers will be the market value of those water bombers and not inflated prices such as it appears the Canadian Government has paid for the Canadair jets? It paid a higher price for the same jet that the private sector would pay a much less amount for. Can the Minister assure us that we will be paying the fair market price and not a price that is inflated because it is being purchased by the Government?

Mr. Roberts: Mr. Speaker, I can assure the hon. gentleman that negotiations for the purchase of these planes will be carried on by the Minister of Supply and Services, a tendering and negotiation process which is exactly and explicitly on a commercial basis. I would remind him as well that—

Mr. McDermid: Tendering.

Mr. Roberts: Tendering and negotiation process on a commercial basis, as Supply and Services always does. If the Hon. Member would stop talking for a minute and listen, I would point out to him that the federal Government will be purchasing four of these planes. The others will be purchased through programs with the Provinces so that the Provinces will be undertaking negotiations with Canadair. Twenty of them we expect to be bought on the international market and negotiations will take place internationally by those purchasers. So the bulk of these planes will be purchased by provincial Governments with our co-operation. The Hon. Member is talking about a process of negotiation with Canadair carried on through ordinary competitive arrangements and on a commercial basis by Supply and Services and by provincial Governments.

Mr. McDermid: I have two quick questions for the Minister. Has he any guarantees from any of the Provinces that they will participate in this program? Second, the Ontario Government traded in their Canadair jet for two water bombers. Are those two water bombers included in the 16 that the Minister is referring to that the Provinces will be negotiating?

Mr. Roberts: The answer to the second question is no, that arrangement is one which has already been made by, as I

understand it, the Province of Ontario. It has nothing to do with the federal Government or this program announced today.

The answer to the first question is yes. It was clear at the meeting of the Canadian Council of Resource and Environment Ministers in September that the Provinces are anxious to participate in the program. The committee of provincial officials has prepared proposals which are supported by at least half of the Provinces. I could tell the Hon. Member which Provinces these are if I had a moment. The arrangements have yet to be finalized, but clearly there is a determined volition on the part of a large number of the Provinces to participate in the program. Specific details of the contracts, arrangements and so on still have to finalized.

Mr. Nowlan: Mr. Speaker, I have a question based on the shipbuilding part of the program. I appreciate that this is not necessarily within the Minister's administrative domain, but he did mention the $630 million for shipbuilding. I have a wire service story on that release. I would ask the Minister how much of that $630 million is new money as opposed to recycled money; and has there been a definition as to the division of that money between the regions, as mentioned in the press release?

Mr. Roberts: Mr. Speaker, as the Hon. Member said, this is an area that goes beyond my administrative responsibilities. I cannot reply to the second part of his question, though I am sure my colleague the Minister of Supply and Services will be in the House at Question Period and ready to respond if the Hon. Member wishes to put the question to him.

In answer to the first part of the Hon. Member's question, I believe I am correct in saying that this is all new money above and beyond what has previously been directed to the program. This is an addition of funds, not the reworking of existing funds.

Mr. Foster: Mr. Speaker, I would first congratulate the Minister on this concept of a national fleet of water bombers. He has graphically portrayed the advantages this will have to the country in terms of the loss from fires every year.

I would ask the Minister whether the national fleet of 16 planes as he has described it will include only eight aircraft, or half of them, owned by the federal Government that will be available to be moved to wherever in the country the fire danger is the worst or where in fact there are losses from fires, or will they all be stationed in certain Provinces? It seems to me that it would be advantageous to have 16 planes available on a national basis to go to wherever the fire hazards were the worst.

Second, a press report this morning, I believe from *The Globe and Mail*, indicated that the laboratory research facilities were going to be increased, I believe in Eastern Canada, Northern Ontario, and Western Canada. Is any of that funding under the Special Recovery Projects going to be allocated to increase the laboratory facilities at the Great Lakes Forest Research Laboratory in Sault Ste. Marie, which essentially serves, at the federal level, research programs for Northern Ontario?

Mr. Roberts: Mr. Speaker, I am not sure whether there is a failure of communication between the Hon. Member and myself in relation to the first part of his question. I hope that there is not. Four of the water bombers will be in the Yukon and Northwest Territories. Clearly they will be federally operated. We are agreeing to purchase 16 more on a matching basis with the Provinces. I cannot tell the Hon. Member exactly where they will be because I cannot tell him which Province is going to buy five and which is going to buy three and so on. The extra 16 planes purchased by the federal Government would match the 16 purchases of planes by the Provinces and will be allocated to match the provincial contribution. If, hypothetically, Ontario bought four planes, the federal Government would buy four planes which would be owned by the Ministry of Transport but operated and maintained in conjunction with the four planes the Province had purchased. It will not be, as it were, one massive national fleet that goes swinging from place to place.

The Hon. Member may be concerned about the question of how these national efforts are going to be directed to specific locations as the fire problem shifts from Province to Province or area to area during the fire season. The answer is that we have established, with the provincial Governments, the Inter-Agency Co-ordinating Centre at Winnipeg to co-ordinate all of these efforts. Thus, the federally owned planes plus the provincially owned planes from all of the Provinces will be allocated to meet the pressing fire need wherever it may occur. I do not want to get too trapped by semantics, but in a sense both the provincially owned planes from all of the Provinces and the federally owned planes will be available to focus on the current fire threat in whatever part of Canada it is to be found.

This is a first step on the part of the federal Government. We have never been involved in the purchasing of water bomber equipment before. We believe, however, that the need is so pressing and so great and that forestry is such a fundamental resource for Canada that we should participate. We must participate in a co-operative and co-ordinating way with the Provinces, since they are the owners and managers of the resource and already do have major firefighting installations at work. I may have gone on too long, but I am trying to answer the Hon. Member's question as specifically as I can.

In terms of research centres across the country and the Canadian Forest Service efforts, I cannot make any announcement to the Hon. Member at the present time about what will happen there. I can say that within the next few weeks I hope to be able to say some things with respect to it which I hope he will find encouraging.

• (1200)

Mr. Jarvis: Mr. Speaker, the CP wire story with respect to the recovery programs quotes officials as saying that "there will be a sleek publicity campaign over the next several weeks to attract maximum attention." I have no quarrel with "sleek"

or "publicity" but I wonder if, attendant upon the program, there is a paid advertising campaign in order not to ask for supplementary funds. I would remind the Minister how counter-productive the paid Government advertising was with both the National Energy Program and the Constitution, given the size of the deficit. I wonder if he could assure me that with regard to the merchandising justified by the Government there will or will not be a paid advertising campaign with respect to these capital programs?

Mr. Roberts: Mr. Speaker, in terms of publicity or public relations, I should say that my colleagues and I believe it is important to communicate these proposals to the regions of the country. Some of the projects will have local significance and others will have national importance.

We are going to make a special effort and I think you will see the Ministers and Members on the Government side travelling the country talking about these things. I think that is entirely appropriate.

No special advertising campaign is presently envisaged. In the nature of things I cannot say that no informational material will be produced or distributed. We intend to communicate the program which I think is the legitimate responsibility of the Government, but we do not have in mind some massive paid advertising campaign.

Mr. Deputy Speaker: The period for questions and answers has expired and regretfully, without unanimous consent to continue, I have to call on the next speaker. The Hon. Member for Edmonton West (Mr. Lambert).

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I appreciate the opportunity to speak so early in the budget debate. I must say that I was rather taken with one particular feature of it. That was not the hubbub about the so-called disclosure of a page or two of the budget, but that at the end of the Minister's delivery Government backbenchers and Ministers stood up and applauded in a frenzy, calling "more, more, more".

Watching them during the debate I notice that every time the Minister said there would be $80 million for this or $120 million for that, they applauded. They reminded me of a nest of bird chicks—every time the parent bird came near the nest there was a great squawking and mouths opened wide. Every Hon. Member opposite gave the visual impression that the $80 million or $120 million was destined for his or her riding. That is precisely what was happening.

I hope Hon. Members have now examined the budget in detail. If they have they will see that the money is not there. All those investments they thought they were going to get are figments of the Minister's imagination, trying to sell something that does not exist.

Let us look at some of the incentive programs. In so far as they shall be tax deductible, there will be tax allowances. For the firm in a loss or break-even position a tax credit may be carried forward. But is that sufficient to induce the management to enter into hard cash expenditures for additional facilities at this time? If a firm or industry is operating at two-thirds or three-quarters capacity, what good are incentives to improve plant and machinery if the goods are not saleable? This is a very subtly acceptable delusion. At other times in the past this practice has been in effect, and not only espoused by Liberal Cabinet Ministers.

I recall the recession that started in 1956 and ran through 1957-58 and 1959. Attempts were made to induce businessmen and manufacturers to invest in more machinery and plant through double depreciation allowances and that sort of thing. Subsequent Liberal Cabinet Ministers did the same sort of thing. I thought this was a good idea until I talked to members of the Canadian Manufacturers' Association and the Canadian Chamber of Commerce. They unanimously said that, notwithstanding what appeared to be an interesting proposition, it was a non-starter. They asked: "Why should I, as a machine tool manufacturer, for instance, invest some $2 million in new machinery—$2 million of hard earned money that I am going to have to spend—if the industry is operating at two-thirds capacity and I will sell additional production only if I lower my price or gain some other competitive advantage? Should I do that so that I can get a double depreciation break on new equipment, when I am not making much money? What good is that to me?" Is that the argument about many of the incentive programs that the Minister indicated are the stars of his budget?

We will see about the accelerated capital projects program, the one to which we added the $200 million—the Minister's "save my reputation" addition to the budget.

This morning's *The Globe and Mail* listed certain things that are going to be done—public works buildings in Halifax and Vancouver, additions to Dorval Airport—things that are going to be judiciously placed in Liberal ridings. When we see the list we will see how they will benefit the country.

Another thing that struck me is how the word "incentives" has been rehabilitated in the Department of Finance. On November 12, 1981 when the Department of Finance was under the jurisdiction of the present Secretary of State for External Affairs (Mr. MacEachen), tax incentives were tax havens. They had become tax expenditures. They were to be obliterated. Not only in the November 12, 1981 budget were they anathema to Government financing, but even the Parliamentary Secretary will agree that on June 28 we still had some of the same language. During the summer the tax advisers were again saying that incentives were bad for the system. Now they have been rediscovered, and we hear them talking about incentives.

• (1210)

I hear the Hon. Member from Newfoundland making a remark. He strikes me as one of these big seagull chicks that opens its mouth every time there is mention of more funds being provided for this incentive or for that grant. The incentives, of course, do not cost the Government anything. Unless something is done, no allowance is claimed. In any event, most of the industrial incentives are on the basis of tax credits.

Again, if nothing is done there is no cost to Government. Therefore, take all the sponge and water out of a good part of the budget and what is there?

The one area on which I want to comment before my time expires is the removal of the $100 allowance for charitable and medical expenses and its replacement with actual expenditures based upon receipts. All I can say is that I think about two-thirds of all personal taxpayers do not make that $100 contribution to charity. All you have to do is to ask any clergyman, any parish priest, what is the average donation within his or her parish. All you have to do is ask national charitable organizations what is the average contribution. The sum total is far less than $100. Therefore, taxpayers will lose on this provision. Those, however, who do contribute to charity in excess of $100 based upon this marginal rate will get a benefit of maybe $8 to $20. The Government will gain up to $80 and more on this particular provision.

Socially I think there is something I should draw to the attention of Hon. Members. In many instances gifts to private or voluntary organizations that qualify under the charitable gifts donation clause in the Income Tax Act were for $100. A gift of less than $100 gave no advantage and no incentive to the taxpayer because the taxpayer already had the deduction under the Income Tax Act.

There is a great deal to be said for gifts to voluntary organizations. I know some of my colleagues will be saying a good deal more about this during the debate on the Income Tax Act. But I feel that as much as possible we should encourage gifts to charitable organizations. I do not say there should be a tax credit dollar for dollar, but what is wrong with setting up—I am not the author of this particular suggestion, it has been made several times—a scheme similar to that given to people who make political donations within certain rules? On the first $100 there should be a tax credit of, say, $75 and then on up through the limits, but not a limit of $1,000. I know there are many people who are well endowed with worldly goods who are quite prepared to donate to a university, a church, a museum, an art gallery or what have you, gifts far in excess of $1,000. They should receive some encouragement. But all we do with the Income Tax Act at the present time is deter these individuals from making gifts to what you might call posterity. At the present time it is only in particularly artificial and devious ways, devious in that they are complicated, that major gifts may be made of collections of art to public purposes by donating the whole of the collection to the state and releasing for $1, say, to the individual concerned who can keep the collection in his home or in his own particular gallery.

There are other matters which I think I should talk about at this time. We will do this much more thoroughly when considering the particular Bills in detail. As for those measures dealing with excise tax, we will see some fancy footwork with regard to the excise sales tax on aircraft tickets and journeys. We will see an increase next year in the excise tax to 10 per cent. What on earth will this do to the proposal now under discussion with the public to change the impact of the sales tax from the manufacturers to the wholesale level, and a reduction of it to 8 per cent, without any concurrent reduction on building materials from 5 per cent to 4 per cent? The former Minister of Finance simply dismissed my question on that by saying "I need the revenue". It is a standard ploy with Government to say "We need the revenue", regardless of how wise the legislation is under which the Government will spend the revenue. There will also be an increase in the excise tax on domestic wines to 13 per cent. We will also see the continuation of indexation.

There is one point I want to mention favourably which we will be discussing later. I am speaking of the Index Security Investment Plan which arose from the Lortie Report. There were some changes from those offered in the Lortie Report. I do not know if everything is in good order because there are some hooks with it. It is not all gravy, but it may provide an incentive for investment in Canadian securities if they are grouped under this particular heading.

The last thing on which I want to comment is to say that we are now into the fourth year of this session of Parliament. There are some proposals which went through the Income Tax Act in 1980 and subsequently through Bill C-139 which, unfortunately, we cannot move now to strike out. As you know, Mr. Speaker, it is a rule that within the same session of Parliament a motion may not be introduced to reverse an earlier decision taken in that Parliament. Now we are into the fourth year and we cannot start to undo some of the nonsense which was imposed on this Parliament under the Income Tax Act and under the Excise Tax Act by a Government which was not thinking clearly.

• (1220)

For instance, a vicious principle of the indexation of excise tax based upon cost of living was introduced in a section of the Excise Tax Act. It is absolutely self-defeating, except for Government. Government can continue to tax at a higher level simply based upon an increasing cost of living without coming back to Parliament for approval. Talk about Government being interested in inflation! That is a classic example, Mr. Speaker.

I believe my time has expired but I hope I will be able to take up a number of other subjects when the various Bills come up.

Mr. Roger Simmons (Burin-St. George's): Mr. Speaker, many different yardsticks will be applied to this budget to determine its success. How many jobs will it create? How will it benefit consumers? To what extent will this budget serve to stimulate the economy? These yardsticks and many others, I know, will be applied to determine the sucess of the budget of the Minister of Finance (Mr. Lalonde).

I want you to know, Mr. Speaker, that I also intend to apply a yardstick to this budget. How far does this budget go to address the particular problems in the electoral riding of Burin-St. George's, which it is my honour to represent in this Parliament? There are those who will argue that my yardstick is too specific, that a budget ought to be concerned instead

with the greater good of all Canadians. I have no quarrel with that particular yardstick, either. I submit only that the greater good of Canada can best be served by addressing the problems and the realities which exist at the individual constituency level.

For the people of Burin-St. George's, which is on the South and Southwest coast of Newfoundland, the most graphic economic and social reality is the fishery. The fortunes of my people are tied up in the offshore and the inshore fishery. The same can be said for Newfoundland as a whole. In my Province, fully 15 per cent of the jobs are in the fishery. That compares to about 5 per cent in Nova Scotia and a lesser percentage in the other Canadian Provinces. In Newfoundland and Labrador, the fishery is the most important source of employment. But, Mr. Speaker, it is much, much more than that. It is the economic and social underpinning for literally hundreds of Newfoundland communities. Without the fishery, most of these settlements, these towns and villages, would cease to exist or would become welfare ghettos, permanent wards of the state.

As you know, Mr. Speaker, an important segment of the fishing industry in Newfoundland and, indeed, in Atlantic Canada generally has come upon hard times. The simplistic view is that the current crisis in the fishery results from the nature of the industry itself, that it is a marginal enterprise at best, forever requiring Government hand-outs. That is the simplistic view. It is also the wrong view. Indeed, Mr. Speaker, much of the fishing industry is thriving today. I can cite for you many examples of that fact. Instead, I would like to confine my remarks today to that segment which is in trouble, to say why it is in trouble and to say what the Government, and specifically this budget, can do to deal with the problem.

It is the management, the large fishing companies, which must bear the lion's share of the blame and responsibility for the current fisheries fiasco, and rightly so, because it is the managements of those companies which have made incredibly bad decisions. These have been decisions on the unwarranted over expansion of fish processing capacity, shortsighted practices in marketing strategies, and financial undertakings which have resulted in unmanageable debt-to-equity ratios. The solution to the problem lies, first and foremost, therefore, in ridding the industry of that kind of incompetence. It is here, Mr. Speaker, that both the federal and provincial Governments have key roles to play.

It would be easy, Mr. Speaker, to stand here and blame the Newfoundland provincial Government for its failure to act in the face of the current fisheries crisis. After all, it is the provincial Government which, under the Constitution, has jurisdiction in the fish processing sector. As a Newfoundlander, I am shocked and shamed at how callously the present provincial Government has dealt with this issue to date. I have long since learned, however, that pointing fingers of blame, however well directed, has not solved very many problems.

What is more important, the federal Government also has a key role to play for two reasons; first, because of the shared federal-provincial jurisdiction for fisheries which is provided for the Constitution; and, second, because the problem has been dumped in our laps by an irresponsible provincial Government.

I am pleased to say that the federal Government has already made some important decisions which are aimed at dealing with the fisheries crisis. A team of negotiators has been appointed and given a mandate to deal with the fisheries restructuring issue. A substantial sum of federal money has been labelled for that purpose. All of this constitutes an important step in the right direction because the result will, hopefully, include putting the offshore fishery on a more stable footing, ridding the industry of the incompetent management, and providing some much needed capital.

However, Mr. Speaker, there remains one crucial item of unfinished business. That is the future of several of the fish plants which have been closed or are under threat of being closed as a direct result of the terribly incompetent management which I mentioned a moment ago. You may ask, Mr. Speaker, where, then, are those plants located? On the Northern tip of Newfoundland, perhaps, where local and Arctic ice conditions allow their operation on a seasonal basis only? Are they located some place far removed from the groundfish stocks which are so important to their operation? Not quite. These plants, Mr. Speaker, whose very future is now at stake are situated along Newfoundland's South and Southwest coast, a coast which is completely ice-free at all times of the year, so that these plants can operate year round and have regularly done so for decades upon decades.

Further, because of that location, these plants are literally on the doorstep of the richest groundfish stocks in the entire world. Who among us has not heard of the renowned Grand Banks of Newfoundland with its wealth of codfish and other species?

• (1230)

So you may ask, Mr. Speaker, who in his or her right mind would want to close a fish processing plant in that situation. Who indeed? The answer is: The very same incompetent people who made those other bad decisions about overexpansion, marketing and financing which I talked about a few minutes ago.

It is important to understand, Mr. Speaker, that those plants have been there a long time. They are not fly-by-night operations begun a few weeks, a few months or maybe a year or two ago as the result of some state of euphoria in some management office in St. John's or Halifax. I say to my good friend, the Hon. Member for Edmonton West (Mr. Lambert), that well before the Leduc oil well signalled Alberta's prosperity, fish plants at Burin and Grand Bank were pumping money into the pockets of fishermen and fish plant workers on the Burin Peninsula of Newfoundland. Decades before high technology came here to the Ottawa valley, the Gaultois fish plant had become a way of life for 700 people on an isolated island in Hermitage Bay.

Many, many years prior to the coming of the aerospace industry to Toronto and Montreal the 1,500 people who

inhabit a tiny island in the Atlantic Ocean miles off the Newfoundland shore had come to know and rely on the economic and social stability provided by the Ramea fish plant. Burin, Grand Bank, Gaultois and Ramea. I could also mention Harbour Breton which serves not only the immediate community but many others for miles up and down the coast. After all those years, are those plants to be allowed to close, to fold, along with dozens of communities and thousands of jobs, at a time when we are searching so diligently, and so desperately at times, for new ways to create jobs? I cannot accept that as a sensible thing to do; therefore I will not stand by and allow that kind of thing to happen.

Now, Mr. Speaker, it is important to understand that the Government of Canada did not create this problem, but it is equally important to understand that the Government of Canada will surely have to bear a lot of the blame if those plant closings go ahead. We have waited long enough for the fish companies to do the right thing but they lack the confidence to do so. We have waited long enough for the provincial Government to step in, but we all know the present provincial Government of Newfoundland would rather pick a fight than solve the problem. We have seen that with the offshore resources issue. We are seeing it right now in the way Premier Peckford and his administration are dealing with the Province's teachers. And the list goes on.

We cannot depend on the fish companies to do the right thing. We certainly cannot depend on the provincial Government to do the right thing for those communities, those fish plants and those people. That means, Mr. Speaker, that the ball is in our court. If the federal Government does not take action, those plants will close, perhaps forever.

So, Mr. Speaker, I am making an urgent appeal to the federal Government to wait no longer for the provincial Government to act. My suggestion is simple: Provide the necessary funding to allow those plants to operate. The sums involved are by no means astronomical. Indeed, it is my understanding that the per job cost of the federal Government's current employment initiatives program is actually higher than the per job cost required to ensure the continued operation of those plants.

I have chosen to make my appeal public today at this time, Mr. Speaker, not because I fear the federal Government lacks the will to act in this important matter, but because, frankly, I have been fighting behind the scenes against a sweet reasonableness among federal Cabinet Ministers, a reasonableness which argues that surely the provincial Government can be expected to bear its responsibility for keeping those plants open. It is a reasonableness that argues that the shared fisheries jurisdiction requires that the federal Government must act in collaboration with the provincial Government in this matter.

I agree with all those arguments because I, too, am a reasonable man. Unfortunately, the same cannot be said for Premier Peckford. Therein lies the problem. That is why it is essential that we wait for the provincial Government no longer. Jobs are at stake. Employment opportunities are slipping through our fingers, the economic and social fabric of many communities along Newfoundland's South and Southwest coast is being threatened. My appeal is that the federal Government do now what clearly has to be done: instruct our federal negotiators in the fisheries restructuring issue to take the necessary steps to have those plants opened. Forget the constitutional niceties; accept as fact Mr. Peckford's total inability to participate in civilized federal-provincial arrangements, even when the jobs of thousands of Newfoundlanders are at stake. Act now in the spirit of the Minister of Finance's budget by stabilizing the economy of the South and Southwest coast of Newfoundland and by preserving so many thousands of permanent jobs.

At the beginning of my remarks, Mr. Speaker, I talked about applying yardsticks to this latest budget. I said that the appropriate yardstick from my vantage point is, how far does this budget go in addressing the particular problems in the riding of Burin-St. George's? If it does not address those problems, then the budget will be a dismal failure in my books, an affront to the people I represent here. To address those problems adequately, it must deal with the fisheries issue. The Government must do its part in ensuring the continued operation of those plants.

Mr. Deputy Speaker: Are there any comments or questions? If not, I recognize the Hon. Member for Yorkton-Melville (Mr. Nystrom).

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want to have the opportunity to say a few words on this budget this morning and perhaps talk about a slightly different issue which I think is very important in terms of economic performance in our country. Over the last 25 or 30 years there have been a number of trends in Canada that I find very, very frightening. For example, our standard of living has fallen since 1960 from the second highest in the world to around nineteenth. If we exclude the oil-producing states, we are somewhere around tenth or twelfth in the world. Our performance as a member of the OECD is such that we find we are now 24th out of 24 nations.

I think, Mr. Speaker, one of the reasons for this is that so much of our economy is so foreign owned and controlled that in times of world recession, in times of major structural readjustments such as the technological revolution we are going through, this tremendous amount of foreign control causes us problems more severe than elsewhere around the world.

As a nation we seem to have gotten away from the politics of the past where certain people did have visions of developing our country, whether it was Sir John A. Macdonald or others. As a nation we seem to have accepted the ideas of C.D. Howe and continentalism. I think that is very wrong. I do not believe that foreign ownership and control or our economy makes us rich. I believe that is a myth. Indeed, foreign control of our economy, when we consider the costs and benefits on balance, has made us poorer and has cost us many jobs as a nation.

• (1240)

We should consider some of the statistics. We find, for example, that about 26 per cent of Canadian industry is now foreign owned, in comparison with about 3 per cent in the United States, 3 per cent in Great Britain, 3 per cent in France and less than 1 per cent in the booming country of Japan. If we consider it sector by sector, we see that many of our key sectors are really foreign controlled and dominated. In manufacturing, it is about 41 per cent; in the rubber industry it is around 90 per cent; and in the chemical industry it is around 76 per cent. One could go on and on. In fact, in 1982, 19 of the 50 largest firms in Canada were in the hands and control of foreigners.

When one considers foreign investment and ownership, one must consider both the costs and the benefits. As I said earlier, my assertion is that the costs far outweigh the benefits in our country at this particular time, as has been the case, indeed, throughout most of our history. In terms of benefits, foreign investment is only a benefit if it is working for Canadians, if it is controlled for Canadians, if it does pass a really meaningful, tough, foreign benefit undertaking or control test. However, we have an organization in Canada today called FIRA which is by no means strong enough when it comes to policing foreign investment in Canada.

The only other way by which foreign investment would be meaningful or helpful would be through joint ventures, where there is Canadian control, where we do carry out some research and development, where we do have some markets in other countries because of the fact that they are joint ventures. However, it is very important that Canadians remain in control of joint ventures of that sort.

[*Translation*]

Mr. Speaker, if foreign control of our economy is so beneficial, then perhaps someone could explain why, as revealed in a study on the economic performance of twenty-four countries published three or four months ago by the OECD, Canada happens to rank twenty-fourth. Perhaps someone could also explain why some Latin American countries, where the multinationals have made large scale investments, are among the poorest in the world.

[*English*]

The costs of foreign investment are indeed very great. It is one of the reasons we have so many major structural and performance problems today. For example, consider the tremendous fragmentation of the Canadian market, the tremendous distortion of Canadian trade when it comes to both exports and imports, the lack of R and D, the lack of manufacturing and processing in Canada and, indeed, the outflow profits and dividends from our country.

First, the fragmentation of the Canadian market. As long as Canada has existed, we have tended to be a mini version of the United States. We have tended to be a shadow economy or a tag-along economy of the United States. Where the Americans have had ten large firms, we have tended to have eight or ten branch plants in this country. Because of that, many of our industries have been very inefficient and have been very costly to the Canadian people and, as a result, have not exported. In fact, in 1968, during a major study, the Government of the day found one example which pretty well sums up the fragmentation of the Canadian market. In 1968, there were nine refrigerator subsidiaries in operation in Canada in a market, according to the Government, which could only support two such operations in an efficient way according to the economy of scale. This is a good example of the lack of rationalization of our industry, because so much of our industry is foreign controlled and owned, to a degree which is not permitted by any other developed country around the world.

I have mentioned four or five areas of real concern to me. The second involves the whole area of research and development. In 1973 only 2.7 per cent of Canada's manufacturing firms carried out any research and development whatsoever. In 1981, a year and a half ago, we as a nation spent only 1.2 per cent of our Gross National Product on R and D. Most of that was spent by Canadian firms. In comparison with other countries, we find that the United States spends around 2.5 per cent of its GNP on R and D and that the Japanese spend around 2 per cent of their Gross National Product on R and D. By the way, very little of the Japanese R and D expenditures are on the military, while in the United States, of course, the opposite is true. In France, around 1.8 per cent of GNP is spent on research and development.

I am not proud of the level in our country. It is lower than in countries such as Sweden, Norway, Belgium or Yugoslavia and is probably on a par with countries such as Egypt and Ireland. That is one reason our economy is not performing very well. The major reason we do not have R and D in this country is that foreign firms dominate many of our industries, and it is a natural tendency for research and development to occur at home base. This lack is something which we as Canadians must change.

I am particularly concerned about this aspect of foreign control when I consider technology in our society today. In the last year, for example, we have had a trade deficit of $8 billion in high technology alone, and by the year 1990 many people in the field are predicting that our deficit in computers alone will be around $10 billion.

The third cost of such overwhelming control of our economy by foreigners is in terms of the trade distortions in Canada. Once again, one can consider many examples from the past. In the early 1970s, the Gray Report stated that of the foreign manufacturing firms which were exporting—I want to make it very clear that it only concerned those which were exporting because some were not allowed to export at all—about 58 per cent had some kind of export restriction placed on them by their parent company. For example, 31 per cent were excluded from exporting into the American market.

Recently some papers from the 1960s of the Trade Commissioner were made public in this country. The Trade Commissioner said that in those days over three-quarters of foreign firms operating in Canada had export restrictions placed on them by their parent firm in the United States. In 1980 there

was a repetition of this in a Cabinet document which was referred to the Cabinet by the then Minister of Industry, Trade and Commerce, who was from Windsor, in which he requested stronger legislation for the Foreign Investment Review Act and that amendments promised in 1980 be made. Of course, he was turned down by the Cabinet.

Another example involves the Nelson muffler company, a firm in the United States with its headquarters in Wisconsin. In 1980 it applied to the Foreign Investment Review Agency to establish a plant in Canada and was granted permission to establish a firm in Ontario. Two years later, in a licensing agreement between Nelson Industries Incorporated in Wisconsin and Nelson Muffler Canada signed in July of 1982, it was found that the Canadian plant was subject to export restrictions. In fact, page 4 of the licence agreement stated that the Canadian branch plant could not export anywhere in the world without written consent from the head office in the United States. I believe that to be very unfair. It is an attack upon the economic sovereignty of Canada. It is the type of thing which no self-respecting sovereign nation in the world would allow to continue.

In addition, in terms of trade distortion on the import side, we find that Statistics Canada reported last November that in 1981 foreign owned or controlled firms in Canada imported about four times as much as Canadian controlled firms in the same areas. Once again it is evident that a Candian owned and controlled firm is more likely to purchase in Canada in terms of its procurement policy and do its processing, fabricating, its research and development and its expansion in this country, than those firms which are controlled and owned from outside our borders. This means that foreign control makes us poor as a nation since many jobs are lost in Canada and created elsewhere.

• (1250)

During the 1960s there was a study conducted by the Department of Commerce in the United States which showed that American investment in Canada essentially replaced investment that otherwise would have been there. This resulted in a net benefit to the Americans of millions of dollars per year.

My fourth area of concern over the cost of foreign control deals with the lack of manufacturing and processing in Canada. In 1981 we had a trade deficit in manufacturing of $21 billion, yet manufacturing is the sector in which we have the most labour intensive dollars. It is one of the major reasons why our country's unemployment record is much worse than most industrialized states. Even when we have international agreements with other countries, such as the autopact with the United States, we have tended to come out on the short side of the deal as a result of foreign ownership in companies like General Motors and Ford. The accumulated deficit in the auto parts industry has now reached approximately $41 billion. This has also caused the loss of many jobs. In 1982 the deficit in the auto industry was some $5 billion.

The high degree of foreign ownership of the manufacturing industry in this country is costing us millions of dollars, making Canadians poor, increasing our tax burden and losing many jobs for Canadians. We have even seen evidence of foreign owned companies that are economically profitable curtailing work in plants or closing them down. A good example of this is Bowater in Newfoundland which made profits in the millions of dollars in this country but was closed down as a result of balance sheet considerations by the head office of the multinational. There is also the example of Brian Mulroney's Iron Ore Company of Canada. In that case Schefferville has become a ghost town because of foreign control in our economy.

The fifth reason why foreign control of our economy is costing jobs and making our nation poorer is the outflow of funds from our country. Between 1976 and 1981, the net outflow of funds from Canada was $38 billion. This was an outflow of direct capital that was made as a result of the productivity of Canadian workers, farmers and the business community. As well, there is the outflow of dividends and interest payments. This amount represents a net loss after taking into account the difference between inflow and outflow.

In the gas and oil industry alone, between 1975 and 1979 there was an outflow of $2.1 billion in direct capital from this country to be invested or enjoyed as profit elsewhere. As well, there was an outflow of $1.6 billion in interest payments and dividend payments abroad to foreign shareholders. The total outflow of profits in the oil and gas industry during those four years was $3.7 billion.

I believe I have generally summarized the five areas in which foreign control of our economy has made our nation poorer and has cost Canadians many jobs and has cost taxpayers more. We are not masters in our own house.

I would like to deal with the argument which questions where the money will come from. We often hear that we Canadians are not competent to conduct our own affairs. In fact, the Hon. Member for St. John's West (Mr. Crosbie), who is running for the leadership of the Conservative Party, believes that we should have even stronger ties with foreign investors and an even greater influx of money from the United States. I suspect that he is not running for the leadership of the Conservative Party but to be Governor of Canada after some of the statements he has made recently.

According to reports in 1972 and previously, 80 per cent of the funds that foreign investors use in this country come from Canadian sources. Those sources include retained earnings that are reinvested, funds borrowed from Canadian banks, pension funds and other funds that are available to foreigners. In effect, we are financing our own sell-out with our own money and it must stop.

For example, it appears that during the 1970s over half of the bank loans that were made in Canada from Canadian banks went to foreign companies. Some of these loans went to companies that invested in Canada while others went to companies that invested outside of our boundaries. Today, it

appears that 65 per cent of the bank loans in this country are going to foreign firms.

The other area of concern is FIRA, the Foreign Investment Review Agency in this country. Contrary to the message we hear from many people in the business community, FIRA is a very timid organization. It is a watchdog with very dull teeth. That agency must be reinforced. As an example of its ineffectiveness, it will only screen about 8 per cent of the foreign expansion in this country, because it only screens new investment, foreign takeovers and the expansion of foreign firms into unrelated areas. It does not have the authority to screen the much larger incidence of expansion of existing foreign firms into areas in which they are currently operating.

In 1980 the Liberal Party promised the electorate of this country that it would expand FIRA and give it the power to make periodic performance reviews of all foreign firms in this country to ensure that they are operating for the significant benefit of Canada. This was one of the reasons Canadians voted for the Liberals, but they have not taken such action.

Mr. Lambert: Who says that that is not right?

Mr. Nystrom: I am very surprised at the Conservatives. At one time they were a nationalist Party in this country in the tradition of Macdonald, Diefenbaker and others. Suddenly they have adopted the philosophy of C. D. Howe and continentalism. That is not the direction in which Canadians want to head. Canadians want a Canadian vision with Canadian goals and objectives. They want to see Parliamentarians, in cooperation with others in the country, make 1983 the year in which we begin to patriate the Canadian economy and make us masters in our own House and of our own destiny.

It is time for us to begin that process. Other developed countries in the world have already done so, including Japan, Germany and France, all of which were virtually destoyed in the Second World War. If they can do it with fewer resources, a smaller geographical area and without the energy base which we have, surely we can do it better than they can and become a nation that is economically sovereign.

Mr. Evans: Mr. Speaker, I was very interested in what the Hon. Member said about foreign ownership. He has made similar speeches in the past and has made very good sense in regard to the need for Canadians to control their own economy.

How would he, then, rationalize his position with that of his own Party, which opposes the budget because it puts too much emphasis on savings and investment and on encouraging Canadians to invest in their own country and to own shares of companies in their own country? His Party believes that the budget should emphasize consumption and give greater tax breaks for increased consumption at the expense of savings and investment by Canadians. How does he rationalize his concern over foreign ownership when he is opposed to incentives being implemented to encourage Canadians to buy up Canadian industries and invest in our own country?

Mr. Deputy Speaker: The Hon. Member will have to rationalize after Orders of the Day this afternoon.

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

At 1 p. m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

ENERGY

HIGH COST OF GASOLINE IN QUEBEC—DEPARTURE OF QUEBECERS TO OTHER PROVINCES

Mr. Gaston Gourde (Lévis): Madam Speaker, I would like to read into the record part of an article that appeared in the *Journal de Québec* on Friday, April 22, 1983, and I quote:

> Paying for gas in Quebec is like being robbed, but Quebecers, like willing victims, are not complaining, although filling the tank certainly burns a hole in the budget. It is outrageous.
>
> If your car consumes 14 litres per 100 kilometres, in other words, does 20 miles per gallon, and you drive 12,000 miles a year, it costs you $491 more per year to buy gas in Quebec than in Ontario. Nearly $500! Five hundred dollars more in taxes.
>
> If you drive 20,000 or 50,000 miles per year, the difference is incredible. For 20,000 miles per year, the difference between Quebec and Ontario is $818, and for 50,000 miles for a travelling salesman, for instance the difference is $2,045 per year, for gas alone.

Madam Speaker: Order, please. Is the Hon. Member still quoting an article? I would like to point out that long quotes are not allowed in statements by Members. Just a few lines are acceptable, but this is not the place to read articles.

Mr. Gourde: Madam Speaker, I was quoting from an article in the *Journal de Québec*, and I wanted to read parts of the article into the record. In quoting last Friday's *Journal de Québec*, I merely wanted to point out that the cost of gas in Quebec is exorbitant, compared to taxes paid by Canadians in other provinces, because of Mr. Parizeau's elevator tax. The journalist, who unfortunately did not sign the article, tells us in his article that he understands why over 100,000 Quebecers have left the province since 1976. It is an absolutely untenable situation, which has helped to convince Quebecers to move to the other provinces.

[*English*]

AGRICULTURE

POLICY GOVERNING PURCHASE OF MEAT PRODUCTS—DENIAL OF CONTRACT TO CANADIAN SUPPLIER

Mr. Gordon Taylor (Bow River): Madam Speaker, the Minister of Finance (Mr. Lalonde) in his budget address pleaded with private enterprise to invest and expand and to provide jobs. The Minister of Finance should have told the Minister of Agriculture (Mr. Whelan), "Now, listen to this. A Canadian oil drilling company placed an order for $100,000 for food which included $30,000 for beef, with a merchant in Cochrane, Alberta. This would have meant increased jobs, increased purchases from farmers, et cetera, et cetera." But the federal Agriculture officials in Calgary said "No." Why? "Because you sell fresh meat over the counter in your store."

The federal officials were clinging to a regulation that was placed on the books some 70 or 80 years ago. "Besides", the civil servant said gleefully, "you would require a wholesale permit." The merchant had a wholesale permit. "Well," said the civil servant, "you still cannot do it because you sell fresh meat over the counter in your store." So the order went out of the country.

A little later the oil company wanted 1,000 steaks to celebrate the launching of a new ship. Again the merchant was told, "Nothing doing. You sell fresh meat over the counter." So the company bought the steaks in Japan.

This merchant runs a top notch business; he sells only government inspected meat, a high quality meat, and he employs Canadian help. This merchant, typical of hundreds of others, wants only to create jobs, to sell goods and to expand his business, but he is frustrated. Would the Hon. Minister of Finance speak to the Hon. Minister of Agriculture, that is, if they are still on speaking terms?

* * *

UNEMPLOYMENT INSURANCE

DENIAL OF BENEFITS TO ADOPTIVE MOTHERS

Mr. Stanley Hudecki (Hamilton West): There is currently a discrepancy in providing unemployment insurance benefits to working mothers who have given birth and benefits given to mothers of adopted infants. The discriminatory status exists in the immediate pre and post birth or adoptive periods.

It is argued that adoptive mothers should not be given unemployment insurance benefits inasmuch as they can systematically plan for the occasion of the arrival of the infants and make necessary preparations at their convenience. The error in this reasoning is as follows. In light of the extreme shortage of infants for adoptions, and with the ever-increasing number of married couples wanting infants, there is no correlation between the date of application for such a child and the date of its arrival. The period varies drastically and the waiting period maybe up to two or three years. The expectant parents when forewarned about the availability of such a child are usually busily engaged in their own particular regulated workday pattern. They must then make a very concentrated effort to make necessary preparation to receive the child. This requires an infringement on their days of work.

I feel that the policy of granting UIC benefits to adoptive parents should be reviewed, keeping in mind the loss of work entailed in making provisions to provide a home for the adopted infant, at times on very short notice.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT IN NIAGARA REGION OF ONTARIO

Mr. Joe Reid (St. Catharines): Madam Speaker, some 8,000 people in Niagara gave up looking for work last month, writing "finis" to their Canadian dream. Another 26,000 people, 17 per cent of the labour force, continued pounding the pavement looking for jobs that have disappeared at the rate of 1,000 a month over the past two years.

The ILAP Program has managed to bypass our region altogether, and the Labour Adjustment Benefit Program has been of assistance to only one plant. Hopes have again been fanned by the Special Recovery Capital Projects announced in the budget, but dampened just about as quickly by the list of projects published by Canadian Press. No Niagara area projects appear to be in the running despite the fact that Niagara would fit into any one of the Minister's six target areas, particularly land and tourism development, transportation, and vessel procurement. This is intolerable.

There are any number of projects that could and should be undertaken, starting with the Welland Canal. We know that in time improvements to meet demand will have to be made. The old canal lands are ideal land for tourism development. Our ship builders and dry docks are fully capable of filling any number of the Government's vessel procurement orders. We ask, Madam Speaker, that the Niagara region receive a fair share of the Special Recovery Capital Projects, a share that is fair, equitable and commensurate with the appalling unemployment situation that now exists in our region.

* * *

EMPLOYMENT

DEFINITION OF FULL EMPLOYMENT

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, the Government over the last year has been selling Canadians the idea that they have to lower their expectations in terms of income under the six and five propaganda program. The Government has now switched to selling the idea that more and more Canadians have to accept unemployment as a part of the Government's new economic and political thrust.

Last Friday the Prime Minister (Mr. Trudeau) taunted my colleague from Vancouver-Kingsway, asking him to think what an acceptable level of unemployment would be, talking about

figures like 8 per cent, 5 per cent, and 3 per cent. We know that the Government is now pushing 8 per cent as an acceptable level of unemployment.

We, in this Party, believe that all people who want to work, who are healthy and capable of working, have a right to work, not just at the whim of the private market or of international economic forces.

To put some hard figures on this, particularly for the enlightenment of our esteemed Prime Minister, when the Unemployment Insurance Program was established, 4 per cent was the goal for unemployment. When the parliamentary Task Force on Employment in the 1980s was established, all Parties accepted the goal of full employment and defined that as being 4 per cent.

The budget was a businessman's budget to solve the cash flow problems of business. It did little or nothing for consumers and did virtually nothing for employment. I want to remind this House—

Madam Speaker: Order, please. The Hon. Member for Western Arctic (Mr. Nickerson).

* * *

PENSIONS

TAXATION OF FEDERAL EMPLOYEES' CONTRIBUTIONS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, an abnormality and apparent injustice contained within the income tax system as it applies to certain highly remunerated federal Government employees such as judges, medical doctors, and very senior officials, should be put to right.

Pursuant to the Superannuation Contributions Agreement such people are obliged to contribute a fixed proportion of their income toward superannuation, and this frequently exceeds the $3,500 maximum allowed by Revenue Canada as a deduction against taxable income. Payments in excess of $3,500 are therefore taxable as income, but are subject to double taxation as they are again taxable when they are withdrawn from superannuation.

For someone with a marginal tax rate of 50 per cent, both at the time of paying in and also at the time of withdrawal, the combined effect results in a 100 per cent tax rate on superannuation payments in excess of $3,500 per annum. This amounts to total confiscation and, as such, is grossly unfair. Either the superannuation legislation of the Income Tax Act ought to be amended so as to avoid this type of confiscatory double taxation.

• (1410)

FOOD AND DRUGS

ADVERSE INTERACTIONS—CALL FOR DISTRIBUTION OF FOOD LIST

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, it is only in recent years that researchers have begun to focus attention on some of the adverse interactions of drugs and food. Such interactions are very important, whether people are on constant medication of for short intervals of time. A typical label on a prescription drug tells a patient how many pills to take and when. What does not always get through to the patient, however, is the interaction between nutrients and drugs. Not only do some foods affect the way drugs behave, but some drugs adversely affect the way the body uses food. Certain types of medication can lead to vitamin deficiencies and poor nutrition.

A number of drugs affect specific vitamins and minerals. Some drugs inhibit nutrient absorption in the system. Nutrient specialists have developed definite guides of what foods to avoid when taking certain drugs and antibiotics. This list is available and very comprehensive, but has not been widely distributed.

I would ask that the Department of National Health and Welfare make it mandatory that such lists be supplied to doctors and pharmacists all across Canada, and to make the information available to all people who either buy drugs over the counter or by prescription. This information should, as well, be part of the labelling.

* * *

CUSTOMS AND EXCISE

INCREASE IN PERSONAL IMPORT EXEMPTIONS

Mr. Rod Murphy (Churchill): Madam Speaker, the Prime Minister (Mr. Trudeau) is quoted in an article in *The Toronto Star* as saying there is no consumer tax break because we would just blow it on foreign goods. He said:

> They would spend half of it—and sometimes more—on imported goods which would be creating jobs in other countries and not in ours.

That is the justification which the Prime Minister and the Government have used for not giving the consumers a tax break. In the same budget the Minister of Finance (Mr. Lalonde) announced an increase in the exemptions for those who travel abroad. The quarterly exemption for goods bought abroad will be increased from $50 to $100, and the annual exemption from $150 to $300. That means the Prime Minister is saying to those Canadians who stay at home that they may not have a tax break because they may spend some of their money on foreign goods, but for those Canadians who have money and can afford to travel, it is okay for them to buy foreign goods and bring them back to Canada. That is a double standard. It is not only hurting ordinary Canadians but hurting people who would have jobs if Canadians had a tax break and could spend money on goods made in Canada.

EXTERNAL AFFAIRS

DENIAL OF CIVIL RIGHTS TO PALESTINIAN PEOPLE

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, President Reagan is quoted as proposing that the Middle East peace talks concerning the future of the land of Palestine be conducted without the participation of a representative from the Palestinian Liberation Organization. He is basing his proposal on the fact that the PLO has never been elected.

All knowledgeable people, including our own Government and President Reagan, know that the Israeli occupiers of the West Bank and Gaza have not allowed the Palestinians to hold elections. They have ejected from office all the elected Palestinian mayors except one. Several polls conducted among the Palestinians show an overwhelming support of the PLO, including one recently held by *Time* magazine which indicated that over 85 per cent of the Palestinian people considered the PLO to be their sole legitimate representative. There is not another group that even purports to speak for the Palestinians.

I urge our Government to tell President Reagan that, if he wishes to see an elected group speak for the Palestinians, then let there be elections. Advise the President that if he cannot convince the Israelis that they must allow the Palestinians civil rights, including elected representation, then his Government should withhold the amount of funding from their support that it is costing to build the illegal settlements in the occupied territories, to divert Palestinian water to Israeli water systems, to pay for the education that is being denied to Palestinian youth, to pay for the destruction of the Palestinian hospitals, schools, orphanages, daycare centres, clinics, et cetera, that were destroyed in Lebanon, until the Israeli Government realizes it cannot deny others that for which it struggled so long, the right to self-determination and the right to a homeland.

ORAL QUESTION PERIOD

[*English*]

SHIPBUILDING

ANNOUNCEMENT OF COAST GUARD RENOVATION PROGRAM

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Minister of Supply and Services or the Minister of State for Economic Development, whomever cares to answer. It is with reference to this morning's announcement that $630 million will be spent on a Coast Guard Renovation Program. How many jobs will that create this year and how many over the four years of the Program, in what regions, and how much will be new money and not money that was previously designated for Coast Guard renovation?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, the total amount of money involved is $780 million of which, as mentioned by the Hon. Member, $630 million will be spent over the next four years. Of that, $185 million is new money. In terms of the number of jobs, we envisage 20,000 person-years over the four-year period. That is within the shipbuilding industry. There are, of course, all sorts of offsets and spin-offs that will be created within the Canadian marketplace because, as the Hon. Member well knows, Canadian content in the shipbuilding industry is very high.

There is one question the Hon. Member asked to which I cannot reply, that is, how many jobs will be created this year. As the hon. gentleman knows, all these projects are on the fast track. We are trying to bring the jobs into the shipyards as rapidly as possible. They will be going in within the time that has been identified and within the criteria, namely, within the next six months. Hopefully the Hon. Member will support us in those initiatives.

LOCATION OF NEW JOBS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, in principle I am in favour of anything that is constructive with regard to renovating the Coast Guard. I could be even more in favour if I knew more of the details. The fundamental question that I asked was how many jobs there would be this year. The Minister overlooked the other part, how those jobs are going to be broken down. As I understand from the press release, there are six regions with a Coast Guard. Has there been any planning within the Department or the Government as to where those jobs, 20,000 person-year over four years, will be located in that period?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I am sure the hon. gentleman recognizes that, wherever those jobs may go, they will be in areas of high unemployment. If he thinks about where the shipyards are located, he will see that all those areas presently suffer from very high unemployment. We are attempting to have the investments go into all of the various regions as fairly and equitably as possible. However, as the Hon. Member knows, contracts will be awarded on a competitive basis, as is fair. Therefore, the regional distribution is subject to the competitive basis of the award of the contracts.

AWARDING OF CONTRACTS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, coming to the contracts, when will tenders be let so that the unemployed in Atlantic Canada and other areas of the country will have the chance of some jobs and some hope, rather than just being suffocated with press releases?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, contracts will be let as rapidly as possible in order to accomplish that. There have been a number of changes in the process of awarding contracts so as to bring them on to a fast track. That means that my Department, in the shipbuilding area in particular, will be front and centre in terms of the awarding of contracts. We have had an increase in the level of delegation of authority for contracting purposes.

Also, as the Hon. Member knows, there has been the establishment of a special board of officials that will review the contract process in order to remove all the bureaucratic impediments that could be placed in the way of fast tracking. As well, there is a subcommittee on priorities and planning composed of ministers, which will, of course, try to eliminate as many of the political hindrances as there may be.

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SPECIAL RECOVERY CAPITAL PROJECTS PROGRAM

INQUIRY RESPECTING ALLOCATION OF FUNDS TO NIAGARA REGION

Mr. Joe Reid (St. Catharines): Madam Speaker, my question is directed to the Minister of Finance. The Minister stated that the Special Recovery Capital Projects Program would form an integral part, if not the key part, of his job-creation plan, and an announcement was made this morning with respect to sharing of work among regions. The Minister knows that in very few regions of the country is unemployment higher than it is in the Niagara region. I ask the Minister what criteria he is using and what steps he has taken to assure that the largess and funding of the 100 select programs to which he has referred, dealing with transportation and vessel procurement, will be distributed fairly across the country as was stated in the budget speech? More particularly, what allocation of funds or projects has been designated for the Niagara region?

• (1420)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would first advise my hon. friend to look more carefully at the statistics. Unfortunately, he will find that there are other regions of the country that have higher unemployment levels than does the Niagara Peninsula, much higher indeed. This having been said, my colleague, the Minister of Supply and Services, has indicated that tenders for the construction of ships, for instance, would be out on a competitive basis and that shipyards across Canada will have the opportunity to bid and compete for those projects.

I would also like to remind my hon. friend that the budget had two elements. One was public investment to the tune of $2.4 billion, and the other was incentives to the private sector to the tune of $2.4 billion as well.

As my hon. friend knows very well, the Niagara area is a heavily industrialized area. It is a great centre of manufacturing. The benefits contained in the budget for the private sector will be felt very, very strongly by the manufacturing and industrial sector. If my hon. friend looks at that very important aspect, he will find out that his own area will be a very large beneficiary of the incentives contained in the budget. If he has been to his riding last weekend, he probably found that members of the private sector have welcomed the budget and are really enthusiastically supporting the measures announced last Tuesday. His own area will be a very significant beneficiary of those measures.

ALLOCATION OF PROJECTS

Mr. Joe Reid (St. Catharines): Madam Speaker, in light of the comments made by the Minister of Finance I would like to direct my supplementary question to him rather than to another Minister. The Minister of Finance knows full well that the Niagara region was bypassed with respect to ILAP programs, and again, only one plant in the whole Niagara region received any benefit from the Benefits Adjustment Act.

What assistance may the Niagara region expect under the Minister's budget program? The Minister has said that he is considering 100 selected special projects. Is any one of them related to the Niagara Peninsula? Can we look to any increase in job-creation activity in the Niagara area to belie Statistics Canada's figures? The Minister has discarded those figures by saying that other regions have just as much unemployment, but we have been pointed out as having one of the highest levels, above the national average in urban industrial unemployment, presently at 17.6 per cent, but having 134—

Madam Speaker: Order, please. Order.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, as I have indicated, the Minister of State for Economic Development is processing the various projects. Once he has reached a point where decisions can be announced, he will make these decisions known in so far as they affect the various regions of the country. But I would like to stress to my hon. colleague that he should be looking at the very large incentives provided under the budget for the manufacturing and industrial sector and the construction sector generally.

The Niagara Peninsula being what it is will be proportionately a very large beneficiary of the measures contained in the budget. If the Hon. Member compares this to most other areas of the country, he will probably find that, under the budget, the measures for the private sector will have a much larger impact in his own area than any other measures I could have announced.

I think one has to look at the budget in its totality and look at its total impact upon the situation in Canada. The budget was geared to try to get the business sector going again. As I have said, if we can get business back to business, we will get workers back to work in this country.

Some Hon. Members: Hear, hear!

* * *

HOUSING

CALCULATION OF FAMILY BENEFITS PROVIDED BY REGISTERED HOME OWNERSHIP SAVINGS PLAN

Mr. Derek Blackburn (Brant): Madam Speaker, my question is directed to the Minister responsible for Canada Mortgage and Housing Corporation. In the budget brought down last week, changes were announced for the Registered Home Ownership Savings Plan. While at first glance it appears as if

this measure will provide assistance to home buyers, after closer examination it is clear that it does not provide as much assistance to lower and middle income earners as did the straight $3,000 grant under the CHOSP program.

I would ask the Minister to confirm for the Members of this House and for Canadians the fact that a family earning about $32,000 will only receive a $2,400 benefit from the new changes to RHOSP, while a family earning in the neighbourhood of $57,000 will receive a $5,280 benefit.

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I do not know if I follow the Hon. Member's arithmetic accurately. I will examine the figures he used and give him a response. I should point out to the Hon. Member that the Home Ownership Program which was instituted by my predecessor was put into place at a time when interest rates were at an all-time high, and a time when the economic situation had not stabilized. I think we should, in our own minds, divorce the two programs. Otherwise we may end up coming to some misleading conclusions.

NEED FOR SOCIAL HOUSING

Mr. Derek Blackburn (Brant): Madam Speaker, I direct my supplementary question to the same Minister. Can he explain to the House why, within the Cabinet, he was unable to pry from the Minister of Finance more than $1 million to create an additional 2,500 social housing units—which is really not an addition but a catch-up from the overspending last year—when he knows full well that we need a minimum of 50,000 social housing units a year?

An expenditure, for example, of $500 million, only half the monthly expenditure in the UI fund to the unemployed, would have created those 50,000 badly needed housing units for the poor in this country. It would have created an additional 5,000 jobs, and people would not be sleeping in subways and church basements and old wrecks of hotels across the country. Those people deserve something better from the Minister.

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, when the Hon. Member is talking about job creation and social housing, I think he would do well to examine the implications of his statement. The cost per job in social housing is estimated at $30,000 per person-year of employment. That is a very high cost considering that home renovation at $5,200, or new construction at $7,000 per job per year, appear to be a better investment in terms of job creation.

I do not quibble with the Hon. Member's assertion that there is a need for more social housing. I underline to him, though, that it is a very, very expensive program in terms of the people who are served by it. We are trying to find a way to get more bang for the buck in that area of social housing. I hope that he will support us when we come down with some changes.

PLEA FOR HOMELESS

Mr. Derek Blackburn (Brant): Madam Speaker, I gather the Minister is presently considering increasing the housing units for the poor, by one means or another. I would ask the Minister when we can expect some alleviation of this very critical problem. When will he be reporting to the House on a plan to get people out of subways and old wrecks of hotels and get them into decent, affordable housing? These are the forgotten people in Canada. It is not just the biggest bang for the buck that is required, it is also decent, affordable shelter for our own Canadian citizens.

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, obviously I do not follow the Hon. Member in his rhetoric. The fact is that we are looking at alternatives. Some of the municipalities play a role in this sector, and some of them do not.

The Hon. Member will have to decide whether he wants to go the route of the old public housing system which created ghettos for a smaller amount of money per family, or whether he wants to continue in the present system which is expensive but which is giving the people who are living in these houses the dignity of not being considered residents of ghettos. I think all Parties will have some interest in discussing the changes in policy that may be required.

* * *

• (1430)

IMMIGRATION

TRANSFER OF DETAINEES IN LEG-IRONS AND HANDCUFFS

Hon. Marcel Lambert (Edmonton West): Madam Speaker, my question is for the Minister of Employment and Immigration. A week ago I asked him about the circumstances surrounding the transfer to Ottawa from Toronto of 11 detainees under the Immigration Act, most if not all of them in leg-irons and handcuffs. I wanted to know the reason they came to Ottawa and the reason they were so restricted.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I thank the Hon. Member for his question and for drawing that particular issue to my attention. I would point out to him that the immigration enforcement branch itself does not have the facilities or the capability of transferring people from one area to another who are detained for a refugee hearing.

In this case we contracted with the Ontario Correctional Services to provide that movement for us. In the circumstances they applied the procedures that they normally apply to all people under detention. As the Hon. Member indicated that included leg-irons and other forms of incarceration described. I find that to be a reprehensible way of transferring such people. I have asked the Department to look into changing such procedures to ensure that such things will not happen again.

REASONS FOR TRANSFER

Hon. Marcel Lambert (Edmonton West): Madam Speaker, will the Minister advise us why the 11 persons were being brought to Ottawa from Toronto? Would he also advise why they were turned around, to be brought back here today for a hearing? Is there not a possibility that someone can foresee what is going to happen so that the expenditure and the incident can be avoided?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, under the Immigration Act people who have had their refugee appeals turned down by the Refugee Advisory Committee or Appeal Board have recourse to the court system and are free to exercise that. In some cases the inquiry officers determine that some individuals must be kept in detention because they are not responsible for their actions, or because they have shown, as some of these individuals have in the past, an inclination to escape or not to show up for their hearings. The reason for the movement here was that their hearings could be held before the court system or the Appeal Board.

As the Hon. Member may know, we are going through a pretty major revision of the entire refugee determination procedures. We have worked on changing the Refugee Advisory Committee, and the Appeal Board will be working on other parts of the system. That was the reason for such movement. We are looking closely at the way in which this is done so that such incidents will not be repeated in the future.

DETENTION PRACTICES

Hon. Marcel Lambert (Edmonton West): Madam Speaker, in addition to this particular incident of a refugee being legironed and handcuffed when guilty of no crime, are there not other areas where the Minister has spoken about the special officers who, on their own opinion, determine that a person may not return for a hearing and on which there is no appeal or review of that opinion? In most jurisdictions this means the tank in either the local jail or the remand centre.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I want to ensure that the Hon. Member understands that, in the case of these particular individuals, most had a past record of some fairly violent behaviour or unwillingness to abide by the rules. In fact during the course of the transfer here two or three of them tried to escape and had to be detained again. This is not the normal procedure that we use; it is only used in exceptional cases. Even though I find the methods to be unacceptable, they were applied because of the behaviour of the particular individuals.

As far as the other part of the Hon. Member's question is concerned, I would remind him that the Immigration Act allows a number of areas of discretion. We are dealing with individual cases; no standard rule can be applied universally and we allow immigration officers such discretion.

We also have a very foolproof and open appeal system. By the number of appeals that I receive each week, I can attest to the fact that this is a very open system and we try to maintain a high degree of fairness in the system.

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NATIONAL PARKS

HIRING OF SURF GUARDS IN PRINCE EDWARD ISLAND

Mr. Mel Gass (Malpeque): Madam Speaker, my question is directed to the Minister responsible for Parks Canada, and I have sent him notice of it. The Minister is well aware of the situation in Prince Edward Island regarding Parks Canada employees, using criteria that are different from those used in previous years for hiring surf guards. In view of the fact that there are qualified, experienced surf guards, some even possessing seven years' experience, available for work in Prince Edward Island, could the Minister inform the House why his officials hired four surf guards from outside the Province?

Hon. John Roberts (Minister of the Environment): Madam Speaker, I am aware of the situation. My colleague, the Minister of Veterans Affairs has been assiduous in drawing it to my attention.

Unfortunately there still seems to be some dispute about the essential facts of the situation and I am trying to disentangle those. It is my understanding that while some off-Island people have been employed as surf guards, by far the majority are people who have previously worked in the park in Prince Edward Island. The process for selection has been to go through the Canada Employment Centre of the Island and, as well, to consider those people who worked in the park in past years.

There has not been a specific shift this year compared to other years in the terms of the opportunity for people from off-Island to apply for jobs and be considered for them. Indeed, some of the off-Island people that I know the Hon. Member is particularly concerned about have worked in the Park in previous years. So there has not been a shift in approach from that point of view. Indeed, the hiring approach in using the Canada Employment Centre follows that used in other parks in the Atlantic Provinces where people are able to apply for jobs even though they are not from the specific Province concerned.

I also want to tell the Hon. Member that some of the facts in the matter seem to be in dispute. I am trying to find out exactly what the situation is. To the best of my knowledge the answer I have given is accurate.

PREFERENCE SOUGHT FOR ISLAND RESIDENTS

Mr. Mel Gass (Malpeque): Madam Speaker, the Minister said other Provinces have similar hiring practices. I should like to point out to him that Prince Edward Island is the only park in eastern Canada where Parks Canada employees interview and hire lifeguards directly.

I should like to draw his attention to the terms of reference that Parks Canada gives to the contractor who, in turn, has to use them to hire surf guards for national parks other than in Prince Edward Island. In the beach patrol service, for Cape Breton Highlands National Park, in the terms of reference it is provided that in the selection of beach patrol the contractor shall ensure that preference is given to equally—

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

Mr. Gass: Madam Speaker, the Minister said that no preference was given. Why are residents of Prince Edward Island not given the preference as in other Provinces? In other Provinces the reference that is given by Parks Canada to the contractor stipulates that the persons hired have to be residents of the Province.

Hon. John Roberts (Minister of the Environment): Madam Speaker, in terms of off-Island or on-Island employment, the situation is much the same. In the past there have people who have worked in the Park who were not from Prince Edward Island. That is still the case, but in this case as well people who are off-Island have been employed again.

The Hon. Member has referred to other parks. I indicated to him earlier that there is some confusion in the advice that I have received on what the facts are in other parks in comparison with Prince Edward Island. I do not want to mislead the Hon. Member, and so I do not want to confirm specifically or deny specifically what he has suggested. I have conflicting advice on what are the facts. I want to make sure that when I give him the information it is as accurate as I can make it. That is what I am trying to do at the present time.

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BILINGUALISM

KATIMAVIK PROGRAM—REFUSAL TO HIRE ANGLOPHONE

Mr. Bill Domm (Peterborough): Madam Speaker, last week in the House I asked the Secretary of State to explain what he meant in a speech to a Francophone crowd, when he said that he intended to make Canada a French state, and I received an unsatisfactory answer.

In an advertisement that appeared in a Peterborough newspaper recently, the Minister advertised for students or people to apply for work in Katimavik, a program to bring Anglophones and Francophones together to understand each other better. The qualification was that the applicants should show a willingness to become bilingual. I ask the Minister why his senior official refused employment to an Anglophone because he could not speak French and was applying for a job with Katimavik to work in Ontario?

• (1440)

[*Translation*]

Hon. Serge Joyal (Secretary of State): Madam Speaker, the Katimavik program is specifically aimed at bringing Canadians together from all parts of the country, to learn about Canada's diversity and be given an opportunity to work in communities that differ from their usual environment, and thus get first-hand knowledge of the many facets of our country. When we ask a student to indicate his or her interest in the other official language, this is done so that we can direct this student to the appropriate language community where he or she will be able to communicate with his or her environment.

The purpose of Katimavik is not to provide courses in either official language of Canada, but to enable young people taking part in the program to become familiar with Canada's diversity through their contacts with the communities in which they are to work. However, if the person in question does not show any particular interest in this aspect, he or she is then directed to a community where his or her language is spoken.

[*English*]

Mr. Domm: Madam Speaker, the Minister intentionally avoided answering the question.

* * *

YOUTH EMPLOYMENT

REQUEST THAT ADVERTISING FUNDS BE SPENT ON CREATING JOBS

Mr. Bill Domm (Peterborough): Madam Speaker, my supplementary question is directed to the Prime Minister. I asked the Prime Minister last week if he would consider using some of his advertising budget to employ students, rather than using hundreds of millions of dollars for advocacy advertising to promote the Government's own programs. The Prime Minister said my question was a silly one. So my question to the Prime Minister today is as follows. Why is he adding to an already exorbitant advertising budget in announcing his intention to use advocacy dollars to promote a budget which is well known to all Canadians for what it really is? Would the Prime Minister not consider using some of those advertising dollars, some of the $800 million or $400 million spent on advertising, for the creation of jobs for the youth of the country? This is not, Madam Speaker, put as a silly question but as a constructive proposal from the Opposition.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member has heard the Minister of Finance and the Minister of Employment and Immigration many times give an answer to the effect that almost half the money which we were spending for direct job creation or for retraining was going to the youth of the country. Therefore, it is difficult to follow his reasoning that the Government is not concerned with the youth of this country.

As far as advertising is concerned, Madam Speaker, I have not recently been briefed on the amounts of money which the Government is spending on this. I would wager that it is proportionately the same as that spent by any of the Conservative provincial Governments, proportionate to their representations.

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NUCLEAR ARMAMENTS

DEMONSTRATIONS AGAINST POSSIBLE CRUISE MISSILE TESTING—REQUEST FOR DEBATE

Mr. Simon de Jong (Regina East): Madam Speaker, my question is directed to the Prime Minister. The people of Canada are voting with their feet for world-wide nuclear disarmament. In fact, just two days ago more than 80,000 Canadians took to the streets in many cities in Canada to demonstrate their opposition to the Cruise missile testing. It must be clear, even to the Prime Minister, that Canadians want to send a message to the war planners both in Moscow and in Washington. Is the Prime Minister not prepared to listen to the wishes of the people to be free of nuclear threat, no matter from which camp it comes? Will he assure this House that, as a first step, no final decision on Cruise testing in Canada will be taken until there is a full debate in this Chamber? Will he also permit that debate to be open and free of party restrictions, allowing each Member to vote according to his or her conscience?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, Hon. Members on this side are always encouraged to vote according to their consciences.

Some Hon. Members: Oh, oh!

Mr. Trudeau: In asking the question the Hon. Member is implying that in the New Democratic Party this is not the case. We hope they will vote according to their conscience if ever such a debate is held. There has been a debate before on this whole problem. I certainly would welcome another one. The Opposition Parties have a multiplicity of days between now and the end of June when they can choose the subject they want to debate. I would hope that in the debate, Madam Speaker, there would be a reminder to all of us that the danger of nuclear escalation is not a one-sided one. I believe the Hon. Member is making that point in his question and, if he is, I certainly agree with him.

As I indicated before, I understand the pangs of conscience of those in Canada who are protesting against the eventual testing of the Cruise. I have indicated that I have been somewhat surprised that there was no similar protestations during the several years when the Soviets were deploying their SS-20s, replacing their SS-3s and SS-4s by a much more sophisticated and dangerous weapon, which I believe can only be justified as a weapon of terror for western Europe. I was surprised that there was no such demonstrations as the Hon. Member commends, during that period, Madam Speaker.

Some Hon. Members: Hear, hear!

POSITION OF GOVERNMENT

Mr. Simon de Jong (Regina East): Madam Speaker, this Party is on record as opposing all escalation in this mad dance in which both super powers are involved. In fact, in this day and age there are no longer good guys and bad guys. When both sides can destroy all human life several times over, no one is a good guy any more. They are both crazy, Madam Speaker. The intent of 80,000 Canadians is to plead with the Government to disentangle Canada—

Madam Speaker: Order. The Hon. Member is on his feet and I believe he should be reminded that he must ask a question.

Mr. de Jong: My question, Madam Speaker, is again directed to the Prime Minister. Canadians wish to know, really, what the situation is. Has the United States made a formal request or has it not made a formal request for Canada to test the Cruise? Has Canada given a commitment, or have we not given a commitment? Are 80,000 Canadians marching in the streets over a decision which has already been made? Can the Prime Minister tell us what the situation is? Has a request been made, and have we given a commitment?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the situation has not changed since this question has been answered repeatedly by the Secretary of State for External Affairs and myself. The request has not been made yet. We have not, therefore, made any commitment. I would point out, however, to this House and to the Hon. Member, that it is surprising to me, when he used such balanced language in his first question, that there is not a sign in any of these demonstrations, and no energy is expended by the NDP, which I know of, to militate against the Soviet SS-20s. Has the Hon. Member ever seen in that band of people signs protesting against the Soviet Union? Has the Hon. Member's Party expressed disappointment with Secretary Andropov's non-reply to President Reagan's offer to go away from the zero option to find some compromise level? That is the kind of question, Madam Speaker, that I throw back to the Hon. Member.

Some Hon. Members: Hear, hear!

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FINANCE

REGISTERED CHARITIES' TAX PROPOSAL

Mr. Douglas Roche (Edmonton South): Madam Speaker, my question is directed to the Minister of Finance. Last week the Minister said he had accepted one recommendation of the Coalition of National Voluntary Organizations to do away with the $100 automatic deduction, and rejected the other

recommendation for a tax credit for receiptable charitable donations. Will the Minister confirm that what is at issue is a recommendation called the "give and take proposal", under which a new incentive would be given to taxpayers to contribute to the nation's 47,000 registered charities which do such an important job in building up community life in Canada? Thus the Minister has distorted the precise proposal which has been before this House for several years.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, there has been no distortion by requiring that charitable donations be receipted. I have given a great incentive to Canadians to give to charitable organizations during the course of the following years rather than receiving a deduction for which they have not contributed anything to charitable organizations. The Hon. Member is right in saying that I had accepted one out of the two recommendations made, as I have indicated. If you get a 500 batting average in any baseball league, you are way at the top. That is a pretty good average for anyone who is making representations to the Government.

• (1450)

CALCULATION OF BENEFITS TO GOVERNMENT AND CHARITIES

Mr. Douglas Roche (Edmonton South): Madam Speaker, has the Minister studied the protest launched by the Coalition of National Voluntary Organizations? Taking the 500 batting average, has the Minister personally examined the statistics and estimates presented by the voluntary organizations in a brief which has been before this House for some time, and which shows the Government would be ahead financially with the give and take proposal, and that the charitable agencies would be helped in their valuable work? Those statistics were put on the record by myself in a Private Members' Motion some time ago.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I cannot blame anyone for trying for a 1000 batting average. But if you compare this with various other representations made by other groups to the Government, particularly with relation to the budget, I would argue that the voluntary organizations have done extremely well and I hope they will see it that way. If they feel that the measures taken are not appropriate, then obviously I would be ready to listen to them, as I have done in the past. If they feel I should abandon this proposal, I will be ready to listen to them again.

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BANKS AND BANKING

RENEGOTIATION OF LOANS—AMOUNT OF PENALTY

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my question is for the Minister of Finance. The Bank of Canada sets the bank rate weekly, which affects every Canadian who has cause to borrow money. The fluctuations in this rate are quite often artificial in nature, for the purpose of maintaining the status of the Canadian dollar. Thousands of Canadians who took out loans when the rate was forced to record highs last summer are now faced with prohibitive penalties if they wish to buy down to the present rates. Will the Minister provide a tax credit to banks to allow them to permit relatively penalty-free buy-downs of loans to current interest rates?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would like to point out to the Hon. Member that the bank rate is not established or determined by the Bank of Canada. It is determined weekly by the auction of Government of Canada Treasury Bills, and it is that auction which in the final instance sets the bank rate each week. I hope my hon. colleague sees reason to rejoice in the fact that the bank rate has dropped substantially since last year and that interest rates in Canada are now the lowest they have been in four years or even five. I hope my hon. colleague appreciates that fact.

As for the Hon. Member's proposal, I do not intend to give it further consideration.

[*English*]

Mr. Scott (Victoria-Haliburton): Madam Speaker, I think we all agree that the bank rate is down. I do not know whether that is altogether due to the Minister of Finance, or not.

PLIGHT OF HOME OWNERS WITH HIGH INTEREST MORTGAGES

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, what about the people who borrowed money to buy homes or finance businesses and who are paying as high as 23 per cent? Now the bank rate has dropped and they can buy mortgages at 11 per cent to 13 per cent. What about these people caught in a bind? Is there any relief in his mind for these people to get them on a more competitive basis so that they can afford the homes in which they are now living?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, my hon. colleague is probably aware that in most cases, these are short-term loans which are being renegotiated and are or will be due very soon. My hon. colleague is also aware that in many cases, there is a clause under which the borrower may pay back a loan before the due date, subject to payment of a penalty. Such clauses are customary and are available in most loan contracts.

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[*English*]

FINANCE

PROMISE TO CHANGE VALUATION DATE FOR FARMS

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Minister of Finance as well, and it concerns the long-term future of farming. In the last election campaign the Liberal Party promised to change the valuation

day for capital gains on farms from 1971, and to index it to reflect the real increase in inflation.

Mr. Lalonde: Nineteen seventy-four.

Mr. Nystrom: From 1971 to 1974, and then index it after that. The Minister of Agriculture said this would happen soon, and then last month he said sooner than soon. Why was this not in the budget last week?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I must have received thousands of suggestions and proposals regarding the budget. Some of them I considered but others had to be dropped because of the Government's financial obligations and the tax burden on the Canadian public. I believe that the proposals I set forth in my budget speech provide a very sensible balance, in view of the needs of the country's various economic sectors. I hope my hon. colleague realizes that the measures announced last week already included an additional $100 million for farmers in need, in the form of subsidized interest rates, and that every single measure concerning investment credit as well as the business loss allowance are available to farmers just as they are to small-, medium-sized and large businesses.

Therefore, there are a number of very useful measures available to farmers, who, I hope, will use them to good advantage.

[*English*]

Mr. Nystrom: Madam Speaker, the Liberal Party should not make an election promise if it does not intend to keep that promise.

* * *

INCOME TAX

DEDUCTION FOR FARM LOSSES—REQUEST FOR AMENDMENT

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, as the Minister knows, farm incomes are down and many farmers, particularly young ones, are forced to work part-time off their farms. Yet under Section 31 of the Income Tax Act they cannot deduct more than $5,000 of their farm losses against their income. That Section has not been changed since 1951 and we have had a lot of inflation since then. Why has the Minister not indexed this aspect of the Income Tax Act as he has for many corporations and so on? And if he does not index it, why has he not deleted this Section of the Income Tax Act so it would be more fair to the farmers?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would like to inform the Hon. Member that the reason is the same one I gave in answer to a previous question.

[*English*]

COLLECTION OF TAX FROM SENIOR CITIZENS—DEMAND FOR QUARTERLY PAYMENTS

Hon. Bill Jarvis (Perth): Madam Speaker, my question is for the Minister of National Revenue whose Department, for the first time, has compelled many thousands of senior citizens to pay income tax installments rather than waiting until they completed their returns. Having regard to the fact that many of these people have additional taxable income because of their frugal living and having denied themselves many things during their working lives, on what basis is the Minister now compelling these thousands of senior citizens—I understand the legal rights the Department has—to pay tax installments four times a year?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I must admit I am a little surprised at the line of reasoning followed by the Hon. Member, because he says that the Act prescribes that this is how the Department of National Revenue must proceed, because that is what is provided under the Act.

An Hon. Member: May proceed.

Mr. Bussières: No, not may, must proceed. The Hon. Member should take another look at the wording of the Act, and he will see that officials of the Department of National Revenue cannot choose whether or not to enforce compliance by certain groups of taxpayers. I have already answered a similar question here in the House, and I indicated our concern within the Department of National Revenue regarding enforcement of these provisions of the Income Tax Act. However, the Hon. Member will understand that until this provision is changed on the recommendation of the Minister of Finance, we must enforce it, and at the same time be as flexible as we can in considering each specific case.

[*English*]

Mr. Jarvis: Madam Speaker, if the Minister and his officials have been compelled to act that way, I wonder what they have been doing for the last few years, because these are people whose income has not changed, but they are being asked to do this for the first time.

TREATMENT OF ANNUAL BOND INCOME

Hon. Bill Jarvis (Perth): Madam Speaker, given a case, and I am sure it is not unique, where a senior citizen receives bond income all in the month of December and that is the only additional income to her pension, is the Department going to be sufficiently flexible so that a taxpayer like that may go to the district taxation office and make an arrangement to pay just the one installment, rather than four installments, when she receives that additional taxable income? Is there going to be any flexibility in the implementation of this program?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, Hon. Members must understand that I cannot establish a general rule on the basis of one example, one specific case, submitted by the Hon. Member. I think that if he reviews the provisions of the Income Tax Act, he will see that for there to be an obligation to pay income tax in quarterly instalments, a certain percentage of income must be paid to the person concerned at certain times of the year, so that I cannot establish a general rule, on the basis of one case or specific example, like the one submitted by the Hon. Member. I think the Hon. Member should remember that we are trying to be as flexible as we can. However, we have no choice, when the provisions of the Income Tax Act do not allow us that discretion, but to ask people to comply with these provisions.

* * *

[*English*]

• (1500)

PRIVILEGE

MR. NIELSEN—ALLEGED UNAUTHORIZED INTRUSION INTO OFFICES OF LEADER OF THE OPPOSITION

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, you will recall that I raised a question of privilege last Thursday. I rise now simply to ask whether or not the Chair has yet had time to make its investigation or whether the Minister of Public Works (Mr. LeBlanc) has an explanation. If not, how much further time will be necessary before the inquiry is completed?

Madam Speaker: I am hopeful that by tomorrow I will have all the facts. There is one report which I have not received in writing, and I would prefer to have it in writing. However, as soon as the investigation is completed, I will certainly be able to rule on it.

* * *

PERMANENT AND PROVISIONAL STANDING ORDERS

PUBLICATION OF INDEX

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, on this particular occasion may I thank the Table for having prepared the Index to the Standing Orders of the House of Commons. I state for the record that persistence sometimes has its just reward. The Index is ready. Thank you, Madam Speaker.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Madam Speaker, the following questions will be answered today: Nos. 3,750 and 4,744.

[*Text*]

DIPLOMATIC REPRESENTATION IN CANADA AND EASTERN EUROPE

Question No. 3,750—**Mr. MacKay:**

1. As of (a) January, 1982 (b) January, 1977, what was the total staff, stationed in Canada and enjoying diplomatic immunity, of (i) the U.S.S.R. (ii) Czechoslovakia (iii) Poland (iv) Hungary (v) Romania (vi) Bulgaria?

2. As of (a) January, 1982 (b) January, 1977, what was the total staff, employed at diplomatic missions in Canada and not enjoying diplomatic immunity, of (i) the U.S.S.R. (ii) Czechoslovakia (iii) Poland (iv) Hungary (v) Romania (vi) Bulgaria?

3. Were any of the employees in Part 2 Canadian citizens and, if so, how many?

4. As of (a) January, 1982 (b) January, 1977, what was the total staff enjoying diplomatic immunity stationed at the Canadian missions in (i) the U.S.S.R. (ii) Czechoslovakia (iii) Poland (iv) Hungary (v) Romania (vi) Bulgaria?

5. As of (a) January, 1982 (b) January, 1977, what was the total staff not enjoying diplomatic immunity employed at the Canadian missions in (i) the U.S.S.R. (ii) Czechoslovakia (iii) Poland (iv) Hungary (v) Romania (vi) Bulgaria and, in each case, what was the breakdown between Canadian citizens and locally-employed staff?

6. What travelling restrictions are currently in force for the employees of the foreign missions in Canada of (a) the U.S.S.R. (b) Czechoslovakia (c) Poland (d) Hungary (e) Romania (f) Bulgaria?

7. What travelling restrictions are currently in force for Canadian diplomatic personnel in (a) the U.S.S.R. (b) Czechoslovakia (c) Poland (d) Hungary (e) Romania (f) Bulgaria?

8. Since 1952, were any employees of the diplomatic missions in Canada of (a) the U.S.S.R. (b) Czechoslovakia (c) Poland (d) Hungary (e) Romania (f) Bulgaria expelled from Canada as *personae non gratae* or otherwise and, if so, in each case, what was the (i) name of the employee (ii) country (iii) date (iv) reason for expulsion?

9. Since 1952, were any employees of Canadian diplomatic missions in (a) the U.S.S.R. (b) Czechoslovakia (c) Poland (d) Hungary (e) Romania (f) Bulgaria expelled as *personae non gratae* or otherwise and, if so, in each case, what was the (i) name of the employee (ii) country from which he/she was expelled (iii) date (iv) reason for expulsion?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. As of (a) January, 1982 and (b) January, 1977, the total staff stationed in Canada and enjoying diplomatic immunity numbered as follows for the following countries:

		1982	1977
(i)	U.S.S.R.	38	31
(ii)	Czechoslovakia	7	4
(iii)	Poland	9	15
(iv)	Hungary	6	5
(v)	Romania	3	7
(vi)	Bulgaria	5	2

Order Paper Questions

2. As of (a) January, 1982 and (b) January, 1977, the total staff not enjoying diplomatic immunity was as follows for the following countries:

		1982	1977
(i)	U.S.S.R.	24	30
(ii)	Czechoslovakia	5	figures not available
(iii)	Poland	2	figures not available
(iv)	Hungary	10	figures not available
(v)	Romania	5	figures not available
(vi)	Bulgaria	5	figures not available

3. The Embassy of Bulgaria employed three Canadians as of January, 1982.

4. As of (a) January, 1982 and (b) January, 1977, the total staff enjoying diplomatic immunity numbered as follows at the following Canadian Embassies:

		1982	1977
(i)	U.S.S.R.	14	16
(ii)	Czechoslovakia	16	6
(iii)	Poland	20	9
(iv)	Hungary	4	4
(v)	Romania	11	3
(vi)	Bulgaria	non-resident	non-resident

5. As of (a) January, 1982 and (b) January, 1977, the total staff not enjoying diplomatic immunity numbered as follows at the following Canadian Embassies:

		1982	1977
(i)	U.S.S.R.	62 (including 34 Soviets)	61 (including 32 Soviets)
(ii)	Czechoslovakia	19 (all Czechoslovaks)	27 (including 16 Czechoslovaks)
(iii)	Poland	27 (including 23 Poles)	39 (including 26 Poles)
(iv)	Hungary	20 (including 12 Hungarians)	19 (including 11 Hungarians)
(v)	Romania	14 (all Romanians)	19 (including 11 Romanians)
(vi)	Bulgaria	non-resident	non-resident

6. (a) In reciprocity for travel restrictions imposed on members of the Canadian Embassy in Moscow, Soviet diplomats resident in Ottawa may travel freely only within the National Capital region. If they wish to travel outside these limits, the Soviet Embassy must give the Department of External Affairs 48 hours' notice. The time for advance notice is reduced to 24 hours for travel to Mirabel airport and to Montréal.

Soviet personnel serving at the U.S.S.R. Consulate General in Montréal may travel freely within a 40 km radius of Montréal City Hall. If they wish to travel outside these limits, 48 hours advance notice is required. The time for advance notice is reduced to 24 hours for travel to Mirabel and Ottawa.

(b), (c), (d), (e) and (f) There are no travel restrictions for Czechoslovak, Polish, Hungarian, Romanian and Bulgarian officials serving in Canada.

7. (a) Canadian personnel may travel freely within a 40 km radius from the center of Moscow. Forty-eight hours advance notice is required when travelling to all areas outside of Moscow with the exception of Leningrad where only 24 hour notification is required.

(b), (c), (d), (e) and (f) There are no travel restrictions on Canadian staff serving in Czechoslovakia, Poland, Hungary, Romania and Bulgaria.

8. See reply to question 4,167 answered on June 23, 1982.

9. Since 1952 no employees of Canadian diplomatic missions were expelled from Poland, Romania or Bulgaria, but a total of four were expelled from the U.S.S.R., Czechoslovakia and Hungary. Particulars of three of those four incidents are as follows:

(i) Name	(ii) Expelled from	(iii) Date	(iv) Reason
1. Lt. Col. J. Watson Military Attaché Canadian Embassy Moscow	U.S.S.R.	May, 1968	Accused of spying against the U.S.S.R.
2. S. G. Noble Visa Officer Canadian Embassy Budapest	Hungary	January, 1970	Alleged to have engaged in activities inconsistent with his official duties
3. Col. H. Gold Defence Attaché Canadian Embassy Moscow	U.S.S.R.	January, 1980	Alleged to have carried out intelligence activities in the U.S.S.R.

4. The fourth expulsion was from Czechoslovakia, and was not publicized at the time. Having reviewed the circumstances the government abides by the earlier decision not to disclose details concerning the matter.

MIGRATORY BIRDS REGULATION

Question No. 4,744—**Mr. Blenkarn:**

1. Did the Government give a permit to Messrs. Peter Knapton and Ian Weir, both of Mississauga, to use firearms to kill migratory birds out of season within the corporate limits of Mississauga?

2. Is it the policy of the Department of the Environment to allow migratory birds to be killed for the purposes of display in museums?

Hon. John Roberts (Minister of the Environment): 1. A scientific permit was issued under Section 19 of the Migratory Birds Regulation to Mr. Peter Knapton to use a firearm to collect migratory bird specimens outside of existing season on behalf of the Royal Ontario Museum. No permit was issued to Mr. Ian Weir.

2. Yes.

[*English*]

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

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government; and the amendment of Miss Carney (page 24689).

Madam Speaker: I recognize the Hon. Member for York East (Mr. Collenette).

Mr. Collenette: Madam Speaker, it is indeed a pleasure to speak in this particular debate because, for the first time in a long time, we as Parliamentarians and as Canadians—

Mr. Taylor: I rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Bow River (Mr. Taylor) rises on a point of order?

Mr. Taylor: Mr. Speaker, you will recall that when the House adjourned at one o'clock noon, a question had been asked by the Hon. Member for Ottawa Centre (Mr. Evans), and you stated that the Hon. Member for Yorkton-Melville (Mr. Nystrom) would have a chance to reply right after lunch. I think the Hon. Member should have a chance to reply.

Mr. Deputy Speaker: Does the Hon. Member for Yorkton-Melville (Mr. Nystrom) wish to reply to the question?

Mr. Lorne Nystrom (Yorkton-Melville): Yes, thank you very much, Mr. Speaker. The Hon. Member has asked a question about supporting Canadian investors and a general tax cut, and he asked why I cannot support the budget. I do not support it because I do not see anything approaching a general economic strategy for Canada. The Government does not appear to have any vision of where it wants the country to go. It does not appear to have any alternative philosophy in terms of the economic development of our country as spelled out in the budget. As a matter of fact, the budget does not even pose many questions about where the Government wants the country to go. For reasons like that, I certainly cannot support the budget.

The other reason is that I do not think there is much in it of importance to small business. We all know that small business creates many more jobs than big business. So far the Government has been more content to give incentives to the large business community.

In terms of the select tax cuts, the Parliamentary Secretary made an excellent point. He pointed out some of the structural problems we have in this country because of the fact that we have so much more foreign ownership and we import more manufactured goods per capita than any other developed nation in the world. When we do have selective tax cuts and when consumers do spend their money on consumer goods, much or perhaps the greatest majority would come from abroad. That is one of the problems. As an alternative, I would suggest that we consider selective tax cuts.

I note that a few years ago in Quebec the Finance Minister, Mr. Parizeau, provided a sales tax cut for goods produced in this country like shoes, clothing and furniture, giving consumers a real break and also stimulating Canadian industry. Perhaps we could do something similar at the federal level.

As a last point on the tax cut, once again, because of the structural problem we have in our economy, we are left with a pretty difficult choice as to whether we should have a tax cut and stimulate foreign enterprises or whether we should not have a tax cut at all. There is also a good argument, just for equity reasons, to have a tax cut for low income people, even though much of the stimulus which would result would, of course, go to the benefit of industry in Japan, the United States and elsewhere. Therefore, I would favour an across the board tax cut for low income people, but I realize the problems which would be created in terms of more goods coming in from abroad.

Therefore, I suggest that we consider making a selective tax cut which would perhaps satisfy both principles of having a more fair and equal tax system for the ordinary citizen who would spend the money to create more jobs, but the tax cut should be provided in areas where we do have Canadian industry, such as textiles and shoes.

Mr. Deputy Speaker: Is the Hon. Member for Vancouver Quadra (Mr. Clarke) seeking to ask a question?

Mr. Clarke: Yes, Mr. Speaker, I wanted to ask the Hon. Member for Yorkton-Melville if he included, in his opposition to foreign investment, the type of investment which would see the Japanese establishing a wheel plant in Richmond, British Columbia, creating some kind of employment out there. Is that included?

Mr. Nystrom: Mr. Speaker, I did say at the outset that there are some benefits from foreign investment, as long as we had control of foreign investment as Canadians and as long as we had agreements with other countries. I would like to see some kind of auto pact with the Japanese so that we would produce Japanese cars and plants in this country, which would provide some jobs here. I think that is something we should try to negotiate.

We must also determine what kind of foreign capital we want in the country. I have nothing against foreign debt capital, for example. I am more concerned about foreign equity capital because that gives control over industries to foreigners. In my own province of Saskatchewan, for example, our people decided many years ago to take over the electrical facilities in our Province. Much of the money to do so came from the United States and was borrowed on American financial markets. Once we paid off the mortgages, we owned the industry, which is the Saskatchewan Power Corporation. The other example is the Saskatchewan Potash Corporation. Again, part of the money to take over the foreign mines was

American money, but it was money we borrowed in United States. Once we paid off the debt, the people of Saskatchewan owned that particular enterprise.

Therefore, I suggest that the federal Government consider those types of examples when it comes to foreign investment in this country. The important question is: Who will be in control of the particular enterprise once there is foreign money in it? I maintain that it is to the benefit of Canada that control remain in the hands of Canadians.

Mr. Fisher: Mr. Speaker, I would like to ask a question. The Hon. Member had a quick throw away line, which I think deserves comment on my part and additional comment on his part, to the effect that the budget does not do very much for small business. I differ with that statement. I quickly remembered five items suggested to us by the Canadian Federation of Independent Business. We followed all five of these items in the budget.

First, we used the tax system generally, instead of a system of grants, because the Federation felt it was a more direct way to send our aid to those in small business. We helped them write off their losses and put an emphasis on equity rather than debt. We have avoided payroll taxes and have used solid public works which will have ongoing benefits instead of adding make-work programs.

I wonder if the Hon. Member could tell us how he reacts to that when those were five of the key points recommended by the Canadian Federation of Independent Business when its representatives came to see us before the budget was announced.

• (1510)

Mr. Nystrom: Mr. Speaker, of course there is something in the budget for small business but, in my opinion, it does not go far enough to help the small business people in Canada. I think that will be the reaction of the small business community within this calendar year. I think there are many more incentives that the small business community needs, such as low interest loans to help them expand their operations—

Mr. Fisher: The Federal Business Development Bank.

Mr. Nystrom: The Hon. Member mentions the Federal Business Development Bank. I think that if he did a survey among the small business community in Canada—

Mr. Benjamin: They quit going.

Mr. Nystrom: —he would find that they quit going, as my friend from Regina West (Mr. Benjamin) says. I think he would also find that they were very dissatisfied with the type of help that is available from that institution.

The federal Government has generally been more content to aid big business in this country through the tax system and its policies rather than small business. Small business tends to be Canadian owned and controlled and tends to create many more jobs than the massive, foreign owned enterprises.

Mr. D. M. Collenette (York East): Mr. Speaker, I apologize for jumping too quickly to my feet a few moments ago before the previous speaker's question period had ended.

It is indeed a happy occasion for a Member on the Government side to speak in this budget debate. For the last year and a half, Members of our Party, supporters of the Government and all Canadians generally have been on the defensive as a result of the problems that have been caused by the recession in our country. It is indeed a pleasure to be able to stand up in the House at last and talk about some good economic news.

There is no doubt in my mind that we are well on our way to restoring economic health in Canada, and this can be borne out by looking at the leading economic indicators in the country. But we must ensure that while on this road to economic recovery we enhance its growth which is expected to occur in the coming year. This Parliament, the federal Government and provincial Governments as well must not do anything to undermine that economic recovery.

As I have said, the aim of this budget has been to enhance the recovery and create an underpinning of sustained long-term growth. I believe all Canadians want to see this happen. Not only Members of our Party but Members opposite believe that these goals should be realized. While we may have some differences as to the nuances of policies to enhance economic recovery, there cannot be any quarrel with the basic objective outlined by the Minister of Finance (Mr. Lalonde) in his budget.

I would like to digress for a moment and talk about the Minister of Finance. He came into the portfolio last October during a very difficult time for the Government and the country as a whole. Without a doubt he has performed admirably in that portfolio. As a Member from Metropolitan Toronto, which I believe is the leading business centre in the country, I may say that the Minister has won many friends as a result of his determined effort to consult widely with the business community, labour, consumer groups and individual citizens. Indeed, I have no doubt that certainly in Metro Toronto the Minister has been tireless in the number of visits he has made to the communities and in the amount of time he has spent meeting with people to discuss the economic future of the country.

I spoke a moment ago about the signs of economic recovery taking place. I would like to highlight two or three of those signs which have given me the confidence that it is taking place. First, there has been increased confidence in the stock market in the past six months. There is an old adage which states that the stock market always anticipates the real economic climate on the street about a year to 18 months ahead of time. If that is true, the real signs of economic recovery will be felt strongly by ordinary Canadians, including those who are trying to keep their jobs, manage their businesses and those who are seeking work, later this year and early next spring.

There has been a rise in the leading industrial indicators both here and in the United States. We have seen inflation dropping. I understand that the inflation rate in the United

States has been approximately zero for the last two or three months, which is an admirable performance in that country. I will talk about the differences between inflation in the United States and Canada in a few moments because several factors must be taken into account when comparing inflation between the two countries.

However, the six and five program which was instituted in this country last summer has been an overwhelming success. We have seen the inflation rate drop to 6.5 per cent or 7 per cent in the last four months. June 28 of this year will be the anniversary of the announcement of the program last year and there is every indication that the inflation rate will be down to 6 per cent for the 12-month period from June 28, 1982 to June 28, 1983. If we reach that goal, which I am sure we will, our goal of 5 per cent inflation for the next year will easily be attainable if we take the right steps as a Government and as citizens.

While there has been a slight resumption of consumer spending, it has been enough to make our retailers smile at least a little. It is our hope that people will begin to spend more as increased confidence continues over the next few months.

Members on the Opposition side will say that Canadians do not have the money to spend. While that is true for the 12 per cent who are out of work and those who are fearful of losing their jobs, we must remember that 88 per cent of the work force is employed. We must also remember that the Canadian savings rate are at an all-time high. My constituency in Metro Toronto is by no means wealthy. It consists of lower and middle income Canadians. As I travelled through my constituency I found that many of my constituents have been very prudent, putting money aside in the good years to provide for the lean years. They are still working but they are reluctant to purchase. Their fear has caused them to keep their money in a nest egg.

A comparison shows that the Canadian savings rate is also double that of the United States. Disposable income in the United States is 6 per cent whereas it is 13 per cent in Canada. I suggest that this indicates there is room for ordinary citizens to begin once again to make those purchases which they have held back on in the last years because of their fear of the economic climate in the country. Indeed, we have seen some resumption in consumer spending and I think we will see more.

Let me deal with housing for a moment. Housing has been the traditional bellwether index in this country. I am pleased to say that housing starts have increased significantly over the past year.

The important strategy for all Governments in Canada to use is to enhance the economic recovery that is now under way. There has been much discussion up to this point in the debate about how this budget benefits the business community. My opinion that this is true has been reinforced as a result of talking to my friends in the Toronto business community. They are absolutely ecstatic about the measures that have been introduced which will improve the investor and the business climate generally. We have heard a great deal in this debate about the federal investment tax credit and the initiation of the Special Recovery Investment Fund and the Special Recovery Export Financing Fund. As well there is the indexed Securities Investment Plan and the changes in the tax treatment regarding business losses. These have been very well accepted by people both in the big business community and the small business community.

I recently went to the opening of a refurbished landmark in my community, a local restaurant that has been renovated. Its owners are very enthused about the way the budget will help their small business. Clearly small business as well as big business is happy about the budget.

It is important that the budget makes provisions to help business because the private sector must be the engine for economic growth in the long run. The Government and the public sector can do a lot by levering funds from the private sector, but they cannot bring about the resumption of economic health and the creation of more jobs on their own.

However, we must not lose sight of the fact that the budget does more than just help business. Let us look at how ordinary citizens will be helped by this budget. Let us take a look at housing. Housing is one of the bellwether industries of this country. It has suffered severely in the last couple of years but it is now seeing its recovery under way. The theme is to enhance the recovery occurring within the housing industry. As interest rates have declined, housing sales have started to surge. In Metropolitan Toronto where very few houses moved last year we are now seeing quite a surge in sales. That means people will be moving out into the suburbs and buying newer houses. Those people in apartments who have been saving up over the last few years will now look to moving out and buying their own homes.

• (1520)

An amount of $250 million has been set aside for housing and related measures in this budget for 1983-1984. New housing starts are expected to be boosted to over 175,000 this year alone and to 200,000 in 1984. Those are not quite the levels we saw a few years ago but the number is indeed significant. As houses are being built, building materials are in great demand, which helps every single sector in the country. The forest products industry and other allied building industries that have suffered so much in the last year will also be helped.

The Canadian Home Renovation Plan, which has been a great success in my area, provides up to 30 per cent of the cost of home improvement to a maximum of $3,000 and will be continued and enhanced. This will help all Canadians in the moderate income bracket.

The Canadian Home Ownership Stimulation Plan, which I think has helped to spur the housing sale resurgence that we have seen in the last year or so, has been extended another month. That is very important in the Spring season because people will be able to take advantage of the program, which provides a $3,000 grant to buyers of new homes.

The Registered Home Ownership Savings Plan has allowed people for the past ten years or so to set aside $1,000 a year up to $10,000 tax-free to help toward the purchase of their homes. This will be adjusted and allow people to build up that $10,000 ahead of schedule. It will accelerate the achievement of $10,000 to 1984. This will give a real boost to people who have a bit of extra cash. There are people around who have considerable savings as a result of the high savings rate that we have had in the country. Hopefully, this will encourage people to buy those houses now rather than wait two or three years.

Then we have the Residential Rehabilitation Assistance Program which has been designed to upgrade sub-standard housing in designated areas. The money for that program has also been increased. That, I think, is a pretty good group of measures for the ordinary taxpayers in the country, not those concerned with capital gains and other tax and business incentives, but the ordinary taxpayers.

But there is more in this budget which makes it a document to which I am proud to give support in the House of Commons. First, the child care expense deduction will be doubled to $2,000 per child, up to $8,000 per family. That means a lot to working parents, especially in my constituency and in all those constituencies in the country which are made up of lower and middle-income groups.

Getting back to the Registered Home Ownership Savings Plan, there is now a provision whereby the money in existing plans this year can be freed up to be used not just for purchase of homes but for the purchase of furnishings and appliances. It is funny but about a month ago one of my constituents came to me with that specific request. The individual is a lady 66 years of age. She and her husband I suppose, when the plan first started, were in their middle 50s. They had intended to buy a house. All Canadians, I think, have the dream of owning their own home at one time or another. This couple had that dream. They put aside $2,000 or $3,000. But the husband died and the surviving wife fell upon tough times. There was no way she could afford to buy that home. The lady is now living in assisted housing in my constituency, assisted by the Metropolitan Housing Corporation, CMHC and the provincial Government. She is living a life with dignity as a senior citizen, but she had $2,000 or $3,000 in a RHOSP and she wanted to make use of that money. I made a request of the Minister of Finance and I got a nice answer from him. He said he was sorry but the plan did not cover taking money out for furnishings. That was all the lady wanted. She wanted a new fridge, stove, a chesterfield and that type of thing in order to furnish her apartment in a proper manner. Then low and behold we have a proposed change in the budget which will help this particular lady.

I will not be so immodest as to suggest that this was my idea, but I am very glad the representations I made, and which I am sure other Members made, on this particular point were accepted by the Minister of Finance. It shows how sensitive he is, not only to opinions of interest groups in the country but also to those of Members of this House. I have at least one happy constituent and I am sure there are a number of others who have the same kind of circumstances this lady had. These people are no doubt quite pleased by that particular budget measure.

Of course, this measure will also help the retail furniture industry which has been hard hit in the last year. This measure will help the industries that produce appliances, chesterfields and other home furnishings.

One particular matter about which I am very glad is the proposal to make the Student Loans Program applicable to part-time students. We tend to think that there are two categories of students. First are the ones full-time at school who work in the summer but live at home with their parents. They really do not have too much in the way of difficulty getting through from year to year. Second are the part-time students who are cribbing at night upgrading themselves, and working in the day.

There is another group of people who do not have the luxury of living in their family homes and are perhaps working part-time in service industries in particular. They live with two or three other young people away from home. As I understand it, these people have been ineligible for student loans. Now we have a proposal where the student loans program can be applied to part-time students. I think that is a very laudable measure.

In the budget the Government has also allocated an additional $170 million for the job creation program. There have been a few problems in Toronto with the NEED Program starting up, but that has more to do with the fact that the officials at Employment and Immigration branches in Metropolitan Toronto have been swamped with the work they have been expected to perform in job creation. They have the normal summer and winter job creation programs and now they have the NEED Program. With the general retrenchment in Government hiring the past few years, these people are working literally night after night—I know this has occurred in Toronto—trying to make these programs work. We have had some problems in my own area of the Borough of East York, but I have been fortunate enough to have had the co-operation of the Department. Some senior officials have spoken to the Mayor to help speed up the projects.

An additional $170 million will be pumped into the job creation program over the next couple of years, which means another 120,000 jobs will be created in the short term. Much of this budget is geared to long-term growth and stability and long-term job creation. However, we have to realize there are an unacceptably large number of people out of work. This is one measure that will help increase and create employment in the short term. I might just say that $280 million has also been allocated to help youth employment.

There is one item of $2.4 billion on which I want to touch briefly. This will be pumped into the economy by the large capital projects. This morning the Minister of State for Economic Development (Mr. Johnston) and the Minister of the Environment (Mr. Roberts) made announcements. Others followed up on that. I will not go into the details.

• (1530)

One message has been given to the Minister of Finance (Mr. Lalonde) over the past six months by the Provinces and municipalities. The message is that large scale federal projects can help get the economy going. The Ministers announced such programs as the purchase of water bombers from Canadair and modernization of the Coast Guard, $147 million for the water bombers and $630 million for the Coast Guard modernization. The Provinces and municipalities will try to build on this. This is perhaps one of the largest areas of control we have whereby we can increase the job-making potential in this country. I refer to public procurement.

In my brief sojourn in the private sector when the Thirty-first Parliament was elected and I was not, I was involved with public procurement in private industry. With the amount of money at the disposal of federal, provincial and municipal Governments, there is no doubt in my mind that an imaginative use of Government procurement policy can be of much help.

In addition to the announcements today, other projects will be announced in the next few weeks such as the core area, industrial parks and harbour-front improvements. I could go on, but my time is up.

Mr. Deputy Speaker: Are there Members rising to ask questions? If not, the Chair will recognize the Hon. Member for Vancouver Quadra (Mr. Clarke).

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I am shocked to be standing here today to debate a budget introduced by the Minister of Finance (Mr. Lalonde) who has earned the reputation or nickname of the $200 million Minister. The Minister demonstrated such a total lack of ministerial responsibility with at least three breaches of the oath of secrecy that I am astonished and shocked that he was allowed to present his budget and that this debate is allowed to proceed.

I referred to three leaks. One is well-known. It was the infamous photo opportunity in which the Minister invited the press to come to his rooms where he joked about telephoto lenses. He unwittingly allowed telephoto lens exposure of pages of his budget, revealing a very important $4.6 billion recovery program. That $4.6 billion figure was deceitfully changed between the exposure and the delivery of the budget speech to $4.8 billion. The result is that taxpayers must pay an additional $200 million to save the skin of the Minister of Finance.

Less well known perhaps were two other information leaks from the budget. On Tuesday, before the budget was announced, Ian Morrison, President of the National Voluntary Organization, sent a telegram to members of that organization saying that reliable reports from Government were that the $100 deduction for charitable purposes would be reduced or eliminated. That became a fact when the Minister of Finance announced it on budget night. I may have more to say about that later.

The third not so well known leak occurred the week before budget night, about ten days ago. There were front page news reports of high Government officials indicating that the child care expense deduction would be doubled. Sure enough, we saw that on budget night. After the budget, the Minister said that budget secrecy was outdated. The Party opposite has shown it can change principles to suit whatever circumstances it happens to find itself in. This is just one, and I suppose we should not be too surprised.

This is the Government which was confronted with breaches of conflict of interest guidelines by Alastair Gillespie, a former Minister and the then Minister of Energy, Mines and Resources. The evidence was clear. The Prime Minister (Mr. Trudeau) said that, after all, they were only guidelines, they were not carved in stone. He even stated in the House that they would be happy to change the guidelines if Members opposite would rather see the guidelines more closely fit current practices.

I am not surprised to see such behaviour from a Government led by a man who uttered unprintable or at least unparliamentary words to striking workers in Quebec from the back of his limousine. This Cabinet includes a self-confessed forger, another who was convicted of contempt of court. Another, now departed, admitted dialing a judge in an attempt to influence a court. A couple of others who have fled the scene gave us such incidents as "Nannygate" and "Coalgate". At present we have an expert on sex who told one of his colleagues that everyone knows that after you get laid you get hungry. With behaviour like that, we should not be shocked by anything this Minister does. It seems the only way to get out of the Cabinet is to tell the truth. I am sure a few occupants of the front bench would attest to that.

In the 30 or so hours during which this debate will carry on, about 70 Members of Parliament will be called upon to speak. They will cover many different topics. I want to touch on some areas covering the treatment of individual Canadians. Before the business community smiles too broadly about this budget, businessmen should look at the effects it will have on individual Canadians. It is these individuals on whom businessmen rely for their fortunes and futures.

I should say something good about the budget before I comment on the sneaky and deceitful things that I see in it.

Mr. Blais: Come on, now.

Mr. Clarke: The good thing is that the child care expense deduction has been doubled. I say amen. I also say it is about time. I want to make reference to efforts that I have made to get increases in this deduction. At least ten times in this House, on motions under Standing Order 43 under the old rules, in Question Period, in speeches, in letters to Ministers and as recently as in January, 1983, in Question Period, I have raised the matter of the child care expense deduction that has not changed since 1976. For a deduction of that sort to not change in seven years is unforgivable. Those who need that deduction are the working mothers and single fathers. They should get the whole deduction of costs, not just $2,000. A

decent daycare facility in any centre in Canada costs at least $4,000. This Government is finally willing to permit a $2,000 deduction. A working mother or single father who had to hire a clerk to stock shelves in his or her store would be allowed to deduct the total cost of that expense, but not if it is for child care.

• (1540)

Mr. Speaker, there are two important changes of principle that are proposed in this budget. The Minister of Supply and Services (Mr. Blais) took objection to my use of the word "sneaky".

Mr. Blais: Deceitful.

Mr. Clarke: Well, deceitful. I will repeat it. These changes were introduced in a sneaky and deceitful way. Mr. Speaker, I will outline the problems and I will show you where those actions occur in the Minister's speech.

The first principle to be proposed in an underhanded way is to freeze personal exemptions. That trial balloon had been flown by another Minister earlier in the year and that Minister was shot down in flames. So this Minister of Finance has proposed that it is only the child exemption for children under the age of 18 that will be frozen at the present level of $710. What exactly did he say? On page 14 of the budget speech, he said:

—I propose to keep at its current level of $710 the tax exemption for children—

In other words, he is deindexing the child tax exemption even though indexing was introduced by one of his predecessors ten years ago. Mr. Speaker, I say it is deceitful because when one reads "keep at its current level", one does not think that it is being frozen or that it is being deindexed.

The Minister used similar terminology in that same section of the budget speech when he was referring to the income threshold above which the Child Tax Credit will be phased out. He used the soothing words, "hold at the present level" the family income threshold. Mr. Speaker, what he meant to say and what he would have said if he had been truthful is that he is freezing the family income threshold. In other words, the family income threshold has been deindexed. This is a very important principle that has been changed in a sneaky and deceitful way by this Minister in this budget.

Another very important principle is being changed by this budget, the principle of imposing tax on unreceived income. The Minister of Finance did not stand up and say, "Fellow Canadians, I am going to start now taxing your unreceived income". No, he gave the people a little gift. On page 7 of his budget he introduced the Indexed Securities Investment Plan. He said:

The Indexed Securities Investment Plan is also a significant step in our systematic search for ways to remove the distorting effects of inflation from our tax system.

That sounds great. We would applaud it on this side of the House. In fact, four years ago I chaired a committee of this Party which recommended the very same thing. So that sounds great, but we cannot just read the Minister's speech. We have to go to the multi-paged booklet on the Indexed Security Investment Plan. I would just excerpt a few statements taken from pages 2 and 3 so that people will realize what this Minister was up to in his underhanded way. To establish an ISIP—an Indexed Security Investment Plan, Mr. Speaker—one needs an administrator in much the same way as one needs an administrator for an RRSP. The booklet contains these words:

At the end of the year, the administrator will give the investor an information slip with all the information necessary for inclusion in the investor's tax return.

A little room is left for doubt there, Mr. Speaker, but on the next page he goes on about the calculations:

The second calculation is the determination of the portion of real capital gains or losses required to be recognized for tax purposes each year.

Further down on page 3 of the booklet he goes on to say:

Only 25 per cent of the real gain is required to be reported for tax purposes each year—

Can there be any doubt of the intent to tax unreceived gains? When he says "real capital gains", Mr. Speaker, he is referring to the capital gains in excess of the rate of inflation. If we did not have a Government that encouraged that kind of policy, we would be better off and would not need all of these plans to overcome our problems.

Mr. Speaker, on page 17 of his speech, the Minister was again being very nice. About other tax changes, he says:

Representatives of voluntary organizations have expressed concern that this—

That is, $100 deduction for charitable donations.

—reduces the tax incentive for charitable giving since the deduction is not directly related to actual amounts given.

That is true only as far as it goes. The Minister failed to say that in discussions with delegations from the voluntary sector, the Minister had been told that it was important that the $100 exemption be removed, but it was equally important that it be coupled with a tax credit system so that gifts to charitable organizations could be offset by a tax credit. We have a system given to us by the Government opposite which allows contributions to a political Party a more beneficial tax treatment than it allows contributions to a church. That is inequitable and wrong.

The Government had the opportunity to put things right. Instead it has angered the whole voluntary organization sector in Canada by removing the $100 deduction. This means that all of those organizations are going to incur enormous costs in sending out receipts which people formerly did not want. If people had only given $5 to a charity and had the $100 exemption, they could give $5 to half a dozen or ten or 15 other charities and still not need receipts. Now they are going to need those receipts and the voluntary sector is going to have to bear the cost of producing and mailing out those receipts.

Mr. Speaker, that is not the worst feature of the underhanded and unfair removal of the $100 deduction. It amounts to an $80 million tax grab by the Government. That is the exact figure that appears on page 25 of the Minister's budget papers. He says that the loss of the $100 charitable exemption will

produce an extra $80 million in revenues for the Government in 1984, lest anyone think that I am being unfair.

That is not the only tax grab from individuals that is contained in this budget. The Minister announced that he is going to reduce the federal tax reduction for many Canadians. That will result in an extra revenue in 1984 of $265 million. The freeze on the exemption for children will produce an extra $35 million. The Child Tax Credit adjustments will produce an extra $235 million, and then there is the consumer tax of 6 per cent on cable services. The Minister says that will raise $50 million. The so-called special recovery tax of 1 per cent on manufacturers' sales and 1 per cent on building materials, etc., will produce $70 million. This amounts to a total tax grab of $735 million by the time those policies have matured in 1984. Goodness knows what it will be after that, but that is what it will be then.

In his comments this morning, the Minister of the Environment (Mr. Roberts) made reference to an announcement that his colleague, the Minister of State for Economic Development (Mr. Johnston), had made earlier today. I was surprised because the Minister of the Environment spoke at about 11.15, just after the House met this morning. What does that tell us, Mr. Speaker? It tells me that the Minister of State for Economic Development revealed some more details about the recovery program. But where did he reveal these details? Before what forum did he make these announcements? We are in the budget debate. This is the third day of the budget debate. The Minister of State for Economic Development is revealing budget information, but where? Not in the House of Commons, not in the budget debate, but in some other forum. I suppose we will have to read about it in the newspapers.

The Minister of Finance also made reference to business in his speech. He said that Canadian businesses have been battered by the recession, and he went on to describe what he would do for businesses. I think he should have said that Canadian businesses have been battered by the Government over the past decade or so. They have been battered by Government policies such as the National Energy Program, higher interest rates and many other interventionist policies.

• (1550)

The Hon. Member for York East (Mr. Collenette) spoke about people saving their money because they were afraid. Of course they were afraid; they were afraid for their jobs and for their homes. He did not say that they were afraid of this Government. They were saving their money, Mr. Speaker, because they did not know when they would be in dire need of savings. As a result, businesses suffer and bankruptcies abound.

The Government introduced cruel job programs that only lead to dead ends. After three or four months on a job program people find themselves out of work again and perhaps not eligible for Unemployment Insurance benefits. Young people do not want short-term jobs; they want careers. Unless the Government comes forward with a policy to get the economy back on the rails they are not going to get permanent jobs. In fact some of them are displacing people who have permanent jobs. Some of the Mickey Mouse programs that the Minister has introduced at various times encourage businesses to hire young, subsidized workers by paying part of their wages. That just results in long-term expert workers being laid off. They then apply for Unemployment Insurance benefits. That kind of program just incurs more deficits Mr. Speaker.

The Minister is proposing continued record deficits. As somebody or other said, "We ain't seen nothing yet". The total projected deficits for the next four years are higher than the total deficits for the last 11 years. Already about 25 per cent of every dollar taken in by the Government is paid out in interest. That has to stop, Mr. Speaker.

Mr. Deputy Speaker: Do any Hon. Members wish to ask questions of the Hon. Member who has just spoken?

Mr. Blais: Yes, Mr. Speaker. The Hon. Member ended his remarks by dealing with the national debt. Hon. Members opposite do not often deal with the question, by whom is the national debt owed? The Hon. Member has undoubtedly read a recent article in *The Toronto Star* by Reuben C. Bellan with the headline "Recovery blocked by myth". Does he recognize that the national debt is owed by the Government of Canada to the people of Canada? Does he know that the holders of the national debt are the holders of Canada Savings Bonds who in effect are being paid the interest rate that the bonds bear?

Would he like to indicate to the House that he agrees that is the case and that although the national debt tends to increase from time to time as it did during World War II, as prosperity returns that debt is discharged and is paid back to Canadian citizens who are the holders of Government securities?

Mr. Clarke: Of course I realize who is owed the national debt, Mr. Speaker. But that is the tragedy. Those Canadians should not be buying Canada Savings Bonds, just to allow the money to be dissipated by the Government opposite which has no idea what it is doing. People should be investing their savings in Canadian business. Those people who invest in Canada Savings Bonds are being robbed by the Government which allows inflation to increase. The person who invests $100 is lucky to get $50 in purchasing power back—if he ever does. Some people who invested in Government bonds in 1936 will never get their money back.

The Minister raises the point that there is nothing wrong with debt. Of course there is not. There is no businessman who does not have debt and no one expects the Government to exist without debt, but we all expect the debt to be under control. Any businessman who borrowed in the ratio that the Government has borrowed and continues to borrow, would be bankrupt. Anyone must be able to service the debt. Every individual or business borrows for capital projects, whether it be a car or a house or a plant or a fleet of trucks, and there is nothing wrong with that. Sometimes I think that I have more debt than I would like myself. Debt must be serviced, Mr. Speaker and the Government's debt is rising to the point where it will not be

able to service it. That is when the collapse comes, but Hon. Members opposite do not seem to realize it.

Mr. Blais: Mr. Speaker, I appreciate that the hon. gentleman is trying to extricate himself from difficult assertions, but he is not doing very well. May I ask him whether he knows of any stockbroker or investment counsellor in the country who would advise his clients against investing in Canada Savings Bonds, or whether he knows of any investment which is more secure than Canada Savings Bonds?

May I also ask him whether he knows what the rate of savings is today in Canada? It is upwards of 13.8 per cent, the highest it has ever been. Would the Hon. Member address the question of any hindrance to individuals who are saving their money today, not in bonds but in other forms of saving, from investing that money in equity, especially in view of the budgetary provisions that have been announced by the Minister to encourage this?

Mr. Clarke: Mr. Speaker, I do not know of any self-respecting stockbroker who would advise any normal investor to buy Canada Savings Bonds. I will give the Minister some credit however. I did advise my mother to invest in Canada Savings Bonds, but she is 85 years old. She is not looking too far ahead and she needs liquid capital. She needs security, not long-term growth. The only individuals in Canada who should ever invest in Canada Savings Bonds are those who need short-term security of capital—a short-term home for interest-bearing securities.

As far as the rate of savings is concerned, the Minister says it is 13.8 per cent. I knew it was very high and I explained why that was so. Those who are working are afraid they are going to join the ranks of the unemployed. They are afraid of what the Government is going to do to them. That is why the rate of savings is so high. The Government ought to be ashamed that the rate of savings in that kind of security is high. Canadians should be encouraged to invest in the country and make their savings work.

Mr. Blais: Mr. Speaker, my last question to the Hon. Member is whether he has read the budget.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, I welcome the opportunity to put before the House some of my views concerning the federal budget introduced by my colleague the Minister of Finance (Mr. Lalonde).

I listened to the last speaker very carefully. I hope the Hon. Member will stick to giving financial advice to his mother!

I should like to comment on the measures announced by the Minister, particularly those designed to generate jobs. While I know that Hon. Members are concerned about the tragically high levels of unemployment in the country, few areas have been hit as hard as the Miramichi area of New Brunswick which I have the honour to represent.

• (1600)

There are a number of reasons for the high unemployment in our region and I am pleased to see that the Minister has taken steps to address some of them. The Miramichi economy has been sustained by two principal sources of employment over the years. The first, and by far the most important, is the pulp and paper industry and the forest industry generally. This industry has been among the hardest hit by the severe recession in the western industrialized world. A significant fall in pulp and paper prices, severe decline in consumption, complicated by devaluation by a major competitor, have all combined to bring this industry to the brink of disaster. The industry itself has taken steps to reduce costs and become more competitive and that, of course, is all to the good. Markets have begun to improve. Most of the factors which lead to the layoffs in this industry were foreign induced, however, and therefore most of the solutions will also come from abroad.

There are, however, steps which the Government can take to hasten the recovery and to make it a more sustained one. The Minister has included in his budget two initiatives which will assist in the recovery and the provision of jobs in the Miramichi. As a result of high interest rates and declining sales, the balance sheets of many of the firms in the pulp and paper sector have taken a beating. Any increased cash flow as a result of firmer prices and sales would go to paying down vastly higher debt loads than normal. A number of the tax incentives announced by the Minister will permit a faster restoration of healthy balance sheets and a more rapid recall of the thousands of workers who have been laid off during the past two years. As well, in announcing increased outlays of capital projects, the Minister can assist in the effort to make industries in the Miramichi more competitive.

I have been working in co-operation with the Minister of Public Works (Mr. LeBlanc) and the Minister of Transport (Mr. Pepin) to ensure the construction of new port facilities in the Newcastle-Chatham area. I am confident that the announcement of new funds allocated for capital works will mean that these facilities will be commenced this year. The construction of these facilities alone will mean a significant reduction in costs for Miramichi and area pulp and paper producers, and will most assuredly lead to new jobs as well as the maintenance of existing employment. When this investment in port facilities occurs, Mr. Speaker, it will mean that this Government has invested somewhere between $25 million and $30 million in an increased navigational system for the Miramichi.

It is my belief that the combination of the tax changes announced by the Minister, plus the allocated funds for capital construction, could lead in the near future not only to the rehiring of previously laid off workers but to significant new investment in the pulp and paper industry in the Miramichi, investment which would help to diversify and upgrade the product shipped from our area and to make us less vulnerable to the peaks and valleys of this industry. I believe there are also incentives in the budget which will help the mining and

mineral companies to reverse the situation in which they have found themselves in the last few years, and I hope that Noranda, and the owner of Heath steel mines, which has announced major lay-offs for the end of this month, will take a new look at the situation under the terms and provisions of the budget and other existing incentives provided by Government to keep facilities such as these functioning, in the hope that this company also will be able to find a way to keep that mill open and its people employed.

There is one comment I would like to make with regard to the Minister's announcement of a Committee under the chairmanship of the Minister of State for Economic Development (Mr. Johnston) to avoid delays in implementing newly announced projects. While I welcome the creation of this Committee, I must caution the Minister that eternal vigilance will be necessary to avoid the mounds of red tape which have accumulated in the federal bureaucracy over the years. In my opinion, red tape and interminable studies are two of the greatest stumbling blocks to solving problems with respect to the provision of employment. While I applaud the Minister's intentions, I am sure he will understand that I will reserve a standing ovation until I witness actual performance.

The second sustaining employment factor in my area, Mr. Speaker, has largely been the presence and investment of the federal Government there. I spoke a moment ago of the $25 million to $30 million investment in port and navigational improvements. Besides that, of course, we have benefited largely from the job-creation projects which the Government has designed over the years. We have in our riding a major military base, and I would like to comment briefly on that. That is proving to be a very difficult problem which, if it is not solved, will help to worsen the unemployment situation. I am referring, of course, to the Government's rather poorly timed, unwise and in fact unnecessary decision to stand down the 416 Squadron at CFB Chatham at the end of 1984. It is difficult for me, as an Hon. Member from a district with unemployment approaching 50 per cent, to explain how the Government can announce measures to increase employment in the Armed Forces as a job-creation measure while generating unemployment in one of the hardest hit regions of the country as a result of actions having to do with the same Armed Forces. It is imperative, therefore, during the next few weeks—and I emphasize "weeks", Mr. Speaker, I am not saying months—as Ministers make decisions on projects to aid in the national recovery plan, that they not forget the special obligation they have to the residents of the Miramichi. As the Member of Parliament from this area, I can assure the House that I will continue to remind my colleagues of this special obligation for as long as I represent my electors. I am convinced that the Government will respond to its commitments and work with me to broaden the economic base of the Miramichi region. However, we need some concrete evidence of that commitment, and we need it without further delay. The Minister of Finance has taken some action in his budget which will help in this regard. I caution my colleagues, however, that the people of the Miramichi, and I as their elected Member, will measure this Government's commitments by its actions rather than its words.

A new prison is under construction at Renous, the site of another former military establishment. It is making progress and, of course, I welcome that. In fact, I must say that the Solicitor General (Mr. Kaplan), in my opinion, has been a "doer" rather than just a "sayer". I appreciate his efforts and his co-operation. However, vis-à-vis CFB Chatham, it has been now some 18 months since the Minister of National Defence (Mr. Lamontagne) made the announcement with respect to the 416 Squadron. In that time the Minister has announced that the Department's directorate of pay services will be transferred to Chatham. That will provide 350 much needed jobs. We of the Miramichi appreciate this move, but it still leaves 1,150 positions to be replaced. Those are 1,150 military positions, not civilian. Whether they are replaced with military or civilian personnel makes little difference to me, but the fact they must be replaced makes a great deal of difference. Our patience is wearing thin. It is time for some decisive action with concrete results. I sense that in the budget there are means and mechanisms to resolve problems such as CFB Chatham, to cut through the red tape and get it done. I remind the Government again that this is a problem of the Government's own making. I expect to see these provisions used forthwith to effect solutions and to provide desperately needed employment.

• (1610)

I shall be voting for this budget, Mr. Speaker, because it is a good budget. In fact, it is one of the best I have seen since I have been here. The provisions can be used to bring relief for hard hit areas. No Member elected under our system looks for opportunities to vote against the Party or the Government he is elected to support, and our system demands loyalty to sustain stability in Government. I shall stand or fall politically as a Liberal. I was elected as a Liberal and I shall remain one. But I was sent here—

Mr. McKinnon: No ambition.

Mr. Dionne (Northumberland-Miramichi): —to represent the electors of Northumberland-Miramichi. I notice the hens yonder are starting to cackle again. Obviously they do not understand what a bit of loyalty means.

Mr. McKinnon: We are laughing.

Mr. Dionne (Northumberland-Miramichi): It is to the electors of Northumberland-Miramichi that I owe and willingly dedicate my first loyalty and I always will, Mr. Speaker.

Mr. Deputy Speaker: Are there Hon. members rising to ask questions? If not, I recognize the Hon. Member for Waterloo (Mr. McLean).

Mr. Walter McLean (Waterloo): Mr. Speaker, in entering into this budget debate I do so in concurrence with the amendment before the House to the effect that this House condemns the Government and rejects the budget for its failure to

address adequately the human tragedy of unemployment. It goes on to speak about the unmanageable deficit and the greater tax burden on Canadians.

In entering the debate let me identify with the comments of my colleague, the Hon. Member for Vancouver Quadra (Mr. Clarke), who spoke to one particular aspect, namely, the removal of the $100 charitable deduction. He spoke of it as a tax grab on the part of the Government as it pretends to be helping the voluntary sector. Earlier today in Question Period, in response to questions by my colleague, the Hon. Member for Edmonton South (Mr. Roche), we heard the Minister trying to persuade the House that somehow, in ignoring the give and take tax proposals and in somehow removing the $100 tax deduction, he was giving an incentive to Canadians by allowing them to file receipts. We also heard him arguing that the voluntary sector had done fairly well in Canada, and that somehow by having all its proposals ignored it had been encouraged.

In these few moments, as Opposition spokesperson for the Department of the Secretary of State I want to lay before the House the failure of this Government with relation to any effective measure in support of the voluntary sector. Let me begin not just by referring to the leaders of the national voluntary agencies of Canada, the 100 major agencies, but rather by referring to my own riding and sharing with Members of the House comments which come from Ernie Ginsler, President of the Waterloo Region Social Planning Council. His reaction to the Government's proposal as it relates to the voluntary sector was as follows.

According to him there are no job creation rules set out for the voluntary sector. Make-work projects lack creativity. The cost effectiveness of the voluntary sector continues to be ignored by this big spending Government. He then went on to say that the documented effectiveness of the give and take tax proposals was ignored. The large capital public works projects which the Minister of Finance (Mr. Lalonde) said he was moving up from the end of the decade may create work for some of today's unemployed, but in his estimate it will be at the cost of greater unemployment at the end of the 1980s. He then went on to say that in seeking to motivate the voluntary sector in that part of southwestern Ontario, he sees no acknowledgement of the fact that 50 weeks of UIC benefits is not good enough in this economy. Community support services are already stretched to the breaking point by the imposition of six and five on the social service section of the Established Programs Financing Agreement, and the federal Government is merely shifting the load of the whole UIC exhaustee problem to another level of Government, namely, the municipal level. He ended his comments by saying that this Government quite clearly has demonstrated absolutely no understanding of the complexity of the services delivered by the voluntary sector into the life of Canada. With this, Mr. Speaker, I concur.

I want to remind the House that in Committee, in public utterances, and in the House, the Government has been indicating that it intended to take seriously the proposals and the input of the voluntary sector. On March 2, 1983 I wrote to the Secretary of State (Mr. Joyal), and I want to share with the House the contents of that letter in which I outlined my Party's willingness to work with the Government in laying incentives before the voluntary sector. I said:

> As I told you during the Proceedings of the Standing Committee on Culture and Communications, on November 23, 1982, and as I have subsequently underlined in Question Period interventions, the Official Opposition is eager to participate in the Parliamentary investigation of fiscal and legal situations facing Canada's voluntary sector which you announced in Toronto earlier that month.
>
> In the nearly four months since you made the announcement, I have become increasingly concerned about the penalties being imposed on the voluntary sector by the inconsistent and unco-ordinated actions of various Departments in the Federal Government. Failing the establishment of a recognizable umbrella policy for voluntary action, a promise of Secretary's of States since 1976, this sector as a whole, and individual agencies in particular, are increasingly forced to contend with operational disincentives laid in their paths as a result of short-sighted rulings emanating from the Departments of National Revenue and Finance.

I went on to remind the Minister that:

> I have always felt that an energetic Parliamentary review of this situation could be a first step in encouraging Canada's voluntary sector to maintain and expand those services for which it has received well-earned recognition. The current economic situation has brought another level of urgency to such an investigation. You will recall that a predecessor of yours, Hon. David MacDonald, P.C., M.P., announced on November 2nd, 1979, the creation of a special Task Force of the House of Commons, "to report its conclusions and recommendations with respect to the measures that could be taken by the Federal Government to strengthen the role of the voluntary sector:
>
> 1. as an objective that is desirable in its own right,
>
> 2. as an alternative to public dependence on Government services, and
>
> 3. in ways that would enhance the ability of such groups to operate independently of Government".
>
> In the intervening years, the National Voluntary Organizations have made an important contribution to the development of public policy in this area by identifying specific problem areas, such as:
>
> 1. tax reform
>
> 2. the legal definition of charitable activity
>
> 3. the fiscal position of non-profit corporations, and
>
> 4. the co-ordination of the relationship between various branches of the Federal Government and the voluntary sector.
>
> Research conducted by voluntary agencies and several Canadian Universities, has demonstrated the cost-effect-capacity of the voluntary sector as an "engine for job creation and skills training". Now more than ever, the country needs this capacity operating at the highest possible levels of activity. As you noted on November 23rd, the Federal Government has yet to recognize the need to support this documented ability to create employment—

● (1620)

> I must stress, however, the contention of my colleagues and I in the Official Opposition, that we do not need another exhaustive study of the "situation" of a voluntary sector. What we need is a swift and efficient review of current research and experience. This would result in concrete recommendations for early government action . . . You will remember that the 1979 Orders of Reference required a final report to be tabled within six months.

I also reminded the Minister in outlining our agreement that Statistics Canada finally released the results of a 1980 survey showing that the economic activity generated by the 47,000 charitable agencies in Canada amounted to 3 per cent of our Gross National Product.

Surely it is time the Government recognized the contribution of the voluntary sector to Canadian society by launching a parliamentary investigation. I outline that to indicate that my colleagues and I have given this matter considerable thought

and are prepared to move in the direction the Government has been indicating it wished to go through the years.

I received a response from the Secretary of State on March 25 thanking me for my letter outlining these proposals on March 2, expressing support "for the proposal to establish a parliamentary task force regarding the fiscal and legal issues of our governmental policy on voluntary action". He stated:

> I was pleased to receive such an enthusiastic reaction and I consider your offer of participation in our initiatives on voluntary action as an expression of support you are willing to give to my plan of action.

That was the context in which we came to the budget. That was one of the expectations, one of nearly a decade of signals form the Government that it intended to take this sector seriously.

Then we received the budget which claims that representatives of the voluntary organizations have expressed their agreement to the $100 standard deduction removal and that somehow it has their blessing. However, I have in my hand the paper from the February 22 meeting with the Minister of Finance. In fact, during their meeting face to face with the Minister on February 22, representatives of the voluntary agencies made it very clear that a removal of the standard deduction which was not combined with some form of tax credit for charitable donations would constitute "an absence of substantive benefit for the Canadian voluntary sector". This action creates no new incentive for either charitable donations or the current inequitable situation which allows the rich more credit, more reason for giving, than the lower income taxpayer.

The Minister, as we listen to his comments, makes it sound as though he were removing the standard deduction only because the voluntary sector asked him to do so. In fact, it would appear that the Secretary of State has not been able to deliver on his promise. He had promised to set up a task force on the legal and fiscal situation of the voluntary sector. He had said, "Wait for the budget". The change has been made against the advice given in consultation sessions and without the benefit of sector-wide incentives, without the three-to-one job-creation cost efficiency of the voluntary sector, for example.

As one of the leaders of the national voluntary agency said to me, removal of the standard deduction constitutes a "tax on the un-generous", the 90 per cent of taxpayers who do not give, but further cements the control of the central Government over the voluntary sector by reinforcing the need for individual agencies to rely on federal Government funding to continue their activity. Without a review of the definition of charitable activity, the federal Government has essentially ensured that the voluntary sector will continue to toe the line or else.

Looking at the budget from the perspective of those in the voluntary sector of Canada, we might call the budget a "do as you are told" budget. If they do as they are told, the Government will, from time to time, give them some funding, but only when it suits it. The real beneficiary of the removal will be the federal Treasury, with an increase of $80 million in general revenues, a tax grab by any definition and, as has been mutually agreed, it may go as high as $300 million over a period of five years.

In a budget which has nothing to offer UIC exhaustees, and at a time when the voluntary sector has demonstrated its superior ability to deliver the services required by this swelling segment of our population, and the budget speaks of a continued 11.4 per cent unemployment rate through 1984, the Minister is still able to turn a blind eye on the obviously under employed expertise of the voluntary sector. Of course, in an effort to try to increase employment, there was an announcement of an increase of $40 million for Katimavik. The YMCA has already demonstrated, both on paper and in the field, that it could have stretched the real value of the $40 million to $120 million worth of lasting job training.

In the moments remaining to me, let me pose to the Government the question as to why it has chosen to ignore all the consultations which have gone on through the study, People in Action, Consultation 1981, and the commitments of Secretaries of State, both before the Government's defeat in 1979 and after its return in 1980. Why has the Government chosen to overlook all the facts and figures which have now been laid out by Statistics Canada and by the research departments?

Earlier in this session I proposed Bill C-233, an Act to encourage the role of the voluntary sector in Canadian society. At that time the then Secretary of State, the present Minister of Communications (Mr. Fox), responded to those who were supporting my Bill. In a letter dated June 5, 1981, he said, "I am sure that you will understand why the Government will not support the Bill". He stated:

> We are already past the point of determining what is essential to the encouragement of the voluntary sector and are now dealing with specific areas, such as a redefinition of "charity" and the National Voluntary Organizations' "Give and Take" tax proposal. Officials of Voluntary Action Programme are committed to coordinating the development of the voluntary action policy within the Government and as well will be responsible for the day to day liaison with the Committee of National Voluntary Organizations.

Where is that study? The letter was written two years ago. We were told that the matter was under study, that the policies had been reviewed, that my Bill encouraging goods and services which are paid for by the taxpayers would be made available to the voluntary agencies, that somehow that was all in hand.

I want to suggest to Your Honour that the budget, in terms of its expectations and politial impact, has not only misrepresented, but has also alienated many in the voluntary sector in terms of the contributions that they are prepared to make. In their presentation, the leaders of the national voluntary organizations of Canada laid before the Minister of Finance facts and figures about the impact of that sector on Canadian life, of those nearly 40,000 registered charitable organizations, charities which took in $5.6 billion in 1980, equivalent to 11 per cent of all federal Government revenue, almost 2 per cent of the Gross National Product. Their wage benefit bill was $1.7 billion in 1980, estimated to compensate 173,000 workers, 23 per cent of whom were part-time. This represents 1.6 employed workers in Canada, twice as many as are directly

employed in forestry, or one-quarter of all those employed in public administration by all levels of Government, or all employed workers in Newfoundland.

• (1630)

There were 2.7 million Canadians who volunteered 373 million hours in 1979-80. If compensated at the average wage for the service sector, this would be worth $2 billion, which is almost as large a sum as the agricultural sector's wage bill. An application of this value-added concept to financial data on these 40,000 charities suggests that this sector added $4.5 billion to Canada's output in 1980, which is 1.7 per cent of the GNP.

In conclusion I want to remind the Government of the information that was before it and remind the Canadian public of the Government's misrepresentation of the proposals. I want to call upon the Government to go back to the drawing board quickly and come clean with Canadians, particularly the nearly three million Canadians who volunteer their time and give generously of their money.

Mr. Deputy Speaker: Questions, comments and answers?

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Lisgar (Mr. Murta)—Railways—Oilseed freight rate policy—Exclusion of sunflower seed. (b) Plea for sunflower industry; the Hon. Member for Richmond-South Delta (Mr. Siddon)—Mines and Mining—Cyprus Anvil mine in Yukon. (b) Government position; the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Labour conditions—Wage equality for women. (b) Compilation of statistics.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government, and the amendment of Miss Carney (p. 24689).

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): I was very pleased today when the transportation critic for the Official Opposition, the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan), led off the Question Period by asking a series of questions regarding the federal Government's Special Recovery Projects Program to modernize the Canadian Coast Guard fleet which was announced this morning by the Hon. Minister of Supply and Services (Mr. Blais) on behalf of my Minister, the Minister of Transport (Mr. Pepin).

In his first question the Hon. Member asked how many jobs this project will create. The Minister for Supply and Services answered that this program will generate 20,000 person years of employment within and outside the shipbuilding industry across Canada. He went on to say that since the Canadian content in these projects is very high there will be many offsets and spin-offs for Canadian industries and Canadian workers.

The Hon. Member for Annapolis Valley-Hants then wanted specific information on the Coast Guard acquisition program, such as, which vessels will be replaced, in what areas of Canada the jobs will be created and where the vessels will be deployed. It is impossible to answer all those questions during the brief Question Period. I would therefore like to give him further details during this budget debate.

As he knows, the Coast Guard operates in five regions of Canada. First, the Newfoundland region, which covers the coast of Newfoundland, Cabot Strait and the Labrador Coast up to the 60th parallel. Second, the Maritimes, covering the eastern Gulf of the St. Lawrence, the coastal waters of Nova Scotia, the Bay of Fundy and the waters down to the U.S. border. Third, the Laurentian region from the Beauharnois locks in the St. Lawrence Seaway, the St. Lawrence and Saguenay Rivers, the Western Gulf and the eastern part of James Bay and Hudson Bay and the Hudson Strait. Fourth, there is the central Canada region, which includes the navigable waters in the Provinces of Ontario, Manitoba and Saskatchewan and the western part of James Bay and Hudson Bay. Finally, there is the western region west from the Manitoba border, the West Coast and the western Arctic including the Mackenzie River system. The new vessels will be allocated to these regions based on operational and seasonal requirements.

I would like to outline what is being acquired under this program. First, a new $100 million heavy icebreaker, type 1200, will replace the 35-year old *Labrador* now operating in the Atlantic Provinces. The program will further include six type 1100 tenders which are designed to supply navigational aids such as buoys, markers and lights and to act as light icebreakers. There are two type 1050 tenders designed after an existing offshore supply vessel built for petroleum exploration. They will be used to supply navigational aids and for icebreaking. There are two type 800 small navigational aid tenders. A number of small shore-based craft will also be acquired. These are used for routine maintenance work and other duties close

to shore, often in support of larger ships. As well, there is a refit and modernization program for the *Sir Humphrey Gilbert*, the *Narwhal* and the *Simon Fraser*. All three provide aids to navigation and do icebreaking work. Upgrading these vessels will enable them to carry out their missions with a high degree of competence for another 10 to 15 years.

The total cost of these vessels is approximately $780 million. Under the accelerated program announced earlier today, $185 million of new money is being added to current spending plans to allow the construction to get under way very much sooner.

As the Minister said in his press release this morning:

> The over-all capability of the Coast Guard fleet will be greatly improved with these new ships in the areas of aids-to-navigation and icebreaking. The new vessels will also have an important secondary role in search and rescue operations.

He went on to say that the program is one of the most important in the Coast Guard's history. I would agree with him on that point.

The second portion of the April, 1983, budget that I would like to address is the announcement by the Minister of Finance (Mr. Lalonde) regarding the importance of the Government's western transportation initiative for national recovery. The program proposed by the Minister of Transport calls for federal expenditures of $3.7 billion over the next four years. The Government's Crow benefit payments and other investments such as hopper cars and a rehabilitation of branch lines, the producers paying a little more for shipping their grain and the railways' investment of $16.5 billion over the next decade, will provide 400,000 person years of work for Canadians over the next decade. That is what can be achieved with all sectors and Government working together.

I would like to take this opportunity to explain in greater detail what we mean by the western transportation initiative which will create 375,000 person years of work. In February of this year the Government of Canada announced the policy which will result in the statutory fixed rate for moving grain by rail being replaced by new legislation, the western Canada grain transportation Bill, for determining rates and ensuring railway performance.

The Government will legislate payment of $651.6 million a year. This amount, known as the Crow benefit, represents the difference between the real cost in 1981-82 of moving 31.1 million tonnes of grain and the amount the producer now pays, the Crow benefit, which is only $152 million. Future transportation cost increases will be shared by producers and the Government. The producer will pay the first three percentage points of annual cost increases from 1983 to 1985. The Government will pay everything above the first three percentage points. After 1985, the producer will pay the first six percentage points of cost increases. The Government will pay everything above that. This is a protection against high rates of inflation, a protection that is provided to no other industry. No other sector of our economy has this kind of protection against inflation rates.

As Canada's grain exports increase the producer will be expected to pay the full cost of shipping amounts of grain beyond the record 31.1 million tonnes shipped in 1982. The full rate on this additional volume will be blended with the lower subsidized rate on the initial 31.1 million tonnes, to establish a single rate to apply on all deliveries in a crop year. Therefore, there will be no disincentive to increased production such as that being charged by the Saskatchewan Wheat Pool, the National Farmers' Union or other interest groups. By 1986, the Crow benefit and the Government's share of transportation cost increases will be paid, about 50 per cent directly to the railways and about 50 per cent to the producers through an acreage payment. This is a very controversial point because about half the producers in western Canada would like us to make these payments directly to the producers. The other half of the producers in western Canada would like us to make these payments directly to the railways. Therein lies the debate. My Minister, I think very wisely, is suggesting a compromise. The payments will start with payments to the railroads and increase to the producers, so that by the end of 1985 about 50 per cent of these payments will go to the producers and about 50 per cent to the railways. At the end of that period the legislation will recommend a review process. These methods of payments will be reviewed at that time. At that time it will be up to Parliament to decide whether the payments will be increased to the producers, increased to the railways, or continued as suggested by the Minister presently, a fifty-fifty distribution.

• (1640)

The producers' new grain transportation rate beginning in the 1983 crop year will be the Crow rate plus the producers' share of increased costs, blended with the costs of moving additional volume, if any. Rates as always will be generally distance-related.

The Government's contribution to the Crow benefit sharing of increased costs and other direct support measures will be $3.7 billion in the four crop years to 1985-1986. This amount will represent 80 per cent of the over-all cost of transporting grain in that period. By 1990, the Government's ongoing expenditures will be about $820 million annually.

As a result of the western transportation initiative, the railways will receive adequate compensation for moving grain. This means that if the legislation is passed, the railways will be in a position where all their traffic pays its way and the railways can proceed with the necessary and vital $16.5 billion capital investment program. This does not mean that the western grain producers will be paying the freight to move more coal. The Saskatchewan provincial Government is misinforming the producers. In fact, the western grain producers will not pay for the movement of one tonne of any commodity, except grain. Indeed, the western grain producer will not even be paying the full cost of moving grain.

What will the producer pay? What all this means is that in the 1983-1984 crop year, the producer will pay, on average, 15 cents a bushel to ship his wheat, compared with what he pays at present, which is about 13 cents. This is a 2 cent per bushel

increase. This amount will increase to about 25 cents a bushel in 1985-1986.

In 1897, the Crow rate was 20 per cent of the price of wheat. In 1982 it was 3 per cent. In 1983-1984, if wheat prices do not change—hopefully they will increase—the new rate will be less than 4 per cent, and it will be 6 per cent in 1985-1986. Although no cost increase is welcome, this increase in freight rates is reasonable.

The railways will spend up to $16.5 billion in the next ten years to improve the rail system. The Government will monitor the railways' investment program.

Another concern of the producers is what guarantee they have the railways will live up to their commitment.

Mr. Blaikie: None.

Mr. Flis: The railways must submit an annual plan prior to each crop year.

Mr. Blaikie: They never will.

Mr. Flis: There will also be penalties to the railways if they do not meet these objectives as set down prior to each crop year.

Mr. Blaikie: You do not have the guts to penalize them.

Mr. Flis: The Government will continue the branch line rehabilitation program estimated at $1 billion until 1988-1989. In 1977, $700 million was committed. The Government will spend $290 million to purchase more hopper cars. This will bring the total federal purchases since 1972 to about 15,000 hopper cars, valued at about $630 million.

The Grain Transportation Agency, formerly the Grain Transportation Co-ordinator, will be strengthened with power to co-ordinate rail car movements, foster efficiency, and monitor performance guarantees by the railways.

It is difficult to know what the future will bring in terms of grain volumes, grain prices and inflation. For this reason, the Government will, in legislation, commit itself to a review in 1985. This will enable us to actually quantify the impact of Crow changes and make any necessary adjustments to ensure that changes work to the benefit of producers, all producers.

In closing I would like to reiterate that the problem before us today on the western transportation initiatives is not how we are going to move grain in 1983, but how we are going to ensure that grain goes to market consistently four or five years from now. This is why we need to begin to add the necessary capacity today. For example, the Beaver Tunnel will take five years to complete, and we have not yet begun construction. If the legislation is passed by June, which is our hope and objective, producers will face freight increases which will barely double by 1985, but the railways will have begun to add the necessary rail capacity to ensure that never again will the Canadian Wheat Board have to defer or forgo sales of Saskatchewan grain due to transportation constraints.

I just gave two examples of what was contained in the present budget as far as job creation is concerned. There are 20,000 person years in the first project and 375,000 person years over the next decade in the second project. I think you will agree, Mr. Speaker, that this budget should receive full support from the Official Opposition and from the New Democratic Party.

Mr. Benjamin: Mr. Speaker, I have a question for the Hon. Member. I believe I heard him refer to a small or a slight increase in freight rates for grain producers. Does he call a $21 million increase in freight charges in the coming crop year, 1983-1984, small? Or let us go to another year. The Hon. Member mentioned 1985-1986. Does he call an increase of $155 million a small increase? He also mentioned 1991 and 1992 when there will be a $1.110 billion increase. Does he call that a small increase in freight charges for grain producers?

Mr. Flis: Yes, I will be very pleased to reply to those questions, Mr. Speaker. The figures do look large when you give totals for a whole Province or for all the Prairie Provinces. But look at what the increase is per bushel. Right now it costs the producer 13 cents per bushel to ship grain. In the next crop year that price will go to 15 cents, a 2-cent per bushel increase. In 1985-1986 the price will go up 25 cents a bushel. Hopefully by then the price of grain will also increase. We do not know because the price of grain is dictated by world markets. It would be great if we could set the price ourselves, but we cannot. In ten years from now, yes, it looks like a large figure which the official transport critic for the New Democratic Party is giving, but even in the 1990-1991 crop year the producer will be paying only 60 per cent of transporting his or her grain to market. The federal Government, the taxpayers of Canada, will still be subsidizing the purchaser to the tune of 40 per cent.

• (1650)

The Hon. Members should also take note of the protection against inflation increases. As I mentioned, for the years 1983, 1984 and 1985, any increases beyond 3 per cent will be picked up by the Government, and 6 per cent after that. If in three years inflation reaches 15 per cent, heaven forbid, 12 per cent of that increase will be covered by the Government, the taxpayers of Canada. I was very pleased that a couple of Members of the New Democratic Party invited me to speak to Saskatchewan farmers, which I did this past weekend. When they heard these kinds of explanations, they were more inclined to accept the western transportation initiative.

Mr. Benjamin: The Hon. Member spoke about the amount of money to be paid to the railroads by the Government and by the grain producers under the Gilson-Snavely formula. Obviously the Government and the Hon. Member consider that to be a proper formula. Do the Government and the Hon. Member consider that to be a fair formula for other sectors of the economy?

For the benefit of the Hon. Member let me say that the point I am making is that if you applied that formula to the

price of grain, No. 1 Red Spring wheat would be $12.90 a bushel instead of about $4.50 a bushel. In that case, probably most grain producers would be willing to pay more freight charges. Does the Hon. Member consider this formula, which the draft legislation is based upon, to be a proper formula for the railroads? Is it equally proper for grain producers, other farmers and others sectors of the economy in computing their costs to compute also a 39.5 per cent return on investment for the railroads, which has to be some kind of chicanery? Does the Hon. Member consider it fair for grain producers as well as the railroads to get 39.5 per cent when last year all the grain producer got on his return on investment was 3.5 per cent? The Government and the Hon. Member want to guarantee the railroads 39.5 per cent, half of which is straight add-on profit.

He tells me that a billion dollars by the end of the decade is a small payment for grain producers with no guarantee on their incomes and prices. This is not a megaproject but a megaplunder, a guarantee of railroad profits and dividends for shareholders. What does the Hon. Member have to say about the Gilson-Snavely formula for grain producers and maybe a few other sectors of the economy?

Mr. Flis: Mr. Speaker, it is no wonder the producers in the West are confused and angry with the wild kinds of figures being tossed around by the NDP. I visited two NDP ridings in Saskatchewan. It was stated there that we were guaranteeing the railroads a 20 per cent return on their investment. Between the weekend and Monday that figure has gone up to a 39.5 per cent return on investment. That is what the Hon. Member is saying. No wonder the farmers get confused and angry. What we have to look at—

Mr. Benjamin: Mr. Speaker, I rise on a point of order. The Hon. Member has either misinterpreted or misunderstood what I said.

The Acting Speaker (Mr. Blaker): Order. Regretably, that is not a point of order.

Mr. Flis: Mr. Speaker, it is sad that someone who has been in the House so long still has not learned what is a point of order.

We have to look at what the railroads are making or losing in the transporting of grain. In the last crop year, the railroads lost over $200 million transporting grain. The Hon. Member would like to throw in coal transportation and sulphur transportation on which the railroads are making money. It is only natural that the railroads will invest in and give priority to the shipping of coal and sulphur and forget all about grain.

Our concern is that in five or ten years, when exports increase and people want our grain, we may not have a railroad transportation system to get that grain to market. All the NDP look at is price competitiveness, saying that our producers have to be price-competitive in the world market. I suggest that to be competitive you have to be price-competitive, delivery-competitive and quality-competitive. You have to get the grain to market in a good, dry condition, on time and at a competitive price.

I am pleasantly amazed, and I congratulate the grain producers in Saskatchewan and the other western Provinces on the high degree of efficiency they have achieved. Grain producers in Canada are probably the most efficient grain producers in the world. By increasing this efficiency, and with the world price of grain going up, we hope, the farmers will get an even greater return on their investment. I agree that the cost of fertilizer, chemicals and equipment is going up. It only makes sense that the cost of grain should go up accordingly. Will the NDP Members tell us how we are to dictate the price of grain to the world? Do they want to nationalize not only Canada but the whole world, which I guess they would want to do if they were in power?

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the Liberal budget of April 19, 1983 is really only the latest stage in the progressive and now almost completed capitulation of the Liberal Party to the neo-Conservative view that the only solution to our various problems is to put overselves at the mercy of the combined effect, for good or ill, of thousands of unconnected and unintegrated small and large private sector business decisions, decisions which are all made in the self-interest of the individual or corporation involved, but which the Government hopes will combine in some mysterious way to lead us out of the economic wilderness in which we find ourselves. This unabashed rehabilitation of laissez-faire rhetoric by the Liberal Party demonstrates once again, and all too tragically, that he who pays the piper calls the tune.

The corporate bagmen of the Liberal Party have clearly made their wishes known to the Minister of Finance (Mr. Lalonde). What they have told him is to mind his own business, reduce corporate taxes, provide more tax breaks for business, increase taxes for middle-income working Canadians to pay for these reductions and breaks and let the corporate sector find its own way out of the mess that it has got us all into, while the poor and the unemployed will simply have to wait it out as best they can. Above all, the bagmen have instructed the Minister of Finance not to ask, let alone answer, any fundamental questions about the structure of the Canadian or global economy, the values they embody or the human dimension of the bloodless statistical world in which the one-eyed Government and corporate economists massage their stunted intellect and shrivelled souls with the deceptive brilliance of their latest graph or mathematical illusion.

• (1700)

The Minister of Finance has been a good little boy, Mr. Speaker. And all thinking Canadians are that much more full of shame at what has become of us as a nation, a nation that watches in agony as a Government, long since bereft of courage or integrity, lives on its knees and degrades the whole notion of an independent Canadian nation through its subservience to American economic policy and its subservience to American foreign policy. This budget and the budget papers which accompany it are cowardly documents which completely

avoid facing up to known economic and political realities, realities which have to be faced if we are ever to solve our admittedly great economic problems.

It is some of these realities that I would like to deal with today, Mr. Speaker. I will not pretend to have all of the answers, but I am absolutely convinced that unless we ask the right questions, we will not have a chance of finding helpful answers. This is what I believe this budget has failed to do, and failed utterly.

The Canadian people were, in my view, ready to hear how difficult the problems are and what lies at the root of them and how complicated some of these problems are. They were ready for the truth, and they are still ready. They were ready for bread but the Liberals gave them a stone, that same stone that the Conservatives have been polishing for years and that the Conservatives will give the Canadian people if, in their understandable desperation, Canadians opt for the Conservatives in the next election because they, historically and numerically, have the best chance of forming a new Government.

So what are these realities, Mr. Speaker, that this Liberal-Conservative budget has not faced up to? First there is absolutely no acknowledgement anywhere in this budget, in the economic outlook or in any of the accompanying papers, of the special role multinational corporations play in the Canadian economy and indeed in the global economy and how Government can or cannot protect the common good when it conflicts with the global profit strategies of these giants. There is no analysis whatsoever of the effects of the behaviour of these institutions, which are often larger in power and assets than many of the nation states of the world. In this sense, the budget is comparable to trying to describe and understand what is going on on a football field by studiously pretending that the largest and the key players are not even on the field. This omission alone is enough to disqualify the budget as a credible piece of economic and political analysis.

Second, and related to the omission of the multinationals, there is no evidence in the budget that there was ever anything known as the North-South dialogue or that there is a need for Canada as a country to try to articulate what kind of new, just and sustainable international economic order it wishes to work for, and to foreshadow in its short and long-term economic planning. But then a Government which has abdicated its role in the market-place can neither plan nor work for a new and more just international economic order because both planning and working to that end are contrary to the spirit of letting the private sector make the key decisions. The Prime Minister (Mr. Trudeau), known at one time for the quality of his North-South rhetoric at least, has added another layer of terrifying emptiness to the countenance which must confront him in the mirror every morning as Canada's answer to "the Picture of Dorian Gray".

Third, there is no attempt in this budget or any of the analyses which accompany it to face up to the real economic crisis of the welfare state, a crisis which is not, incidentally, caused by too many average Canadians looking for a free lunch from the welfare state. The real crisis is that for too long, the corporate sector in this country has been having a free economic lunch at the expense of the social and environmental future of this country and its present and future citizens. The bill for this free lunch is now coming due.

Yet those on the right wing of the political spectrum who do so much talking about user-pay theories when it comes to medicare, who do so much talking about hard work and responsibility, are themselves unwilling to face up to their obligations as those who have used up certain human and environmental resources in this country. Indeed, they are even less able to hear arguments about responsibility and obligation as over the years the ideology of competition and self-interest and rugged individualism have eroded our moral capital, to use an analogy that I hope some of my right wing colleagues would understand.

Those who appeal to the common good or to ethical concepts, as did the churches or the Bishops in their recent statement, are ridiculed as idealistic and naive and out of their element. We have come a long way, Mr. Speaker, only to stand at the edge of the abyss with the Liberals whistling while they saunter into the darkness and the Tories urging us to jump headlong into the darkness in the name of renewed social Darwinism and the world view of Amway.

Where is the cry for the need to enshrine the responsibilities and obligations of property and not just the rights of property? Whatever happened to the language of responsibility? The corporate sector in this country, and indeed around the world, has been successful to the extent that it has because it has been parasitic upon the natural strengths of the human community and the planet Earth, taking for granted certain social factors like families and certain environmental factors like clean air and water. But this can only go on for so long.

As the environment is fouled and as human communities and families break down thanks to the untrammelled virtues of the maximization of profits and the reduction of human beings to disposable commodities, the social and environmental costs begin to come due. And the Government cannot be expected to address all of these costs if the very people who have had the free lunch for years, that is the corporate sector, are going to rebel in the name of profit against a tax regime and an economic model which would require them to pay their just share of the cost incurred by their economic activities and to be accountable in other ways for the impact of their actions. Indeed, most of the so-called free enterprises are, more than ever, standing at the door of the public Treasury looking for various handouts.

This is what is happening, Mr. Speaker, and what the Liberals have failed to do in this budget is to challenge Canadians to face up to this reality and to decide whether they want finally to stand up and work for an economic future that takes all of this into account and ends all of the hidden free lunches.

Instead, what have the Liberals done? They have conceded without a fight. They have conceded without even honestly asking the Canadian people what they would prefer and

engaging them in conversation about what the consequences of various decisions might be.

Do Canadians want a Government which will continue to fall for the corporate sector's false argument that productivity is declining because something is wrong with Canadian workers and Canadian society, or do they want a Government that is prepared to fund the maintenance and the expansion of the role Government must play in addressing the social and environmental costs of our economic system and in working toward an economy in which these costs will not be incurred in the first place?

Most economists and all Liberals and Conservatives talk alike about the decline in productivity. From their limited point of view, it may look as though productivity is declining. However, as Hazel Henderson, U.S. lecturer, futurist and author of "The Politics of the Solar Age, Alternatives to Economics" says, productivity appears to be declining, and I quote:

—only because they have over-stated it for decades, and swept the real costs under the rug.

Mr. Speaker, why is it always labour productivity that is under scrutiny and not the productivity of our entire economic way of life? That is where the productivity crisis is. Energy use is a good example. Is it any wonder that there is declining productivity and profitability in Canadian oil and gas when the economic model we have operated under for years has called for and succeeded in accomplishing the rapid sale and depletion of easily accessible reserves?

• (1710)

We have a crisis all right but it is not a crisis of productivity as such; it is a crisis of our failure to husband wisely, easily accessible resources, which resulted in our being increasingly dependent now on expensive, hard to get at and socially and environmentally destructive oil extraction in the North and in the sea.

It is in analyses like this, Mr. Speaker, that I believe we are getting to the heart of the profitability crisis in the western economic system. It is not that Governments are spending too much, as the Conservatives and the Liberals seem to believe; it is that Governments have not had the mandate to collect, to spend and do what was necessary to keep up with the social and environmental costs of our economic values and our way of life. Nor have many had the ideological capacity, inclination, or insight to do so.

The solution is not to get Government out of the marketplace but, through Government at all levels and through other forms of co-operative and community action, make the marketplace finally become a place where all the costs of any particular economic activity are taken into account and where social and environmental sustainability are equal to other considerations.

Yet when Governments try to do that from time to time, their citizens suffer great consequences. We have to face up to this as well, which brings me back to my first two claims about the way in which the budget avoids reality in pretending that there are no multinational corporations and in ignoring the need for a new international economic order. At present countries which try to achieve social, economic and environmental justice are likely to be boycotted by the multinationals economically and branded as suspect by the Americans politically, if not actively persecuted.

The multinationals can and do use their almost lethal global mobility to invest elsewhere when their profit margins are threatened. The Americans actively prevent that global dialogue, which is crucial, by filling the councils of the world with their deadly innocent rhetoric about free enterprise and the communist conspiracy. The only country allowed to defend itself economically, even if it violates the principles of free enterprise, is the United States. Somehow that is all right.

The three issues that I have raised are all related. We cannot, in Canada hope to build a socially and environmentally sound future unless we find a way to control our own economic destiny and make it significantly less vulnerable to decisions taken outside our border in the board rooms of foreign multinationals. We cannot hope to do this apart from a new and just international economic order in which the power of the multinationals will either be dissipated or made accountable to the planetary common good and in which they will be unable to play nation off against nation. We have to work on all fronts simultaneously.

There is a new social and economic order taking shape, both domestically and internationally, within the deteriorating shell of the system we have known for decades. New things are happening, technologically speaking and in the international division of labour, resources and wealth. This can be the greatest opportunity that humankind has ever had if we take advantage of our present dilemma to evaluate honestly, objectively and ethically, the problems that we have as a human community.

We must resolve to co-operate in building a world in which new technologies will serve real human needs, not narrowly commercial priorities, in which Third World development means real human development and not exporting raw capitalism to countries without the political culture to stand up to it, and the de-industrialization of countries like Canada, in which all economic development is designed and judged according to the needs of present and future generations for a liveable environment, and in which countries like Canada do not have to give up all they have accomplished in social policy, like medicare, for example, in order to remain competitive—competitive being the word for responding to the present blackmail.

This is the challenge from which the Liberals, with the advice and consent of the Progressive Conservative Party of Canada, have walked away by not acting now to stimulate debate on these crucial matters. Canadians are to remain spectators to a game which involves their very survival.

As I said before, a new world order is taking shape within the existing one—a new economic world order. It will not conform to the theories of Keynesians, Marxists, monetarists or supply-side economists or, for that matter, to the traditional

expectations of any political tradition. All of us in the near future will have to re-examine our assumptions.

What I have argued today is that the prevailing political views, that of the neo-conservative, Liberal and Progressive Conservatives, does not have the conceptual capacity or the political room to understand and then show us the way out. They are in retreat from the pressures we are experiencing. They are trying to go back instead of going through to the other side of the problems we are experiencing.

Nevertheless it is still an open future. As free human beings and as a free human community it seems to me that we cannot believe or act otherwise. Therefore, let us not hand over our future to the global corporate and technocratic planning elite and its political vassals, the Liberals and the Conservatives.

As democratic socialists we believe that we have something special and crucial to offer in the debate about what kind of shape the new order ought to take and what we can do as a country and as individuals to help it become that new opportunity for justice and survival that I spoke of earlier.

Democratic socialists by their very name have always held to the basic insights that the present economic crisis is revealing to more and more people who look at it closely; that is, first, that our economic system must be made accountable to the common good in all its dimensions and that this can only be done through increasing democratic control of the economy in various ways.

Second, the so-called economic realities are really social realities and cannot be understood in narrow economic terms. That is why we call ourselves democratic socialists.

We want to see a world in which people as individuals and as comunities have more control in co-operation with all our fellow inhabitants on the planet over the economic decisions which affect the social, environmental and political quality of their respective futures. This can only be done through activist Governments, democratically mandated to seek this kind of world. It is this kind of mandate which I and my NDP colleagues are seeking from the Canadian people. The failure of this budget to face reality only makes our task more urgent.

The ideological battle lines are drawn and are becoming more clear every day as Liberals and Conservatives fall into line behind each other. I invite our opponents to justify their stances at this conceptual level and try to refute what I have to say. In the final analysis I still believe it will be in the serious exchange of ideas and not in partisan exchange of competitive number crunching that Canadians may yet come to see the need for, and have a desire to find, ways to have real economic and human growth that is more than just the last destructive fling of so-called free enterprise. That is a fling which could fatally damage the long-term health of the economy and society and the planet earth.

But that kind of debate is not in the interests of either the Liberals or the Conservatives, and also we will likely continue to see their relationship continue as it has, the goal of which can only be described as the perfection of the superficial and the elevation of parliamentary confrontation to the be all and end all of politics in this country, at the expense of the Canadian people and ultimately of the global community, as a country which has the political and economic resource to be an example to the world, Canada, shirks its responsibility and backslides into the pit.

It is this same lack of will to face up to the need for fundamental change that explains why the Government will continue to spend $12 billion per year on unemployment rather than spending an equivalent sum on meaningful work instead of cosmetic, short-term, revolving door job-creation programs.

As difficult as the burden of $12 billion is on the federal Treasury, it is preferred by the Liberals to facing the retaliation of the international and domestic investment community which would regard the spending of money to actually give people meaningful work as a threat to its dominance of the economic order.

• (1720)

Mr. Fisher: Mr. Speaker, there is a distortion or two in the Hon. Member's speech which I believe deserves correcting, and perhaps we can put some of these items into a little better perspective. The Hon. Member, for example, went on about how discussions of productivity are often anti-labour. I would like to quote to him from the budget and then get an expansion on that bias of his and some additional comments. I will quote from page 24666 of *Hansard*. The Minister of Finance (Mr. Lalonde) said:

> Many people are under the impression that productivity gains cause unemployment.

Then he continues further on:

> We should recognize, for example, that the concerns of the labour movement for working conditions, the quality and safety of the work place, the involvement of workers in what they are doing, and the possibilities for self-development offered to them, are entirely legitimate and can, if properly addressed, improve our productivity performance.

A little further on he says:

> There will always be tensions between labour, business and Government. But that should not prevent labour, business and Government from co-operating to improve the productivity and competitiveness of the Canadian economy. This is the key to higher wages and better profits.

That is precisely the opposite of the implication raised by the Hon. Member, and I believe the Hon. Member might appreciate the opportunity to stand up and admit in the House, first, that labour has a legitimate voice on productivity issues and, second, to recognize that the Government is listening to that voice.

Mr. Blaikie: Mr. Speaker, I appreciate the opportunity, not to admit that what I said was wrong but rather to elaborate on why the Hon. Member, in speaking for the Government, completely missed the point. In fact, he has reinforced what I had to say. He can only think of productivity in terms of labour-management relations. The whole statement from the budget which he quoted ignores completely the other matter of productivity, which I rightly condemn the Government for not bringing into the analysis, and that is the productivity of our

traditional investment models, the productivity of the way we organize our whole economy. What I am saying is there is no fundamental critique of the way in which productivity has been lessened over the years by the way we do things in general. The Member, when he rose to quote to me a paragraph from the budget which only refers to labour management relations, reinforces the point I made. It does not go against my point at all. The Hon. Member should take a course in logic and spare us all these non sequiturs.

Mr. Evans: Mr. Speaker, I have heard the Hon. Member talk a great deal about productivity. Could he define it for us in precise and concise terms, please?

Mr. Blaikie: Mr. Speaker, I know enough about the Hon. Member for Ottawa Centre (Mr. Evans) to know that he knows what is meant when people speak about productivity. The point which I have been trying to make is that we have too narrow a view of what we mean when we talk about productivity. That is precisely the point. For me to give a traditional definition of what productivity means would seem to be pointless. I would hope that he would have something more important to ask me.

Mr. Evans: Mr. Speaker, I would not want the Hon. Member to give me a traditional view of productivity. I would like him to define in precise and concise terms precisely what he means by "productivity".

Mr. Blaikie: Let me put it this way, Mr. Speaker: You cannot call something productive which over time eats up the social and environmental resources of a country or a planet, for that matter. I am saying that only those things which are sustainable socially and environmentally can be called productive. Those are the kinds of things which ought to be taken into consideration when one is talking about productivity, and we have not done that to date. We have talked about profits, how many widgets we can get out in an hour, how the new technologies will improve delivery times, and what we can get out of a factory in a certain time compared to what we used to be able to do. I am saying that is not all we should be thinking about when we talk about productivity. We need to look at the big picture both domestically and internationally. If the Hon. Member does not understand that point then we are in serious trouble, indeed. Of course, we are in serious trouble because it is people like him who man the back benches of the Government.

Mr. Evans: Mr. Speaker, I agree with the Hon. Member that there are a great many things which have to be included within the concept of productivity. However, in light of the fact that he spent a great deal of his speech dealing with the concept of productivity and how it was wrongly defined traditionally, I still would like to have him define what he means by productivity and not beat around the bush, as he just did, in trying to answer my question.

Mr. Blaikie: Mr. Speaker, I am not trying to beat around the bush. Perhaps it is just a habit of mind I have that I do not easily come up with examples. I will give you an example, however. I was on a tour a while ago in northwestern Ontario. Tell me what is productive about cutting down millions and millions of acres of forest and not re-seeding the trees, thereby putting the Canadian forestry workers in a position where they now have to go farther and farther afield for products upon which we are dependent for our balance of trade and that sort of thing, not to mention the need for wood domestically. What has been so grandly productive about that way of managing our forests in this country? There is nothing productive about it at all. What was so productive about the mercury poisoning of the English-Wabigoon river system? What is so productive about what our economy has done to the inner cities of our country? I could go on for hours, Mr. Speaker, about cancers in the workplace, long-term health problems, etc. The list is endless. If the Hon. Member does not know what I am talking about, then he has a very serious problem. We all do.

Mr. Fisher: Mr. Speaker, I believe the Hon. Member is beginning to give us some useful and concrete examples, and I would like to follow up a little further on the question asked by the Hon. Member for Ottawa Centre (Mr. Evans). It would help the House considerably, I believe, if we could distinguish between the vague dogmatism of the Hon. Member and the much more specific and useful concrete examples which he has put forward. Could he try and bridge the gap between his examples and his dogmatism by answering the question put by the Hon. Member for Ottawa Centre and tell us how he defines productivity.

Mr. Blaikie: Mr. Speaker, the Hon. Member is making my point again. I asked why do we not talk about something at the level of ideas, for a change. I know that is really hard for Liberals. I know they have to have examples, little pictures and story books to help them along. There is nothing wrong with what I had to say, Mr. Speaker, and I was not being vaguely dogmatic. Indeed, I hinted that we all had to re-examine our basic economic assumptions. However, that is something which the Liberals are unwilling to do. They are unwilling to think. They want to rise and be cute and tell me that if I do not have a long list of examples there is something wrong with my arguments. I challenge any one of them—because neither one of them has done this yet—to get up and address the argument I have made head on. They have not done that, Mr. Speaker.

Mr. Evans: Mr. Speaker, I would say to the Hon. Member, with respect to a definition of productivity, it seems to me one cannot talk about ideas when one is refusing to define the concepts in terms of the word he is using. The Hon. Member refuses to define what he means by productivity. I would define it as being the amount of output, the amount of Gross National Product, not in just narrow terms of dollars but in terms of quality of life, in broad terms, which all of us can share among ourselves. If that is going up, then productivity is obviously increasing, the standard of living is increasing. Productivity is all about increasing the well-being of Canadians. That is my definition. Now I have not been able to extract a definition of exactly what it is the Hon. Member is talking

about, but if he is going to talk about ideas, it seems to me that he must define what it is that his ideas are referring to.

Mr. Blaikie: Precisely, Mr. Speaker. For too long we have measured productivity in terms of the Gross National Product. When you talk about GNP, traffic accidents in which young people are killed are equal to anything else in term of generating economic activities. All things are equal when you add them up into the GNP. Precisely what I am saying is that for too long our way of measuring productivity, or well-being, to use the Hon. Member's phrase, has been too narrowly construed in terms of money, in terms of input and output, and the very kind of depersonalized and dehumanized concepts which the Member just used when he started talking about the input and output and the GNP. That is exactly what I am talking about. We have been prisoners of that. I said we have to get down and talk about what we mean about productivity, and the Hon. Member is not willing to do that.

• (1730)

I do not make any apologies for not having a whole new plan in order to be able to criticize what we have regarded as productivity to date. If we wait to get into that kind of debate until someone has an answer which is beyond criticism, we will be stuck for years within the conceptual prison you guys have foisted on this country for the last three decades.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I do not know whether the discussion we just heard was a private one between the Liberals and the NDP, but I would like to tell you what I as an ordinary, common, every-day rank and filer mean by productivity. I was raised in the coal mines. There was a miner who actually loaded the cars, and he tried to load 12 or 13 cars a day. You get paid so much per car. In the Newcastle Mine there was a competition on to see who could increase productivity by loading 14, 15 or 16 cars. Believe it or not, one man there loaded 20 cars in one day. He did this on his hands and knees in these low mine shafts. Well, that is increasing productivity. If another fellow was quite lazy and loaded only eight, that is the opposite of productivity.

A few years ago I was in the elevator of the Calgary Inn. I said to this fellow there with me, "Are you from Alberta?" He said, "No, I am from Newfoundland." I said, "How do you like Alberta?" He said, "I don't like it at all." I was rather shocked. I asked why. He said, "I am going back to Newfoundland. I am a bricklayer. I am used to laying as many bricks as I can per day and my boss is on my back because he tells me I am laying too many bricks. I am not going to work in conditions like that. I want to earn the money, I want to produce as much as I can." That is increasing productivity, men with that attitude. If they say, "I am going to do as little as I can, work to rule", that is not increasing productivity. That is what the man on the street understands by productivity. Unless we as Canadians, together, increase productivity, we lower the standard of those who do not work, the senior citizens, the crippled and the aged. They are the ones who are going to depend on productivity growing. That will happen if each individual does his part. That is what makes the country great. Well, Mr. Speaker, I think it is a really worthwhile topic, but I did not stand up to talk about productivity.

I want to make an announcement, Mr. Speaker. Today, there was a baby born to Mr. and Mrs. Albert Cooper. He was six and a half pounds in weight, born at 11.30 this morning, and we are happy to say that the mother and baby are doing well and the father is enthusiastically excited.

The Acting Speaker (Mr. Blaker): Order.

Mr. Stewart: Now, that is productivity.

Mr. Taylor: Now, I am going on to comment on the budget.

The Acting Speaker (Mr. Blaker): I hear indications from some Hon. Members that this announcement may be related to productivity. I have a dreadful feeling that the Hon. Member for Bow River (Mr. Taylor) is going to prove to me that the announcement he has just made is relevant to the budget. If he is going to continue with his announcement, he ought to prove that his comment is relevant to the budget.

Mr. Taylor: Thank you, Mr. Speaker. I am just about ready to make it relevant to the budget. I am going to tell Albert that next time he should have twins. But the point I really want to make—and I am sorry about this, as I am sure Mr. and Mrs. Cooper must be sorry about it too—is that every parent who has a baby like little baby Albert Brandon Cooper and every baby like him is born with a debt of $3,800 around his neck. That is how he is starting life in this country. It is increasing every time the Liberals bring in a budget and the poor little babies have a greater weight around their neck.

Is that relevant, Mr. Speaker? I think it is.

Some Hon. Members: Hear, hear!

Mr. Taylor: I would like to speak a little longer about babies and that debt, but I have several other things I want to talk about. I think the Minister touched a real chord when he said we have to build confidence in this country. That is one of the difficulties in Canada today, lack of confidence. A man on the street in Calgary said to me one day, "I just came back from the United States where I invested $10,000". I said, "How come you did not invest in Canada?" He is a Canadian. He said, "I wouldn't invest ten cents in Canada, I have no confidence in the Government." Hundreds of people are taking their money out, investing it somewhere else, because they do not have confidence in the Government. The Minister touched on the real heart of this whole thing when he said we have to build confidence in this country. I think we do, and today. I think the budget helps to build confidence to a degree. It is certainly building a lot more confidence than the last two budgets. The last two budgets destroyed confidence in this country. But there are too many people today making fun of the financial policies of the present Government. That does not help confidence at all. For instance, an ad appeared in the *Calgary Herald* on March 2, and one of my constituents sent it to me. This is what it said:

WANTED

Loyal Liberal Party member. Preferably ex-M.P. with $20,000 to invest in a feasibility study and pilot project to turn Alberta crude into N.B. coal. Must have suitable connections with top Liberal M.P.s to obtain a 10 million or more government grant.

Excellent return on investment assured.

Success of project not assured.

PHONE 289-5681

The newspaper contacted the man. He said he spent $121.50 for this ad, somewhat as a joke, because he was so angry with the Government. I do not know how many of my constituents have written to me and said there is no confidence in this Government. It has to build confidence and stop some of the things it is doing to destroy confidence, such as the "Coalgate" affair and the destruction of a beautiful part of Banff National Park.

There is another thing which is very important, too. If you are going to have confidence, it grows from each individual being satisfied. When I ran a business I tried to satisfy each individual who came in that store. I said to my staff, "It does not matter what you think of them". One of the girls had said to me, "Oh, he is a drunkard, he is no good". I said, "I do not care what you think of him, he is coming in here and he gets service. His money is just as good as the money from the millionaire. As a matter of fact, I would rather do him the service because he needs the help. I want everyone in this office to realize that. If that customer goes out satisfied, he tells somebody else and the business grows. But every dissatisfied one you send out, I tell you, it is not something that is going to lift you up or build confidence".

Well, Mr. Speaker, I have a story here that I never thought I would have to tell in the House of Commons. I am sorry the Minister of National Revenue (Mr. Bussières) has gone because it certainly concerns his Department. It concerns a man and his family who are now frightened of this Government. Not only have they no confidence in the Government, they are frightened of it. Let me give you the story quickly. This man sent a $1,000 installment to Revenue Canada. The cheque was not only stamped by the Department but it was also credited to my constituent's account. Someone in the Department of Revenue decided that it had not been credited to the right account, so he transferred it. My constituent notified the Department of the mistake. It appeared that in transferring this money back and forth, it was finally lost. My constituent contacted the Department, and his bookkeeper went to the Calgary office time in and time out asking the Government, "What about this $1,000"? Each time he was told that it looked as if the money had been found and it would not be long. The bookkeeper was at the tax office on an average of once a week to obtain copies of the account and stamped cheques, proof of the remittance, but each time he was told that it was a simple computer mistake and would be corrected shortly. Each time he was told that it looked as if the money had been found. Around that time, the Department of National Revenue moved many records from Calgary and Edmonton to the Winnipeg office, and all the papers went to Winnipeg. The $1,000 was lost again.

• (1740)

At one point my constituent even phoned the Winnipeg office, which told him that after a certain number of years the account was closed and that he should have done something about it before. He had been trying to do something about it before. He had been trying to do something about it week by week, throughout the whole period.

I brought the matter to the attention of the Minister who said, "We have destroyed our records. This man kept paying his installments until his payments were down to less than $1,000. Then, on the strength of all his representations, he figured that the $1,000 would look after the $900 or so in tax. However, the first thing that my constituent knew was that the Department of National Revenue had gone to his bank and had taken $1,000 out of his account without even telling him, and then closed the case.

Do Hon. Members think that we can get anything from the Department? It says that the records have been destroyed, that it does not have them. I do not care whether or not it has the records. The $1,000 was received by the Department of National Revenue and it should be accounted for. The Department sent two cheques back to the bank in Calgary, but the bank in Calgary says that there are no notations. If the Department proves that it sent the $1,000 back to us, we will pay the $1,000, but the Department is not doing that. This cannot be simply wiped off and sloughed off. This amounts to $1,000 of hard work by that man. I am asking the Government, every backbencher, every Minister, to be honest enough to say to this man, "We will give you your $1,000, because the Department stamped and received it". This man should not be out that $1,000. That is the type of thing that undermines confidence.

I would like to mention something else with regard to asking private enterprise to help us out. I have high respect for the Hon. Members to our far left. I think they are sincere in the things in which they believe. I do not believe what they believe. I do not believe in nationalization. I believe in free enterprise. However, I do not like the way they slur free enterprise all the time. Maybe they do not like the way I slur nationalization, and I suppose we are even in that respect.

Mr. Blaikie: You're right.

Mr. Taylor: However, I want to tell Your Honour that many of the people who support the Hon. Members on the far left are free enterprisers, such as the farmers. They want to make a profit. They cannot stay in business unless they make a profit. What is wrong with making a profit? Making a profit has given us the highest standard of living in the world. We can say to someone, "You can invest your money and you can make a dollar. There is an incentive. When you make a dollar you can buy something else, you can give your family a better standard of living, buy better clothes and buy things you like. You can take your wife and family on a holiday. You can have

extra furniture and good food". All of these things come from hard work and investing, increasing productivity, and then the country benefits as well. I believe in making a profit. I do not believe in exorbitant profit, but I believe that people who are working are entitled to a profit. That is what really keeps this country going. However, here the Government is asking free enterprise to cooperate.

When I listened to the Minister of Finance (Mr. Lalonde) asking private enterprisers to cooperate in getting us out of the mess the country is in, I could not help but think that part of the mess was due to his national energy policy. It just about ruined our farms in the West as well as our oil and gas industry. It went right down into the stores and lunch counters in the small towns. The effect of the national energy policy really hurt the country. It was a destructive policy, but now the same Minister is asking free enterprisers to expand their businesses, to hire more people, to invest more money, because that is what will get us out of this slump, and I agree with him.

If we can get thousands and thousands of entrepreneurs to hire one to ten people, it will not be long before we have 1 million or 2 million people employed. I do not accept the theory that we cannot have a country in which everyone who is able to work is employed. There may be a few who do not want to work, but most people want to work provided they can make a decent wage and see a chance of giving their families a better standard of living, perhaps sending their boys and girls to university.

I was raised in a poor home and I know how people feel. We did not think we could ever send anyone in our family to university because we did not have the money. There were ten children to feed. The mines were only working four or five months a year. Finally, through the help of my brothers I was sent, the first out of the ten, to university or normal school so that I could obtain a teacher's certificate. Then, after that, we were able to send my sister by working together. However, they were willing to work and sacrifice so that they could provide a better education for the rest of us, and it is even more so with parents. They want to do that. The Minister is certainly tapping the right source. If he can build confidence, he can certainly get people working. This is true, provided that too many obstacles are not put in the way.

Earlier today I mentioned the story of a man in Cochrane who received an order amounting to $103,000 from an oil company. The oil company had built a couple of ships in Japan. I am running that down. I do not know why they were built in Japan, because it is a Canadian oil company. Anyhow, it had two ships built in Japan—

Mr. Blaikie: Got a better price. That's free enterprise!

Mr. Taylor: —and the company wanted to have a celebration and give Canada the business. So an employee of the company went to the Cochrane store, an excellent store with a coffee shop, groceries and a meat counter, and said, "We will give you a $103,000 order". Beef amounted to $32,000 of the order. The owner buys his beef from Canada Packers and the federal inspectors inspect the meat. However, when he went to the federal inspectors and said, "I want an export permit", they said, "Nothing doing". He asked why, and they said, "It is because there is a regulation on the books which was passed about 70 or 80 years ago which states that you cannot export meat if you keep a fresh meat counter and sell meat over the counter". That might have made sense back in 1915 or 1930, but it is not sensible today. Why should a man who sells excellent meat over the counter not be permitted an export permit? The civil servant in Calgary said to him, "And besides, you must have a wholesale licence." He said, "I have a wholesale licence". He was told, "You cannot have it anyhow, because you sell meat over the fresh meat counter". Therefore, he lost $103,000. I do not know whether the business went to the States or to Japan. I am not sure about that part. However, a couple of weeks later the same company man came back and wanted to order 1,000 steaks. One can imagine the thrill of having someone come into one's store and order 1,000 steaks.

• (1750)

It reminds me of a story about someone who ordered 1,000 hamburgers from MacDonalds and everyone in the place became very excited over 1,000 hamburgers being ordered all at once. This is a situation involving 1,000 steaks. The oil company wanted all of the friends, builders and workers to celebrate the great event of building two ships. The storekeeper said that he would love to provide them with a thousand steaks. He went to the federal agricultural people again, but they said that if he sold fresh meat over the counter he could not have an export permit.

How ridiculous is the situation in this country when a thousand steaks, which could have come from the cattle of Alberta, Saskatchewan, Manitoba or even Ontario and could have provided work in Canada, were not allowed to be sold. Instead, the situation became so frustrating that the man said he could not bother with the officialdom any longer. He went back to Japan and bought his thousand steaks in Japan. In the meantime we talk about building up Canadian industry, we talk about unemployment.

Free enterprise will work but not if it continues to be shackled. It will not work half as well when it is handcuffed. Let free enterprise work by eliminating these ridiculous Government regulations. I see, Mr. Speaker, that your are pointing to your watch, but I have barely started.

In the one minute that I have remaining I wish to say something about the deficit. One thing that bothers me when talking about recovery is that the deficit is increasing continually. How can we eventually recover if we do not begin reducing the deficit? I have figures for 1972 which indicate that the deficit was $999 million. It kept increasing until 1979 when the Progressive Conservatives came to power. It then dropped slightly to $11.48 billion from $12 billion. When the Progressive Conservatives went out, the deficit rose again to a level higher than it was in 1979; it rose to $12.6 billion. In the next year it went to $13.6 billion, and then to $25 billion the next year after that. The deficit this year is $31.3 billion.

How will Canadians be able to face this deficit? We cannot pull ourselves up by the bootstraps or by borrowing ourselves out of the deficit.

The Government must begin to reduce its expenditures and it can only do so by cutting down on those unnecessary expenditures. It should not do so, as some have suggested, by cutting old age pensions. It should take the money from those areas which can afford it. There is a lot of lard in this Government and in its budget. Let us cut out some of that lard. One example is the metric system. It is not necessary to spend $25 million a year on a program that half of the people of Canada do not want. Expenditures on programs such as that should be cut from the budget.

I wish I had more time to deal with the deficit. While I am in favour of some of the budgetary measures, those that encourage people to work and get us out of this mess, some of its other measures are bad. I hope to have the opportunity to deal with some of the pros and cons of the budget at a later time.

Mr. Blaikie: Mr. Speaker, I wish to comment on the remarks made by the Hon. Member for Bow River (Mr. Taylor). I do not have to put it in the form of a question because I know he will respond to my comments.

The Hon. Member for Bow River is known for the clarity and vigour with which he puts forward his views of the world. Given the argument about the nature of productivity that ensued just before he rose, I was grateful to him for the manner in which he so clearly described the limited view of productivity which I rejected in the previous argument. The Hon. Member was giving us the example of coal miners working on their hands and knees in the mines. In his opinion productivity meant that if they could double the amount of coal they mined on their hands and knees on a particular day, that was productivity. As well, he suggested that the bricklayer who laid as many bricks in a day as possible was another example of productivity. I agree with the Hon. Member to the extent that his argument relates to the value and meaning of not only work, but hard work.

However, to use the coal mining example, I do not agree with the Hon. Member's view of productivity or lack thereof, in the general scheme, when one considers the destructive impact that that kind of productivity related mining has had on the lives and families and the environment of coal mining communities.

It was precisely my point that it is not enough to think only about productivity in terms of output which, in this case, is coal. One must consider the long-term social and environmental costs of a particular economic activity. That is the kind of productivity analysis that I was trying to have Members of the House consider.

The Hon. Member asked what is wrong with profit. If he had listened clearly to what I said, he would know I always talked about the maximization of profit, which might be another word for exorbitant profit which the Hon. Member used. Whenever there is an economy in which people are driven to the maximization of profit in order to stay competitive, it is a bad situation.

Mr. Taylor: Mr. Speaker, I appreciate what the Hon. Member says but I want to give him an actual illustration of what was happening in a mining town. We had a good life as long as we were able to produce coal and my father and brothers were able to work in the mine. The more coal that one of my brothers loaded, the more money he received and the more he was able to keep us at school, and the more he could give us on payday.

We had a good life while the mines were busy. Productivity increased our happiness, our prospects and our standard of living. When productivity started to decline, we started to suffer. Productivity started to decline when people felt they were making too much for the company and decided to cut their productivity in half. We suddenly realized that we were not competing with other forms of fuels.

Of course, with the arrival of oil and gas, productivity became a vital factor in remaining competitive with oil and gas. It was almost impossible to compete in those days, and the whole coal mining industry almost collapsed.

After I was elected, I remember being on a committee which went to Crowsnest Pass to see what could be done for the miners whose lives had suddenly become empty because the mines had closed. They did not know what to do since mining was all they knew. We tried to work out programs of rehabilitation for them. The point is that it was the lack of productivity that destroyed our coal mines. The same thing will happen in any industry. If people take the attitude that they should do as little as they can, that will be the result, as compared to the person who will do all he can.

Mr. Flis: Mr. Speaker, on page 10 of the budget speech of April 19, the Minister made reference to the Government's $3.7 billion for the western transportation initiative. In the few minutes remaining could the Hon. Member for Bow River (Mr. Taylor) give the House his opinion, his Party's opinion, the Alberta Government's opinion and the Alberta producers' position, on the changes to the Crowsnest Pass rate?

Mr. Taylor: Mr. Speaker, I certainly cannot do that in 30 seconds but I will respond partially by saying that I like many of the proposals, one of which is the inclusion of several segments of agriculture. It was always my opinion that instead of dealing with producers of different types of grain separately, all producers should be combined.

While I am in favour of other proposals, I do not like the assumption that the freight rates on the farmers' grain will rise quite significantly by 1990. While the Government makes an assumption on the freight rate, it does not make any assumption on the price of grain. I hope to have a chance to deal with this properly during a proper debate in the House. If the Minister were to tie that increase in freight rate to the price of grain, the farmers would have a chance to understand it. But for the Government to say that it will charge them so much more on their freight, not even knowing if there will be that much more in wheat, oats or barley, would frighten anyone.

The farmers and their families are frightened because they do not know where they will get the money to pay those rates. I wish I had more time because it is an interesting problem.

The Acting Speaker (Mr. Blaker): I must indicate to Hon. Members that it is six o'clock. It is totally out of order for the Chair to express the hope that Mr. and Mrs. Cooper and child are well, but then I thought that the Hon. Member as well was totally out of order in doing it.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

RAILWAYS—OILSEED FREIGHT RATE POLICY—EXCLUSION OF SUNFLOWER SEED. (B) PLEA FOR SUNFLOWER INDUSTRY

Mr. Jack Murta (Lisgar): Mr. Speaker, the question I asked the Minister of Transport (Mr. Pepin) on April 18 is related to the matter about which we have just been talking in the last few minutes, the whole question of the western transportation initiatives announced last February by the Minister.

The concern I have, and the concern I expressed in my question on April 18, is for a segment of that whole initiative that was left out, the sunflower seed industry and its associated products, the various brands of sunflower oil which compete with soyabean oil used in cooking.

The background of this industry is interesting. It was the first special crops industry established in western Canada back in the 1940s. It has been a major industry since that time and it continues to grow. It shares a place in the hearts of producers in western Canada along with rapeseed or canola in terms of an alternative crop to wheat, oats and barley.

Under the proposals of the Minister of Transport, if the freight rate parity does not include sunflowers along with canola, rapeseed, linseed oil, and flaxseed, the sunflower seed industry is in danger of becoming extinct in western Canada.

There is about a $60 disparity per tonne between the cost to move rapeseed oil and sunflower oil from a crushing plant in Altona, southern Manitoba. Of course, an industry cannot survive with that type of disparity. Nobody will buy the products. Why would they? It would not only cost the industry more, it would certainly cost the consumer more. Sunflower seed is the only western Canadian oil seed crop not included in the statutory freight rate structure. As such, the much higher commercial rates continue to apply, both domestically and for export. This further erodes the competitive position of this very important crop to western Canada. In the context of Manitoba, the sunflower seed industry amounts to $35 million to $50 million. That is for the Province of Manitoba. It is a substantial industry in Saskatchewan and also Alberta.

The proposed rate structure actually increases the freight rate disparity between sunflower and canola products to almost $60 per tonne. As I said before, the crop itself, unless something can be done, is under threat of extinction.

If we were looking at the cost to include this very important crop—in the context of Manitoba some $35 million—into the total plan which the Government has proposed, using a multiplier factor of 5.2 times the existing Crow rate, which I think is realistic, the cost to the federal Government of removing this anomaly and providing statutory rates for sunflower seed is estimated to be only $750,000 for the period August 1, 1982 to July 31, 1983. It will cost only $750,000 to save an industry in Manitoba that represents $35 million to $50 million to the producers. This has to be looked at and acted upon by the Government in a positive manner to ensure that sunflower seeds and by-products retain their rightful place in the whole agricultural industry in western Canada.

• (1805)

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I first want to congratulate the Hon. Member for Lisgar (Mr. Murta) for taking advantage of this parliamentary process of going to bat for the oilseed crushing industry.

In its announcement of February 1 on the western transportation initiative, the Government accepted the recommendation of Dr. Gilson that only canola meal and oil and linseed meal and oil be included under the new statutory rate regime. The inclusion of other crops and products such as sunflower seed and oil and alfalfa was examined. The prime reason for adding canola and linseed oil and meal is that there has been a long-standing disparity between the western rates for the movement of raw seed and the rates for the movement of the corresponding product. For example, canola and flaxseed move under the statutory rate whereas their products in general do not. Since sunflower seed does not move under the statutory rate, the question of parity between seed and product does not arise in this case.

The sunflower seed industry will benefit, however, from the Government's decision on the method of payment of the Crow benefit. To the extent that payments are made to producers, they will be made on the basis of all cultivated acreage. Sunflower acreage is therefore eligible and the distortion between sunflower and the so-called "Crow crops" will be reduced.

The sunflower seed industry will also benefit from the agricultural adjustment payments recommended by Dr. Gilson. These payments will be at a level of $204 million over three years to 1985-86 and are designed to offset the dilution effect on grain producers of extending the Crow benefit to all cultivated acreage. The payments will be made to all producers, thereby benefiting sunflower producers as well.

MINES AND MINING—CYPRUS ANVIL MINE IN YUKON. (B) GOVERNMENT POSITION

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, on February 14 in this House I asked questions of the Minister of State for Mines (Mrs. Erola) and the Minister of Finance (Mr. Lalonde) with regard to the reopening of the Cyprus Anvil mine at Faro in Yukon. On March 17, and again last week, I questioned the Prime Minister (Mr. Trudeau) about the Government's failure to deal with this long neglected problem which has been devastating for the economy of Yukon.

In asking my question on April 20, I asked the Prime Minister to confirm reports that the Government had finally reached a decision on the long-sought aid for the Cyprus Anvil mine. Even though the Minister of Indian Affairs and Northern Development (Mr. Munro) was at that very moment in Whitehorse making an announcement on this matter, the Prime Minister refused to confirm the announcement in this House, thereby denying me and other Members an opportunity to question him on the specifics of the assistance and the delays in reaching this decision.

The federal Government has done irreparable damage to the mine, the Town of Faro and all of Yukon through the manner in which the Cyprus Anvil problem has been handled. The inordinate delays in the approval of this assistance have seriously undermined the future viability of the mine and the Government has done nothing to offset the damage it has done over the past five months.

Until it closed in June of last year, the Cyprus Anvil mine was the largest private sector employer in the territory. It represented 40 per cent of the income to Yukon's economy. Obviously, a permanent shutdown of the mine would devastate the Territory of Yukon, yet it took the Minister of Indian Affairs and Northern Development five months before he indicated the Government would be prepared to take action. That was last October.

• (1810)

The Minister agreed in early October of 1982 to assist in reviving the mine if the company, the workers, and the people in the Government of Yukon would meet a number of conditions. By early December, the Minister's requirements relating to the settlement of a labour contract and coming to some decision on the northern benefits taxation question had all been met. Yet the Minister still balked at fulfilling his part of the bargain. Meanwhile, workers continued to leave Faro, Yukon's economy continued to deteriorate.

This reluctance on the part of the Government is hard to understand. It appears it is always ready to provide assistance and low interest or no interest loans for projects of questionable merit in other countries, whether it be for transit cars for the citizens of New York City, or the opening of new mining developments in various South American countries that end up competing with Canadian mines. In those cases, the Government responds very quickly.

The delays in this case are also vexing because the federal Government can be blamed for many of the financial problems at the Faro mine. It has ignored calls for improvements to the power and transportation systems in Yukon. It was the Liberal Government's policies on foreign investment that resulted in the mine coming under the control of Dome Petroleum, a move that may be a crucial factor in the mine's current financial difficulties.

Clearly the Government of Canada had every reason and had a responsibility to move quickly, but it allowed the mine to sit idle for almost a year. This unbelievable delay has magnified the problem several times over. The effects of the Government's inaction were highlighted in January by the decision to indefinitely shut down the White Pass and Yukon Railway.

Every day that this railway is shut down its old narrow gauge track deteriorates further and the cost of re-opening the line escalates. The cost to re-open the railway will eventually have to be borne by the Cyprus Anvil mine as it is the major user of the railway. This problem will not be solved by merely clearing overburden at the mine site over the next several months, a solution which is the essence of the aid package unveiled last week.

Short term aid such as that announced by the Minister in Whitehorse on April 20 is obviously necessary in view of the desperate situation in Yukon. But will this aid ensure that the Cyprus Anvil mine will be re-opened? Is there a requirement on the part of the Cyprus Anvil Mining Company to guarantee the re-opening of the mine? Does the deal in which the federal Government is to put up a loan and grant amounting to $25 million then require that the mining company convey to the Government of Canada a piece of equity interest in the mining company? I believe Members of this House would like to have these questions answered, Mr. Speaker.

What is also needed, however, is action that will ensure the long-term viability of the Cyprus Anvil mine. The Government should, for example, scrap the obnoxious northern benefits tax which has already seriously impeded any efforts to resume full mineral production at the mine. The tax will hurt Cyprus Anvil's chances of becoming competitive and winning back the Japanese customers who have already been lost during this long shutdown. The Government should also launch work on infrastructure that would show a commitment to reviving the northern mining industry.

Will the Parliamentary Secretary tell the House this evening whether any of the 100 capital projects discussed in the budget speech will be of direct benefit to Yukon mining? For example, is the Government prepared to open the road to the port of Skagway or to launch power projects that could provide Yukon industry with reasonable electricity costs for the future? If this is not the case, then last week's announcement of aid to the Cyprus Anvil mine is obviously too little, too late.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am very pleased to answer the hon. gentleman's question tonight because having spent a week in Whitehorse, Yukon, just before Christmas, I heard and

listened to the concerns of the unemployed miners in that part of Canada.

Following intensive negotiations between Cyprus Anvil and the federal Government which concluded on April 20, the federal Government has agreed to accept Cyprus Anvil's proposal to re-open the mine. Implementation of the $50 million package is subject to certain technical and financial conditions that remain to be negotiated with Cyprus Anvil and its financial backers.

• (1815)

The Minister of Indian Affairs and Northern Development (Mr. Munro) has informed Cyprus Anvil about the Government's decision. The company will now present its mine re-opening plan as accepted by the federal Government to a steering committee of Dome's main creditors within the agreement in principle. If the package is acceptable, Government and company officials will prepare a detailed agreement. The Government is optimistic that this agreement will enable the mine to re-open, and that stripping operations will commence as soon as possible.

As described in the communiqué issued by the Minister on April 20 in Whitehorse, the agreement was achieved after ten months of intense negotiations. Implementation which is contingent on resolution of certain financial details to protect the federal Government's investment, means the recall of 210 employees.

The Minister is convinced that this plan will result in a more competitive mine, one that will be a continuing source of stability in the coming decades for Yukon generally and for Faro in particular. He also noted that Cyprus Anvil is the bedrock of the Yukon's economy and its continued closure threatened the territory's very livelihood.

The two-year plan calls for the federal Government and Cyprus Anvil to invest $25 million each in the Faro operation. The agreement will stipulate that the federal contribution, with the exception of money Cyprus Anvil receives under existing federal programs, is fully repayable and is intended solely to re-open the Faro mine.

The Minister also paid tribute to both the Yukon Territorial Government and organized labour, whose actions helped in the efforts to re-open the mine. The Yukon Government has agreed to contribute roughly $2 million toward topping up employees' wages, plus further assistance when the mine resumes full production. In the case of organized labour, the Steelworkers Union signed a new contract boosting productivity by an estimated 20 per cent. It was also instrumental in organizing a delegation of Yukoners who supported the Minister's efforts to obtain Cabinet approval for the agreement.

The federal Government is fully aware that Cyprus Anvil is but one of many mining companies in Canada currently experiencing financial difficulty. However, Cabinet agreed that Cyprus Anvil is a unique case largely because of the federal Government's quasi-provincial responsibility in relation to Yukon's economy. Furthermore, Cyprus Anvil accounts for about 40 per cent of the territory's economic base. Failure to act would have resulted in the Government assuming direct financial and social costs far in excess of the assistance announced.

The agreement is a symbol of what can be achieved through the co-operation of the federal and territorial Governments, business, labour and Yukoners in general.

LABOUR CONDITIONS—WAGE EQUALITY FOR WOMEN. (B) COMPILATION OF STATISTICS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I want to pursue a question asked of the Minister of Labour (Mr. Caccia) regarding equal pay for work of equal value, and particularly the Minister's responsibility to see that this is effected.

I should like to begin by recounting the importance of equal pay for work of equal value to the women's movement of Canada. The women's movement settled on equal pay for work of equal value as its main object in the economic field because of the inadequacy of provincial equal pay for the same job legislation. Women want to see women workers paid as men are, on the basis of skill, effort, responsibility and working conditions, according to objective criteria.

Yet, while women are ghettoized into different jobs from men, simply requiring them to have exactly the same jobs as men means that many women do not get any protection from legislation. This was a recommendation of the ILO, Convention 100 and it was taken up by the Royal Commission on the Status of Women in Canada, and recommended in 1970. Many groups lobbied for it and unions supported it after that date. Finally it was made law under the Canadian Human Rights Act. We have it on paper at least federally and we have a similar provision in Quebec for equal pay for *travail équivalent*.

I whould like to say that the Canadian Human Rights Commission enforces equal pay for work of equal value better than any Province enforces its equal pay legislation at the present time. But the Commission is short staffed and procees is slow. Cases take years to be investigated. The process was deliberately made to be cumbersome, and certainly when women's organizations were lobbying for it they wanted to see it speeded up. There is a complaint stage, an investigation stage and a separate conciliation stage; all this takes an enormous amount of time.

The difficulty is, Mr. Speaker, that the wrong problem is addressed. The model is wrong. Equal pay for work of equal value treats discrimination as an anomoly; that there is an exception when women are paid less than men for doing whatever their job is. This is seen as a failure in human relations. If we could only get the employer and employee together, then we could have reason prevail.

• (1820)

The human rights model, which I would suggest is the incorrect model for labour relations is a model which has worked best for landlord and tenant relations, particularly to

get a landlord to accept a tenant of a minority racial or ethnic group. The point is, however, the landlord will be getting the same rent when he does this.

The difference here with equal pay for work of equal value is that paying women less is profitable for companies. The employer will make more money if he can hire women workers who will do the work for less money than male workers. Therefore, it is not a failure of good will, but simply economics.

There is a growing library of literature which shows as well that equal pay legislation at the provincial level has not been successful. That is the case-by-case approach which the Canadian Human Rights Act also uses. Let me give you a few statistics for wages and salaries for full-year employees for all of Canada.

In 1969 women's wages and salaries on average as a per cent of men's salaries was 55.6 per cent; in 1971 it was 55.3 per cent; in 1973 it was 55.8 per cent; in 1975 it was 56.1 per cent; and in 1977 it was up to 57.8 per cent. The latest year for which we have statistics available is 1980, and then the percentage was 58.3. All of these figures are under 60 per cent. The figures fluctuate a little from year to year so that I do not even think we can be enthusiastic that we have gone up from 55 per cent to 58 per cent. We are not sure that this is a lasting increase or just one of the fluctuations; that figure may have gone down in the following year.

Women, therefore, are earning somewhat under 60 per cent of men's wages and salaries for full-time work. Studies show that roughly half of this 40 per cent difference can be attributed to women being paid less than men for doing the same job, and roughly half because they are doing different work. If provincial legislation were working, we would see that women would be earning about 80 per cent of what men do. That is, they would be receiving this 80 per cent figure and the other 20 per cent would be because of women being in job ghettos.

If the federal legislation were working however, that is equal pay for work of equal value, women would be earning on average the same, roughly 100 per cent of what men are earning. And if the federal legislation were working, we would see that wage and salary gap for federal employees declining, and we would see it decline, but not as fast, for provincial employees. If the Minister of Labour had relevant statistics it would be possible to look at this. I do not believe there are any such statistics, and that is regrettable. There should be. The Minister of Labour should be able to show this. If he wants to argue, as he did in replying to me, that the Canadian Human Rights Act is such a good thing, he should show that the gap is declining for people who are under this legislation.

I suggest it is very clear that the legislation is not effective and that there is a lot more that can be done. I suggest that the Minister of Labour himself has some responsibility. It is not enough to say that 90 per cent of Canadian workers are under provincial jurisdiction. He should still be doing something for those 10 per cent of Canadian women workers who come under his jurisdiction. Furthermore, the Canada Labour Code specifies what the Ministry of Labour can do. In Part III, Division 11.1, Section 38.1(1) we learn that employers are required to live up to the same expectations of Section 11 of the Canadian Human Rights Act. I will quote from Section 38.1(2):

> Where an inspector has reasonable grounds at any time for believing that an employer is engaging or has engaged in a discriminatory practice described in subsection (1), the inspector may notify the Canadian Human Rights Commission or file a complaint with the Commission—

In other words, inspectors could be filing complaints. But are they? In 1981 there were only one or two filed by inspectors and we have 127 labour inspectors in Canada for all provisions of the Code. No complaints were filed in 1982. The Department of Labour, Women's Bureau, had an ad campaign on equal pay, but it did not have a phone-in number. It did not facilitate complaints. They had a campaign on sexual harassment and they received a lot of phone calls. I suggest they should be welcoming phone calls and they should be acting on them, taking up complaints to the Canadian Human Rights Commission.

I would like to suggest further that the Minister could be helping the women's movement and union groups which are working for equal pay for work of equal value. These people need statistics as part of their campaign. Instead of doing this, however, we see the Ministry of Labour, which does publish material, not publishing what it should.

This book, "Facts and Figures", is an old and useful handbook which is no longer available in this form. There were complaints that it was not useful enough because it was inconsistent. Instead, what we have now is a glorified computer print-out. We also have discontinued series, Mr. Speaker, for average weekly and hourly earnings. They were extremely useful statistics. They showed a long and stable wage and salary gap. The Department of Labour discontinued this series.

• (1825)

To conclude, I would like to suggest that if the Minister is concerned about equal pay for work of equal value, and if he is concerned about justice for Canadian women workers, there is a lot he could be doing.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I want to assure the Hon. Member for Broadview-Greenwood (Ms. McDonald) that the Minister of Labour (Mr. Caccia) is very much committed to the policy of equal pay for work of equal value. That is the policy of this Government and always has been. We as the Government, and I know the Minister of Labour, are anxiously waiting for the day when, not only in the public service but in the private sector, the philosophy practiced will be equal pay for work of equal value.

Judging by the original question of the Hon. Member and by her remarks today, she seems to imply that Labour Canada has discontinued its annual survey of wages in Canadian industry. In fact, the Labour Data Branch has conducted surveys annually since at least 1974, and continues to publish the results annually in the publication "Wage Rates, Salaries

and Hours of Labour". This report presents information on wage rates and salaries for selected cross-industry and specific industry occupations by sex and union status. Information pertaining to the standard hours of work for office and non-office employees is also shown.

"Wage Rates, Salaries and Hours of Labour" is published separately for Canada as a whole and for selected Canadian cities, including St. John's, Charlottetown, Trois-Rivières, Saskatoon, Regina, Victoria, Saint John, Halifax-Dartmouth, St. Catharines-Niagara, Ottawa-Hull, Thunder Bay, Kitchener-Waterloo, Windsor, London-St.Thomas, Vancouver, Hamilton, Winnipeg, Calgary, Edmonton, Quebec City, Montreal and Toronto. As the Hon. Members can see, no city is omitted.

In addition, the Women's Bureau of Labour Canada annually publishes a three part report entitled "Women in the Labour Force". Part 1 deals with participation rates of women. Part 2 is entitled "Earnings of Men and Women", and provides data on male-female earnings by sex, age, occupation and education. These data are obtained from surveys conducted by Statistics Canada and, as mentioned, from Labour Canada. Part 3 of the report provides a variety of facts and figures on such issues as unionization, pensions, day care, and complaints of discrimination on the basis of sex, as registered with the Human Rights Commission.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until 11 o'clock tomorrow morning.

At 6.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, April 26, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—YOUTH UNEMPLOYMENT

Mr. Cyril Keeper (Winnipeg-St. James) moved:

That this House condemn the tragic implications of monetarist economic policies adopted by this Government that resulted in 24 per cent unemployment among young Canadians and that deny reasonable job prospects for the 300,000 young Canadians graduating from post-secondary institutions this Spring.

He said: Mr. Speaker, it is with pleasure that I rise today to open this debate with regard to youth unemployment in the country. That is an ironic statement in light of the tragedy that is facing our youth today. It is absolutely necessary to bring to the attention of the House the plight of our young people and it is crucial that we bring to the attention of the Government the concern that we on this side of the House have for them and their need for jobs. It is important that we bring to the attention of the Government the feelings, the concerns, the hopes and aspirations of young people across the country. That is why we put forward the motion with regard to youth unemployment and that is why we chose to make this the priority of the day for the House.

• (1110)

Young people in Canada today, according to Statistics Canada, are unemployed at the rate of 34.4 per cent in the month of March, which means that there are some 650,000 young Canadians out of work. This compares, Mr. Speaker, with an unemployment rate for adults in the country as a whole of 13.9 per cent—that is unadjusted, Mr. Speaker—and some 1,658,000 Canadians out of work, again according to Statistics Canada. These statistics do not take into account the discouraged or underemployed worker. If one compares the 650,000 unemployed young people with the 1,658,000 of the general population who are unemployed, one finds that somewhere between one-third and one-half of unemployed Canadians today are young people between the ages of 15 and 24. Therefore to a very large extent the unemployment problem in this country is a problem of unemployed young people.

Clearly today there are previously unheard of numbers of middle-aged people, heads of households, who are used to steady, well paid employment and are without work. This is, indeed, an unprecedented tragedy which is happening in our country, certainly since the great Depression of the 1930s. However, a very significant and very important part of the unemployment problem today is the unemployed young people which comprise one-third to one-half of the general population.

One of the reasons it is important to bring this tragedy to the attention of this House today, Mr. Speaker, is the over-all economic policies of the Government of the day and the failure of those economic policies to provide work for Canadians. The young people of Canada suffer much more from unemployment than many of their older brethren due to the policies of this Government as illustrated in its budget, which gives very little hope to people who are unemployed. The Government, by its own actions, by its own economic analyses and its own economic papers, has accepted the extremely high levels of unemployment. It has accepted that for this year there will be some 12.4 per cent unemployed overall. It has accepted that in the medium to long term there will be at least 10 per cent unemployment.

Looking from the perspective of a whole decade, the Government will be seeking to bring down unemployment to something like 7 per cent or 8 per cent, which shows that the Government has really accepted a very harsh view of the world, a view which leaves a very significant proportion of our people unemployed and an even higher level of unemployment among young people. This Government with its policies and actions, therefore, leaves very little hope for the future to young people in the present circumstances.

Young people suffer particularly from unemployment, Mr. Speaker, because, first of all, they lack experience in the job market. When they go to an employer to ask for a job they are told they must have experience, so this lack becomes a barrier to their getting work. This problem is particularly difficult these days because even people who have considerable experience and demonstrated capabilities in a particular occupation are unemployed. Young people also lack training. There is a waiting list for all the training programs in this country. Many people who apply for training under these programs find themselves on those waiting lists. Even many of those people today who are trained and have skills are unemployed, so it is doubly difficult for the young person today to get work because of lack of experience and training in a world where many who have that experience and training are themselves unemployed.

It is particularly important, Mr. Speaker, to pay attention to the plight of young people today because they are forming their first impressions, their views of the working world. Work, Mr. Speaker, should be a satisfying and self-fulfilling activity,

something which gives a person an opportunity to serve the community and grow and learn. But by today's standards young people's impression of the work world and work is just the opposite. They are unable to find work or, when they do, it is insecure and short term. Their experience in the work world is one of frustration.

• (1115)

This is not a good attitude to be fostering in this land. It is important, if a nation is to be strong and its people are to be happy, that work be a satisfying, self-fulfilling activity and that people see work from that perspective. They cannot do it unless they experience it that way, and young people today entering the labour market are experiencing frustration, disillusionment and hopelessness. Young people entering the work world today find they cannot get work, even given their best efforts, and they are unable to deal with this new, harsh reality. They end up with a feeling of powerlessness.

It is important that we take note of that feeling, Mr. Speaker, because in Canada young people form their political ideas, a notion of themselves as an active citizenry, much later than they do in other western democracies such as the United States or Great Britain. The fact that young people coming on to the job market end up frustrated and powerless has great significance for our democracy. In the final analysis democracy depends upon the faith and belief that you can make a difference in your world, that you can have a real impact upon what is happening to you and your community. If the feeling is just the opposite, then their whole approach to democratic decision making is going to be one of apathy rather than one of participation. And it is crucial in a democracy to have an active citizenry.

The tragedy of youth unemployment is not only that they have a lack of income, Mr. Speaker. That is significant and it should be paid attention to by this House, but it also relates to the social sense, the quality of community and political life in this country. Not all young people are on the job market looking for work 12 months of the year. There is a significant number of young people in the training and educational institutes, colleges and universities. In fact, there are probably more people in university today than ever before, because they read the newspapers and see what is happening on the street and they know there are extremely high levels of unemployment. Therefore many have postponed their entering the job market and university enrolment levels have ballooned. We are going to have to keep an eye on this. These people are going to be graduating and when they do, they will need employment. The Government brought down its National Training Act a full year ago and started to train young people for new occupations. A year from now, when those young people start graduating from their community colleges, they are going to need work and if they do not get it they are going to start asking: Why have we trained? They are going to feel double disillusionment and disappointment and alienation.

• (1120)

Seeing no prospect in the budget of employment for these people when their training is up paints a picture of a dismal future, a future about which the Government has chosen not to do anything significant. However, the point I wanted to make about students is that they depend upon employment as well. While they are going to school, there are a number of months in which they are looking for work, and they look for work for a number of reasons. One of the reasons relates to the fact that students pay a significant proportion of their own education costs and, all across the country, tuition fees are rising, at least in part, because of the restraint in transfer payments from the federal Government to provincial Governments. However, tuition fees are rising and the percentage of the cost of education which a student pays is increasing. Therefore, the summer employment of students, the capacity of students to earn and save money for their own education, is very crucial and increasingly important.

However, not only do students seek summer employment to help pay for their own education, they also seek it for the experience of work, for the pleasure of productivity, in order to get out there in the world and find out what the work world is like so they can begin more clearly to define their aspirations for the future, what kind of services they want to provide to the community, what kind of employment they would like to engage in. Therefore, employment for students is crucial in terms of their being able to afford their education and also to learn from their experience.

I would like to say a few words about the student employment programs and youth employment programs of the Government. I have in my hand a copy of "The Budget in Brief". There is a section dealing with direct employment programs and one dealing with youth programs. Not only have the Government's general economic policies failed to provide employment for youths, but its specific youth employment programs fall far short of the mark as well. They do not reach the target, let alone score a bull's-eye.

I mention these programs rather than just economic policies in general because, even if we had a booming economy, we all know from experience over the last couple of decades that it would still be necessary to have special programs for youth in order to provide them with adequate employment programs.

On page 7 of "The Budget in Brief" of April 19, 1983, under "Youth Programs", there is reference to an additional $70 million which has been allocated for the Summer Canada Program, etc. This would leave one with the impression that on budget night, April 19, 1983, the Government took $70 million out of its pot and put it into the Summer Canada youth programs, $70 million of new money. It refers to "additional dollars". One would have thought that it found the money in the same pot that it found the $200 million to save the reputation of the Minister of Finance (Mr. Lalonde).

I have consulted with a number of people including the Canadian Federation of Students. To the best that we can piece the information together, this additional $70 million has been announced at least twice now. Some time in December or

January, the Minister of Employment and Immigration (Mr. Axworthy) announced some $100 million for Summer Canada youth programs and then some time later, in February or March, raised it to $170 million. The Government now takes that same additional $70 million and announces it again in the budget. Therefore, while the Government was able to find $200 million to save the reputation of the Minister of Finance, or at least to paper it over, it has simply reannounced the additional $70 million.

The additional disappointment about the $70 million is the fact that if one compares the amount which the Government is spending this year on youth programs, $170 million, to the amount that it spent in 1979—and I forget the exact figure but it was around $112 million—one finds that the amount of dollars which the Government is putting into Summer Canada for youth in real terms, taking inflation into account at about 10 per cent, is the same this year as it was in 1979. The real dollar commitment, adjusted for inflation, is at the same level as it was in 1979, even though we are all aware that the economic circumstances are very different from what they were a couple of years ago. As well, the need of young people for employment is much greater this summer than it was a couple of years ago. I point this out specifically because it is important for the Government to have adequate youth programs.

• (1125)

Let me briefly mention the two other announcements made in this document. One concerns Katimavik which provides $40 million for 4,000 participants. I must say that although that is commendable, Katimavik is not really an employment program. It is a program that provides an opportunity to young people to serve their communities. It is not a program which provides a full wage for a full day's work; it is an opportunity for youth to serve their community at below minimum wage. While it is a good program and a worthy idea, I suggest that to list it as direct support for employment is misleading. Once again, while it is a good opportunity it is not an employment program.

The other announcement of direct support for employment which I want to comment on briefly is the one under the Department of National Defence, which provides $75 million over two fiscal years to hire 5,000 young people. Obviously there will be many young people lining up at the Department of National Defence to take advantage of this opportunity because they need work wherever they can find it. Of course, young people will join the Armed Forces, like anyone else, since they want to serve their country and take advantage of this option. The difficulty is that if there are no other real options for young people, they will feel obliged to take this option when they should have choices.

This brings me to another aspect of my concern about youth. The value of youth is the hope that they bring to the country. Therefore it is important for us to provide significant employment for young people, so they can gain experience as well as pay for their education and ultimately grow and add to the strength of our country.

Youth are not only concerned about themselves. They are concerned about the survival of this planet upon which we live. The youth of today have taken a great deal of initiative to fight the efforts to test the Cruise missile in this country. They tie this issue to employment as well by pointing out that many more jobs can be provided through social spending than military spending.

I see that my time is almost up, but let me say that it is very important for the Government to support the efforts of youth to disarm this world because it is that kind of idealism that will build a better country for the future. Rather than adopting the hawkish attitude of the Government toward the world, we need the hope of youth and should support them in order to make that hope flower.

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

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, I welcome the opportunity to participate in this because it certainly represents an issue that has been of primary concern to Members of the Government and to me personally as Minister of Employment and Immigration. It is an issue that I believe deserves a fair, open and good exchange of views. However, I would hope that we might avoid the traditionally expected Opposition tendency to wag fingers, lay blame and try to find a culprit or scapegoat by accusing the Government of acting improperly. I think the issue we are examining deserves much better than that.

• (1130)

It is an issue which requires a sensible and common sense approach. It is a problem which has been with us, is with us now and will continue to be with us and it represents one of the most significant, social and economic circumstances that we, as Canadians, face. But we do not face it just by ourselves. I do not know whether Members of the House have had an opportunity just recently to read the front page story in the *New York Times*. The story described the serious plight of European young people who are faced with this issue. Unemployment has been the subject of a wide number of papers and examinations by Governments around the world.

This phenomenon was born out of the baby boom of the Second World War. Over the past 10 or 12 years we have been watching the enormous acceleration of young people into the labour market. The numbers of young people coming into the job market in this decade has almost doubled that of decades before. We are dealing with very large volumes of young people who want a job and are expecting a job. In any of the traditional occupations, ways of providing employment are no longer there.

At the same time as we have been receiving large numbers of young people in the job market, we have also been experiencing a change in the job market. The questionable pattern of moving toward jobs that require high degrees of

skill, far more training and background and the attempt to come to grips with that particular issue is at the centre, and should be at the centre, of our debate. What we have to recognize is the issue of youth employment. It is not simply a product of the existing recession that we are in; it is an ongoing problem which will represent one of the major issues with which we will have to contend for the rest of this decade.

I would recommend to Hon. Members that they look at the documents I tabled in this House last week during the budget debate entitled "Perspective and Labour Market Policy Framework for the 1980s". I believe it gives an accurate and a good account of the kind of demography and work force which we are looking at and how we as a Parliament will be asked to deal with those issues on a continuing basis.

It is wrong to suggest, as the Hon. Member for Winnipeg-St. James (Mr. Keeper) is trying to suggest, that nothing is being done, that everything is going to hell in a hand basket and that no one cares. I want to take this opportunity to describe to Members of the House some of the issues into which we have been entering and as well describe some of the direct areas of progress that we are making in coming to grips with this issue.

First, I would like to say that if Hon. Members want to measure the efforts in which we are engaged by sheer dollar or volume terms, I would point out that in my own Department we spend about $2.5 million a day on the employment and training of young people. In fact, in the 1982-83 fiscal year we spent something like $900 million in a combination of training and employment programs directly targeted at the interests of young people. We provided unemployment and training services to over two million young people this past year alone. In the kind of wide-ranging activities we are able to provide, the largest clientele we serve is under the age of 24. We have been investing in a number of initiatives which I think will provide for a very hopeful future for young people.

The Hon. Member for Winnipeg-St. James resides, as I do, in the Province of Manitoba. I draw to his attention the announcement that I made last Friday in our own Province. The announcement described that, as a result of the investment under the skills growth fund, we were able to invest in close to 1,000 additional training places in Manitoba alone in high technology areas. This has provided a wide range of new training opportunities in computers, robotics, advanced electronics and heavy machinery that we have developed in Manitoba through that investment by the federal Government's skills growth fund in the distribution of training facilities in northern Manitoba and on Indian reserves. We have taken mobile training vans into the rural areas and we are providing a brand-new training centre in the City of Winnipeg.

If the Hon. Member for Winnipeg-St. James is trying to suggest that we are standing still and are not actively engaged in doing things, I would say that he should probably invest 15 cents to buy a newspaper so that he can learn what is going on in his own area. He will be able to discover that the activity in which we are engaging is providing a very sound and important foundation for economic growth.

I can repeat those examples right across the country. We invested in Holland College in Prince Edward Island to train an additional 90 young people in marine technology. We have just put $4 million into the British Columbia Institute of Technology for a new CAD/CAM program, again providing major training for young people in those areas.

We invested something like $14 million in 17 different community colleges and institutions in the Province of Ontario. This will provide something like several thousand additional training opportunities. I could repeat those examples to demonstrate that we are aware of the necessity of addressing the employment needs of young people, primarily by investing in their future, thereby ensuring that they will have the skills and training to allow them to compete for the new kinds of jobs the decade will bring.

In addition to that, Mr. Speaker, I think it is important to point out the evolution that we have gone through in the development of the youth employment strategy that was announced in last week's budget. Last summer we were very conscious of the increasing problem of youth employment and a need to do something about it. We introduced a number of test programs. For example, we started ten experimental youth job corps programs in ten metropolitan centres across Canada. The job corps idea is to help young people who have been on the sidelines in the job market, those who are disadvantaged or who have been chronically unemployed, get counselling, guidance, work experience and training all at the same place. It will allow them to come out of the disadvantaged category and move into the job market.

We have also introduced a network of specialized youth employment centres across Canada. They will provide special placing and support for young people. We have also introduced a number of trial experiments on a wage-subsidy program through the PED Program. This will allow us to test how we can work with the private sector to provide an incentive for young people to get that first job. We used our opportunities last summer to test some of those new programs and to determine what worked well and what did not.

Following that, Mr. Speaker, in January, 1983 I met with all provincial Ministers of Labour and Manpower and introduced a paper on youth employment. I asked them for their co-operation and co-ordination in our youth strategy. Youth employment represents unquestionably one of the most serious issues facing all Governments. But this problem cannot be solved by one Government acting alone. It has to be a combination of efforts.

I am pleased to report that the provincial Ministers have responded. Since that time we have had a series of senior officials working at how we can co-ordinate the various youth employment training programs across Canada. What became very clear in those discussions last January was the necessity of dealing with a problem that has been endemic in our employment market for the last two decades. Young people face special difficulty in the job market getting that first time job experience. That is the breakthrough they have to make, and it is the major barrier which they have to overcome. Unlike

many European countries that have a very well defined transition period between formal schooling and work, Canada does not. It is almost a two-year national apprenticeship program. In Canada we have never adopted that, partly because of our fragmented educational system. But we have never adopted the notion that there has to be a transition period between formal schooling and work so that a young person can get work skills and on-the-job training. That is an idea I put forward that we should grow toward, but how can we make it happen?

• (1140)

I think one of the most important productive results of the budget last Tuesday was that the Minister of Finance (Mr. Lalonde) provided us with an opportunity to enter into a major new youth employment program, an interim program which will allow us to provide direct subsidies to private business, to small business in particular, to universities, to school boards and to non-profit organizations to hire young persons for on-the-job training, so that they are provided with job experience in the workplace combined with training. The $95 million to launch that program in the first year of operation will provide close to 35,000 young people with that opportunity. I did not hear the Hon. Member for Winnipeg-St. James mention that particular initiative, probably because he knows that it is too good or too effective.

It was based upon the proposals we received from a number of youth organizations asking for the opportunity to break down the barrier. We now have that opportunity. We now have the resources to enter into that new interim youth program. It is my intention as Employment Minister to consult first with private business to gain its views on how it should operate and also to work with young people and youth organizations in its implementation. To carry that forward, we will be holding a national conference in August in Newfoundland on youth employment. We have invited a number of the major youth organizations to join with us in a discussion on how we can mount that major youth strategy.

I think this represents to all of us a major launch forward into a new kind of youth employment posture, one that will be combined with the continuation of the youth job corps system which we have established such as Katimavik, and the additional programs in the Department of National Defence, to supplement that. In the budget the Minister of Finance included $280 million in addition to the other moneys in Departments already going into youth employment. It is additional money to provide young people with that first-time opportunity.

It would be wrong to suggest that nothing is being done. In fact, what we see is a fairly well articulated strategy beginning last summer, moving through the proper steps of consultation and resulting in the budget announcement of a new youth employment strategy on the part of the Government. What we really need now is a full partnership with and participation of other sectors of the economy. We need the assistance of the school boards and provincial Governments. Certainly we need the full partnership of labour and business in helping us to mount this new youth employment initiative. It will be our intention to seek that consultation with the idea that it must be a national effort and commitment. It is not something one Government alone should be able to mount. All Canadians must concentrate and devote their attention toward coming to grips with the problems associated with young people. That is really the direction and thrust we are taking in Government to deal with the employment issue.

Also we recognize that we must deal with the other side of the ledger, the people who are still in school. As I pointed out, in that area we will be spending over $1 billion this year in providing new high technology training for close to 275,000 or 300,000 Canadians of whom over 50 per cent are young people. Also this year alone we will be investing $100 million in new training facilities, modernizing equipment and bringing in the new kinds of technology so that young people can be trained in the work of the future.

Also we have started a number of support systems which the Hon. Member mentioned, of summer employment for those who are still in school. The federal Government will be providing direct employment jobs this year for over 70,000 young people. We are hoping that that figure will be matched equally by the efforts of provincial and municipal Governments. If they will make a similar kind of effort, we could be providing double the number of jobs directly by Government.

In addition, we recognize that it is the private sector which must provide the major source of employment for young people. It often disturbs me that the New Democratic Party ignores that fact. It does not pay attention to the potential and capability of the private sector in providing young people with employment. That Party seems somehow to gloss over the necessity of ensuring that private employers play their role. In fact, we launched last week a major information campaign to get private employers to provide jobs for summer students. We will be opening some 400 youth employment centres across Canada which will provide places for employers to post available jobs on the market and opportunities for young people to obtain those jobs. We are not only making an appeal to traditional private sector employers but to people who want work done around their homes or offices. It will require a special effort this summer. The information and advertising campaign is designed to ensure that if they have any kind of job, they should contact one of the 400 youth employment centres, post it on the board and we will get a young person to do the job this summer.

It is my hope that through this debate Hon. Members of the Opposition will offer their services to make this program work and will co-operate in ensuring that activities within their own constituency offices will be directed toward that initiative. Rather than using their time and energies in the pursuit of criticism, hopefully they will turn them to somewhat more constructive pursuits during these very critical summer months. I know the Hon. Member for Saskatoon West (Mr.

Hnatyshyn) will be a major and active supporter of the program. I can see that he has already acknowledged it and given us his support. We will mark his name on the list.

These are the kinds of efforts we are attempting to provide, but I want to return to one fundamental issue. We must recognize that during this period there are no quick-fix solutions. In fact, it was interesting that the opening speaker for the New Democratic Party did not make any offers as to what he would do. He did not have any sort of magic solutions to the problem; he simply criticized what was being done. I think the issue requires much more than that. It will require the best of our creative abilities and energy as Parliamentarians to address this issue, to use our resources effectively and to provide for a better partnership among all major players in the economy.

What the economists call the structural problem of youth employment will be a continuing problem. We must work away at it. We must develop better techniques for bringing people into the labour market. We must make better use of our teaching and training institutions. We must go into the schools and try to give better guidance and information to young people so that they will choose careers which will lead to jobs.

When I talk to young people in the high schools in my constituency, it disturbs me greatly that many of them are preparing themselves in grades eight, nine and ten for jobs which will not be there four or five years from now. The basic information about the changing nature of the job world is not being transmitted or passed into their hands. In passing I want to say that we are trying to address that issue through the implementation of our new Canadian Occupational Projection System. We are trying to provide a much better navigational system for the job market by being able to predict and forecast where future job markets will be. We can obtain that information and give it to guidance counsellors in the schools, to teachers, parents and young people, so that they can begin preparing themselves for careers which will be real ones.

When we go into the schools and talk to young women in the system, they say that they are going to be clerks, stenographers or work in offices. We have to tell them that in four or five years maybe 40 per cent or 50 per cent of that work will be eliminated. They say that no one told them. This simply points out the necessity of working on all fronts with educators to ensure that the basic training and education they offer is relevant and contemporary to labour market needs and to ensure that young people have access to that information.

I am simply suggesting that the issue of youth employment cannot be solved by the wave of a magic wand. It will require a very major combined effort on the part of all sectors of our economy. I hope this debate will help generate that kind of interest, involvement and particularly that kind of co-operation, so that we can address what I consider to be the number one national priority.

• (1150)

Mr. Keeper: Mr. Speaker, the Member for Winnipeg-Fort Garry (Mr. Axworthy) is clearly aware that the NDP has long been calling for a serious industrial strategy in the country to create long-term employment for everyone who wants to work. In terms of immediate action, we have called for significant action on public works and a decent tax break for low and moderate income people to stimulate consumer demand.

I direct a question to the Minister. He talked about economists and structural unemployment among youth. This echoes the Minister of Finance's general statements about structural unemployment for the general population and leads into an acceptance of an extraordinarily high level of unemployment for the general population and for youth. Given the Minister's long list of activities that the Government is involved in and the fact that today there is an unemployment rate among youth of 23.4 per cent, and given his stated concern for students this summer, will he tell this House what level of youth unemployment he expects this summer during the months of June and July? Does he expect that his programs will have a significant impact on the unemployment rate among youth? What are his expectations in terms of their impact on the social reality of this country?

Mr. Axworthy: Mr. Speaker, let me begin by saying that this is the first time we have had a clear-cut endorsement of our budget from the New Democratic Party. The Hon. Member for Winnipeg-St. James says that the New Democratic Party wanted a public works program, and breaks for small business. They wanted these kinds of incentives. That is exactly what the Minister of Finance offered last Tuesday. Announcements are now being made in that regard. We certainly welcome the Member's full-scale endorsement of the initiatives taken last Tuesday and we will be glad to recognize that endorsement.

Mr. de Jong: Boy, are you slippery!

Mr. Axworthy: Slippery? I think it is wonderful that the Hon. Member for Winnipeg-St. James has now accepted the kind of strategy that we have put forward.

As for his question about statistics, I note how the Hon. Member for Winnipeg-St. James has shifted his ground. He wants to talk about statistics now. As I said during the course of my remarks about the document I tabled last week, we recognize the reality that it is a very serious issue. But the problem will not be solved haranguing or by pointing out the failures of one group or the other. It will be solved by managing it and by coping with it.

We have tried to put forward a strategy that clearly enunciates the method that we believe will succeed in dealing with this problem by working with the private sector in developing a wage subsidy program for on-the-job training so that we can overcome the barrier that young people face, and by using the job corps program as a way of giving chronically unemployed young people the kind of support that they need. We are looking for the same endorsement of those kinds of programs that the Hon. Member just gave to the general budget. We are looking for a willingness to go back and persuade provincial Governments, municipal Governments, the private sector and labour to co-operate so that we can create a national coalition.

We are hoping that through those kinds of efforts yes, we can succeed in providing jobs for young people.

Mr. Speaker, because Members of the Opposition love to get hung up on statistical somersaults, I want to point out a statistical phenomenon that exists: the more jobs you create, the more people you are bringing back to the job market; therefore, the indicators do not change but more jobs are being provided. That is what the Government is interested in.

Mr. Ogle: Mr. Speaker, I would ask the Minister a question along the general philosophical line of what is seen in the future for work in general but particularly work for young people. I know the Minister is aware that the problem that exists in Canada is a very real one that is not going to go away instantly, and as he said, there is no magic wand that will take it away. However, one must look at the Canadian situation in relation to the whole world, particularly in relation to countries in Latin America where the majority of the population is young. The world population is growing at the greatest rate in the youth sector and any future planetary economy will be based on all the people in the world working somewhere.

I would ask the Minister if he has in his Department any sort of futuristic planners who are looking at what will happen to Canada in its relationship with the whole world as this massive number of young people come on to the labour markets of this planet. Does he have a futuristic group that will plan for other ways to look upon work in Canada? This may sound a little bit funny, but will it always be necessary for one to have a job to get an income as many of the traditional jobs that provided income in the past disappear? What group or groups will do the creative thinking for the future which, to my mind, will differ from even the recent past?

Mr. Axworthy: Mr. Speaker, the question of the Hon. Member for Saskatoon East (Mr. Ogle) will somewhat tax my well known capacity for being succinct, but I will attempt to answer his question very quickly: Yes, we do have a policy planning unit. I would refer him to the document that we tabled last week on employment perspectives in the 1980s, which does set out some of the forecasting projections that we see. He will notice in that document that we are projecting, by 1985 or 1986, at least in Canada, that the number of young people coming into the job market, people born during the post-war baby boom, will decline. In fact, the number of young people coming into the market will be almost cut in half by that time. Therefore, we will go back to a pattern of unemployment that will be closer to the norm than it has been for the past seven or eight years.

We believe the answer to the question of youth unemployment is to ensure that youth have adequate and effective skills to meet the new world of high technology and information that we are moving toward. That is why we are investing so many of our resources in a new training system across Canada, a program that is central to our strategy.

Mr. Speaker, in relation to the Hon. Member's larger question about what we are doing in the world, I do not know if we have quite been able to grasp the full global significance of that. I would point to one example that the Hon. Member would be interested in. We are starting to bring an increasing number of minors and young people from some of the refugee camps and displaced persons camps in Central America to Canada to start training them in new skills. An officer from my Department is in El Salvador at the present time negotiating a specific program for the training of young El Salvadorans in Canada so they can take those skills back to their own country.

Mr. McGrath: Mr. Speaker, I have a succinct question for the Minister that I hope will elicit a succinct response. There are now 600,000 young people unemployed. We are anticipating another 300,000 unemployed when the new graduates come on to the job market. So we are looking at one million young people unemployed in Canada. As a result of budget initiatives, can the Minister tell us how many jobs for young people he anticipates will be created this year both from indirect budget initiatives and from direct spending by his Department?

Mr. Axworthy: Mr. Speaker, in answer to that question, I refer the Hon. Member back to the statements made by the Minister of Finance indicating that over the next two years we expect some 600,000 new jobs to be created in this country. A large percentage of those new jobs will go to young people. As pointed out, in my own Department about 50 per cent of our clients are those under the age of 24.

The basic thrust of the budget is to start accelerating the pattern of recovery that we are now entering into. To facilitate that acceleration, we will provide the opening of a number of job opportunities. The announcements made yesterday by the Minister of Supply and Services (Mr. Blais) and the Minister of Economic Development (Mr. Johnston) in the Capital Works Program will provide many jobs. A large percentage of those jobs will go to young people. A large percentage of jobs in the housing field will go to young people. A large percentage of jobs in the area of new technology will go to young people.

In our own programs, my Department is trying to provide for a kind of bridging of the programs, such as the 35,000 new jobs that would be created directly through our wage subsidy, our new interim program that will be targeted at the young people who are most chronically unemployed, as well as the 125,000 young people who go into our training programs each year; but at this point I cannot add those programs up. I would say to the Hon. Member that I expect he and I will have the opportunity to exchange further information tomorrow when we get the estimates, and I will be glad to try to provide full totals for him at that time.

• (1200)

Mr. Albert Cooper (Peace River): Mr. Speaker, I am pleased to have an opportunity to enter the debate today as it is an important one. The whole issue of youth concerns all of us.

I was interested in the Minister's remarks. He started out by saying that we should not point to the sins of the Government. Why is that? Certainly the Government has to take responsibility for some of its actions that have contributed to youth unemployment in the country. The Minister spent a great deal of time talking about Government spending, Government programs and how they would solve all sorts of problems; then he talked about the need for the private sector to create the jobs. I believe that is only lip service, Mr. Speaker. There are some Government programs but the question remains about what they will do for the private sector.

The National Energy Program took away literally thousands of jobs in the country but that matter was not addressed in the budget. Those jobs will not be back on the market this year. There were no changes to the tax regime that would stimulate and encourage the private sector and small business.

What I think is most significant about the budget is the fact that there is a great deal of talk about helping the private sector. We were hoping for some recovery this year but next year new taxes will come in that may stifle any revitalization of the economy that could take place in 1983.

The Minister talked about creating 600,000 new jobs. As my colleague from St. John's East (Mr. McGrath) stated, we find that 500,000 young people will be out looking for their first full-time job this year. They may get some of those jobs. The problem is serious when the Minister admits that unemployment is going to continue well into 1986 when we will still have an unemployment rate hovering around 10 per cent. That means youth unemployment will still be very high.

The problems that face all young people in Canada are staggering. At the moment we have 658,000 unemployed young Canadians, or 23.4 per cent. One out of every four young people in Canada is presently without a job. When we start to break the figures down we find that of the 2 million who are employed, roughly 700,000 are only employed part-time. Half the people who are employed part-time are looking for full-time jobs although they are not registered as unemployed. That brings in another 300,000 young people. They have a difficult time of it because they have no job security. Virtually always they receive low wages. I could give examples of businesses which keep people on part-time employment because they can pay them lower wages. Thus, they receive a sketchy training and have little opportunity in the future. The underemployed have a difficult time of it today.

The figures do not even consider what we call the "uncounted", the discouraged people who have quit looking for work and those who are making a tawdry living at best on the streets—the hidden unemployed. These young people are developing the worst possible attitude toward their future. They feel there is no future for them, and they have no pride because there is nothing they can do.

So, Mr. Speaker, I am pleased to speak to the motion. The people we are talking about, the young people, are the last to be hired and the first to be fired. They certainly need our attention and consideration and they need to see a demonstration of our concern.

I am glad that the motion we are addressing includes consideration of the situation of this year's graduates and what they are going to face. Looking through some figures taken from various engineers' associations I find that since 1981 unemployment among engineers has risen by 500 per cent. This spring 7,000 graduates will be looking for new employment opportunities, and unemployment in the engineering field is already up by 500 per cent. Many of the graduates from last year have not found jobs, yet this new group is coming onstream. They will have little opportunity for employment.

When the Hon. Member drafted his motion he perhaps cast his net a little too narrowly. It is not monetarism alone that is responsible for the situation. There is a need for the Government to try and curb Government caused inflation. Its deficits, its intervention and its fiscal irresponsibility are among the root causes of youth and general unemployment in the country. In 1973 the gross debt was about $46 billion; we understand that today it is around $160 billion. That is certainly a significant increase, Mr. Speaker.

The Government does not seem inclined to do anything about its wasteful habits. It has looked around for someone to take the blame and has hit on the Bank of Canada. The Government chose not to do the necessary hard work itself. It did not stop the advocacy advertising that we have just seen on the Crow rate. That is the kind of thing that needs a great deal of money, just to bring the viewpoint of the Government to the public. It is a viewpoint that has not been discussed in Parliament and certainly is not reflected in legislation. It is what I call propaganda and is a considerable waste of Government funds. The Government has not watched the spending of Crown corporations and some examples of this have caused concern. A recent television program on Canadair's Challenger executive jet showed that it involved a cost of over $1.5 billion. Some jobs were created but Parliament still has to see a review of Canadair operations and has not had a chance to discuss the implications of the Government funds going into it.

Consolidated Computer has cost $125 million over the past ten years. That money has gone, Mr. Speaker; it is wasted. It could have been used to create jobs or as an incentive in the private sector, but instead it may well have contributed to inflation.

I am concerned that the motion does not really understand the impact of the broad range of Government policies. I mentioned the plight of engineering graduates. One of the major employers of engineers is the oil and gas industry. It used to employ a lot of engineering skills but neither that industry nor related industries have had a great need for engineers lately. That all came about as a result of the national energy policy. Two years ago I was in Calgary talking to employers of engineers and asking what opportunities were available to young engineers coming out of our universities. Formerly, those young people were able to go into head offices and negotiate a job as though they had five, 10 or 15 years' experience, the demand for their services was so strong. It is not there today. Since the National Energy Program was brought in those graduates have been looking for work.

• (1210)

The Minister from Quebec shakes his head, but I live in that area and I happen to know that people employed in that sector are no longer employed and no longer have that opportunity. That is true of those in related industries. There are a lot of industries which are related and are spin-offs from the energy sector. You do not see the growth that occurred in the towns and cities which once were booming and creating employment opportunities, not just for Albertans but for people right across the country. In my own riding there were people from Quebec, Ontario and virtually every Province in Canada who were employed. Today they do not have those jobs or that opportunity because of things like the National Energy Program.

We still import some 250,000 barrels of oil a day. The National Energy Program prices our petroleum products right out of the international market. We know those concerns are there because of the problems we are facing with natural gas exports. That programs which is demonstrative of what we could be encouraging in the private sector, is a real example of what is not being done. It is a contributor to our youth unemployment, not just for the engineers, as I mentioned, but for construction personnel. Anyone who knows anything about the energy sector knows that these projects which we have been talking about require literally thousands and thousands of people to work on them, from the unskilled to the most highly skilled. But that is not happening. There is no construction personnel. There are no "roughnecks" any more. In my area there used to be as many as 65 or 70 rigs going all the time, all of which employed young men and women. Today they are down to five, 10, 15. The jobs are gone.

What causes me some real concern is a new attitude which I sense is coming. I was very interested in the question which was just put to the Minister, and that is, where are we going in the future? What is the significance? What is happening? What causes me concern is this solution of work sharing, this idea of work sharing. Because we are not going to be able to provide employment for our young people in Canada on an ongoing basis, we are going to have them share jobs. I find that very offensive.

I come from a part of the country which is rich in resources, whether it be oil or gas, or the sands which can be turned into glass. There is the kind of opportunity in this country which is hard for us to imagine. People from other countries look at us and say: "My goodness, you have everything". We have everything and we still have a very small population. The question is, then, if we have all those opportunities and resources, why are our young people unemployed? I believe it has to be very clearly because of the fact that the Government has not provided any stimulus or incentive to see those resources brought onstream in order to create and provide opportunities for young people right across Canada.

Another concern, and I suppose this is the one most often referred to, is that of interest rates. I believe that interest rates over the last couple of years have had an impact on bankruptcies. In 1982 we had some 90 per cent more bankruptcies than in 1979. In 1982 there were some 10,700, close to 11,000 bankruptcies. In 1983 we find that we already have about 2,800 bankruptcies in the first three months of this year.

That is a very serious problem because those businesses, those private sector small businesses which are going bankrupt, are not doing business, are not hiring and are not creating jobs for young Canadians. There is now a modest reprieve from the high interest rates of last year and the year before, but the question still remains, what is coming next? The Government has just told us in this last budget that we are going to be looking at deficits of over $20 billion for the next decade. That is obviously going to put pressure on the market and on interest rates, and it has to. The Hon. Member opposite should know that. When interest rates climb, business opportunities in this country and employment opportunities for our young Canadians must be affected.

The great concern, however, is that of youth unemployment. I believe that the Government is responsible for this problem in a number of ways. The problems our young people are facing are massive. We have over 600,000 unemployed, we have over 300,000 underemployed, we have approximately 600,000 seeking summer jobs, and we have over 500,000 who will be seeking their first full-time job this year. If we total up those figures we will find that it has significant impact and is a problem of very serious magnitude.

It is no wonder that these young people have high levels of frustration and very little sense of hope or sense of where they can go in the future. But what is the Government doing about it? Something that really stunned me when I heard the Minister refer to it was the study called "Perspective on employment: A Labour Market Policy Framework for the 1980s". This report indicates that Government is redefining acceptable unemployment levels. My understanding is that it is now going to accept 8 per cent instead of 3 per cent. That is an acceptable level of unemployment in a country like Canada? That is an acceptable level of unemployment in a country of opportunity and potential? Right now we have unemployment running at 12 per cent to 12.5 per cent and we can virtually double that figure for our youth who are running at 24 per cent. Does that mean that if we have an acceptable level of unemployment in this country of 8 per cent across the board, then it is acceptable to have 16 per cent unemployment among our young people in this country? I find that, Mr. Speaker, very unacceptable. I feel that is something which is very serious and we should be looking at it, because historically our youth has had a hard time finding employment. Youth unemployment has always been high. Does this new definition mean that unemployment among the young is to be acceptable at 16 per cent or 18 per cent?

The Government has indicated it is making work for the young people of Canada. We just heard the Minister recite a number of programs which are coming forward. I applaud him for those programs, but in reality is the Government really doing very much? Take, for example, the youth internship and wage subsidies for the young, a program worth $95 million. If you break that down for the 500,000 young people who are seeking their first full-time job this year, it works out to about

$190 per person. If we give them some sort of a wage subsidy of $2 or $3, what kind of an impact is that going to have? That amount of subsidy per person would hardly last more than a couple of weeks. So we must get this problem into perspective and realize just how serious it is and how much of a pittance that $95 million really becomes when you are talking about literally millions of young Canadians.

The Government has indicated it cannot spend very much more money; it cannot continue to spend more money than it has. The problem is that it spent the money when the economy did not need it. Now when we are in a situation where we desperately need some funding and some help, the money is not there because it was wasted in the past. We get lip service now that the private sector is going to be helped and encouraged, that the Government is going to do this and do that. I do not believe very much is going to happen.

I would like to conclude by saying that I believe this whole situation of youth and general unemployment is partly a result of this Government's cavalier attitude towards the private sector and of its massive and costly intrusion into the very private lives of Canadians. I believe the National Energy Program is probably one of the most prime examples of that. It is a program which could have been creating jobs in a sector which was alive and well and which had lots of potential, but which has now ground to a halt. We are left with a Minister who has to stand and list off Government programs, and we know that even if youth took every job which the Minister has just indicated will be created, it would barely employ those people who are taking their first full-time job this season. It is a serious problem, Mr. Speaker, and it will take an awful lot more incentive from this Government to create the very real jobs which are needed by the young people of Canada.

The Acting Speaker (Mr. Corbin): Questions, comments, debate.

• (1220)

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I listened very carefully to the comments of the previous speaker, the Member for Peace River (Mr. Cooper). After listening to him in English and then using my earphone to find out whether it sounded better in French, I realized that the Hon. Member used his entire twenty minutes to make a post mortem of the past recession. I sincerely believed there was a new generation of Members in the Progressive Conservative Party. When the Hon. Member rose, I felt that here was one of the younger elements of the Progressive Conservative Party who would use his imagination and avoid the usual clichés in criticizing inflation, which is going to be 6.3 per cent, and the deficit, as he has done. But then he said: Do more and spend less. That does not sound very sensible. He said: The Government is not doing enough, but he also said: No Government interference! Finally, he treated us to some weeping and gnashing of teeth about the energy problem in Canada, and he was very sorry to see that no large projects were being undertaken. I agree, but the Hon. Member should not blame everything on the National Energy Program. He should realize that oil prices have varied substantially since these projects were developed, and that to be financially viable, many of these projects depended on oil price levels of around $42, and are therefore entirely unrealistic today.

I think all Canadians are going to be disappointed in the speech by the youth critic of the Progressive Conservative Party, because for twenty minutes, he failed to offer any solutions at all. I think he is treading the same path as the leadership candidates. They have absolutely no recommendations to make, and the best they can do is to launch vicious attacks as they do on the leadership candidates in their own party, and I think that I heard the Hon. Member say that we might steal them. If they have any to steal, we would try and implement them, but they have nothing to steal, they have no ideas and I think this is very unfortunate, because the youth problem is one that requires serious study by both Opposition and Government Members.

Earlier, the New Democratic Party made some entirely meaningless comments. The same applies to the Progressive Conservatives. Fortunately, at least our Government Members are being imaginative and looking at programs that can deal with the concerns of young people. Of course, we would all like to have programs that would provide employment for 600,000 young Canadians, but that is impossible in the present situation.

I thought it was very interesting that just a few days after the budget, the New Democratic Party should ask for a debate on youth employment, because it is a subject that is worthy of the undivided attention of all the Members of this House. Unfortunately, I now realize that Hon. Members are more interested in making political points than in offering young Canadians any hope or solutions or jobs.

In fact, the Lalonde Budget has offered a great deal of hope to many people of my generation, if I may say so. In all parts of the country, the budget was received with great satisfaction by businessmen, who saw these programs and fiscal measures as the road to accelerated recovery, and in fact, according to the comments I heard during the last two weekends in my riding they were ready to start new projects and felt that economic recovery was imminent.

I know that, unfortunately in many cases employers will first have to call back employees on the lay-off list before recruiting people from outside, and that is why I welcome these temporary programs. People argue that these are not permanent solutions and are a bandaid approach to the present situation. Actually, I think the Government should not get involved in permanent job creation programs and that its role should be to provide relief in situations like the present one

where it will be several months before private enterprise will be able to start hiring young people.

On the other hand, Hon. Members know perfectly well that this summer—in a few weeks—hundreds of thousands of students throughout their ridings are going to start working on projects they themselves proposed. The Minister of Finance (Mr. Lalonde) has set aside $170 million for the Summer Canada program, and when I hear the Members opposite say that we are doing nothing, I would like to point out that they are all delighted to announce these summer jobs in their ridings. I certainly am. Thirty-two projects will start in the riding of Shefford to provide students with interesting work during the summer. That is one of the many programs we are offering. Thanks to the Summer Canada program, and the funding it is able to provide, many young people will be able to pay for their education next year and at the same time acquire some useful experience on the labour market. I think this is an admirable initiative on the part of the Government. There are also summer programs in the Federal public service under which thousands of students will be able to acquire practical experience, and although these programs may not be attractive to everyone, anyone may apply, and applicants who are chosen will be able to work under these programs during the summer.

The Government also has other programs which I intend to discuss in greater detail later on, and these include the NEED program, community development, manpower training, worksharing, National Defence projects and the Katimavik program of the Department of the Secretary of State. At this point I would like to point out that this summer again, the main employer of young people in Canada will, of course, be the private sector.

In this connection, a national advertising campaign, urging the private sector, including industry, businessmen and even private citizens to hire a student this summer, has been launched by Employment and Immigration, under a very striking slogan: Profitez de l'énergie scolaire. Embauchez un étudiant cet été. Earlier, I heard the Member for Peace River (Mr. Cooper) say that we should not spend money on advertising. I beg to differ. This publicity campaign will help make potential employers aware of the services offered by student employment centres, and as a result, think about having certain jobs done by students. As Hon. Members will see in their own ridings, student employment centres are playing a very significant role throughout Canada.

I would therefore like to take advantage of this opportunity to ask Canadian employers to hire as many young people as they can this summer, either on their own or by asking the Canada Employment Centre or the Student Employment Centre to get the young workers they need.

Incidentally, we are trying to direct young people to entrepreneurs who are able to offer career-oriented job experience. In the past, we have seen that in many cases, such jobs have finally led to permanent employment. In fact, I would say that student employment centres are another important source of employment and experience for thousands of our young people, because these centres are, in fact, run by students.

• (1230)

In addition, one sometimes forgets the significant role played by the employment and counselling services of Employment and Immigration Canada. Are Hon. Members aware that, before the June 19 budget last year, the employment strategy for 1983-84 was expected to provide assistance to 2.2 million young Canadians thanks to a $145 million appropriation to Canada Employment and Youth Employment Centers. Are they aware that, in the area of job training, under the Act passed by Parliament last year, $589 million out of a total of over $1 billion allotted this year are to be spent directly for young Canadians and should provide assistance to 140,000 of them? Job-creation programs such as the CCDP, NEED, Katimavik and Summer Canada were allotted $338 million and will provide employment for 107,000 young people. Including the additional $70 million allotted to Summer Canada, which represent 24,000 jobs, the $18 million allotted to the youth-oriented element of the ACCESS Program, which will provide 9,500 jobs, as well as the $2 million granted to the Department of National Defence, which will provide employment for over 4,000 young people, and the additional $10 million provided to Katimavik, which will help another 1,000 young people, the recent federal budget provides an additional $160 million to create 38,000 more jobs for young Canadians. In view of the present economic conditions, Mr. Speaker, this allocation of funds indicates that the Government recognizes the unemployment problem among young people and is willing to spend a lot of money to alleviate it, since it intends to add $160 million to its existing programs and make a special effort to provide assistance during these difficult times.

I might add that the youth employment strategy proposed by the Canadian Government depends on the cooperation and the participation of the young people themselves, as well as of business, labour, and the Provincial and Federal Governments. Speaking of Provincial Governments, I would like to take this opportunity to deal with the NEED Program as it applies to municipalities in Quebec since the PQ Government has refused to cooperate with the Federal Government. We all know that the PQ Government reversed its decision at a time when we had already received from Quebec over 400 municipal projects which could have provided many jobs for young people. Moreover, last week, in my own region, the Minister of Municipal Affairs announced a subsidy program, and what is more, he made something of an overbidding by saying that the Provincial Government would in any cases spend $50 million, while providing a bit more for winter works, and so on. What he did not say publicly, but revealed privately was that all municipalities with employees subject to recall will have to rehire all of them before being eligible for the subsidy program. In other words, the city of Granby, for instance, which

would have received thousands of dollars under the NEED Program if it had been approved for municipalities has 32 employees subject to recall, which means that it would have to rehire these 32 people to be eligible for the provincial subsidy program.

No municipality should consider this as a subsidy because all major cities in Quebec, such as Sherbrooke, Montreal and Quebec, have unionized employees that are subject to recall. This program is therefore nothing but a smokescreen. In my opinion, the Provincial Government is simply seeking wide publicity. However, young people in Granby will not be able to take part in municipal projects because none can be undertaken in the present circumstances.

To come back to youth employment and the Federal programs in this area, I said earlier that the contribution made by the private sector is its most important element. I was therefore glad to see that the NEED Program now provides an opening for the private sector. I would like to give an example of a project which was accepted in my constituency, namely the case of the Ezeflow company which has now decided to upgrade its plant and to relocate. When the NEED program was announced, the owner told me that thanks to the $120,000 grant, he would hire 15 temporary workers for a few weeks, and then he would have to hire 30 permanent workers after moving to the new plant. And if among the 15 employees hired through the NEED Program I find good workers, I will keep them. Consequently, the NEED Program in the private sector may turn out to be a program which will promote the creation of permanent jobs. That is one example among many others which I can now witness in my riding, and I am convinced that everywhere else in the province and throughout the country they have a similar experience. A Member opposite was trying to say earlier that there is too much Government intervention, but all the potential employers whom I met and to whom I mentioned the NEED Program are very anxious to participate in these economic recovery projects, and I am confident indeed that they will create not only temporary jobs for many young Canadians, but permanent jobs as well.

Last week the Minister of Employment and Immigration (Mr. Axworthy) announced that twelve programs will be combined into four. I must admit that I welcome that initiative. Our colleagues opposite may not want to advertise so that people do not get to know our programs, but I for one feel that we do need a bit of publicity and that our programs ought to be as simple as possible to enable Canadians to derive real benefits from them without having to make 32 phone calls, arrange 43 appointments and write letters with umpteen copies. We all know that simplification is the order of the day in a crisis such as we have. Since the Minister of Supply and Services (Mr. Blais) is in the House, I take this opportunity to commend him for the way he has launched the special projects. He has decided to shorten delays, to do away with bureaucratic red tape, and to get on with the job immediately. In my opinion, the Minister of Employment and Immigration is taking similar action through the NEED Program, the CLE Program, the ACCESS Program and the Summer Job Corps Program. The twelve federal programs will become four generously funded programs which will be easy to administer and which the interested groups will readily understand. That is why when I hear our colleagues opposite claim that indeed they are concerned about the youth unemployment issue, I am tempted to point out to them, particularly to the Progressive Conservatives, that the last time they raised the question of youth problems in the House was during the Tory convention when the young pro-Clark delegates were given expense accounts to come to Ottawa and fill up the galleries. As I recall, Mr. Speaker, that was the only time the Progressive Conservative Members devoted an oral questions period to the problems of young Canadians, the only time in their history, and it was nothing but a real show.

I am sure that even today they pay lip service to the issue without suggesting a solution because, ever since that convention, they have not given a thought to young people and right now they are less concerned about idle youths than they are about 13 or 14 year old youngsters who are still attending school and whom they want to parade on the convention floor. I hope that once and for all they will come to grips with the problems of young people, not only when they have their leadership brawls. That is the only time we see them.

I conclude my remarks by expressing the hope that within the next few weeks or months Members from both sides of the House will get together in parliamentary committees to examine the overall situation of young people in Canada with respect to unemployment and social issues. I hope as well that the Progressive Conservative Party and the New Democratic Party will select Members who have a little bit of imagination, who will not look upon youngsters as so many more votes at the convention, and who will come up with ideas and solutions. The Government is now working alone, but I would suggest that the problem is so serious that everybody must come to grips with it. Mr. Speaker, I thank you for being so patient and so attentive.

• (1240)

The Acting Speaker (Mr. Corbin): The Minister of Supply and Services (Mr. Blais).

Mr. Blais: Mr. Speaker, I should like in the first place to congratulate the Hon. Member for Shefford (Mr. Lapierre) who spoke so eloquently as usual. I also congratulate him for having dealt with the important issue of youth.

My question, Mr. Speaker, concerns a part of his speech in which he dealt with the NEED Program. I was recently in the Lac-Saint-Jean area and I was scandalized when I realized that federal-provincial co-operation was not only non-existent but even negative. He spoke about the PRIME program. I would like him to be more specific because if I remember well the NEED program was intended for the construction of wharves and various recreational facilities, but because of the

Quebec regulations, it became impossible to hire people who otherwise would have been unemployed. The provincial regulations required higher wages than those we had expected to pay. As you know, I am a Member from Ontario, Mr. Speaker, and indeed in my province there is a high level of co-operation between the federal and provincial Governments especially with respect to labour-intensive programs. I ask the Hon. Member, especially in the wake of Mr. Parizeau's statements of last week when he recognized the lack of co-operation between the federal and provincial Governments, if he does not expect the removal of those regulations which prevent the NEED program from being successful?

Mr. Lapierre: Mr. Speaker, the Minister's question is quite in order, especially since close to 400 Quebec municipalities already have submitted projects under the NEED program. They were kept waiting for three months, and finally the Province in a gesture smacking of false modesty decided to opt out and have its own program. And that program, unfortunately, comes under the responsibility of the Quebec Construction Board. This means that even if we can provide $200 a week for people working on the projects, given the fact that a carpenter earns $21 per hour according to the QBC, we cannot under the NEED program hire a carpenter for $200 a week, which means in actual fact that many projects of significance to the community—there was reference earlier to infrastructures and recreational facilities—cannot go through unfortunately. This is unfortunate, because municipalities often are tremendous builders. They have needs, but lack the financial resources, and clearly they would like to make maximum use of those projects. I will give examples. In my home town, in Grandby township, parks and children's playgrounds should be developed. Unfortunately the Quebec Government has said: "As municipalities, you belong to us; you have no right to deal with the Federal Government".

And there is worse still. Last week the Minister for Municipal Affairs said: "If it so happened that indirectly, through your Recreation Committee, you were to get federal grants, we would deduct from any potential provincial grants the amounts received from the Federal Government. So I do not see much room for agreement, and I feel this is unfortunate. But on the other hand the Minister of Employment and Immigration (Mr. Axworthy) has given us the assurance that the $170 million in the budget earmarked for the Province of Quebec would be expended through the private sector, whom I urge to submit projects, as well as community organizations. Unfortunately for the municipalities, they will not benefit from the NEED program, and what with the terms of the provincial program PRIME, if they have a labour union and employees on the waiting list, they will get no help from the Quebec PRIME program. This is unfortunate because there are people who are unemployed, even though there may be unions and employees waiting to be recalled by their municipalities.

[*English*]

Mr. Thacker: Mr. Speaker, the last speaker waxed eloquently about the downside of the present Government in Quebec. I agree that there is a Government there committed to dividing and separating from the rest of the country, yet would he agree that when the present Prime Minister (Mr. Trudeau) come to power, the Separatists were not in power but came to power in Quebec some eight years later? Would he agree that some of the policies of the national Government made the problems in Quebec worse so that it was easier for the Party Quebecois to be elected after eight years of Liberal Government here?

The Acting Speaker (Mr. Corbin): Order. As Hon. Members know, questions should relate to the comments of the previous speaker as much as possible. It may have escaped the Speaker's attention that the Hon. Member referred to the matter raised by the Hon. Member for Lethbridge-Foothills (Mr. Thacker). Nevertheless, I thought that I should remind the House that there must be a relationship to the remarks made.

[*Translation*]

Mr. Lapierre: Mr. Speaker, there is indeed a relationship between this question and my remarks, for we were dealing with federal-provincial relations. The Hon. Member has overlooked the fact that there is a difference between federal and provincial politics. The same Quebecers who elected the PQ government in 1976, provided our party with some 60 seats in 1979, and then with 74 seats out of 75 in 1980. Had they been in any way disenchanted with the policies put forward by the Right Hon. Prime Minister (Mr. Trudeau), I doubt very much that they would have given us such an overwhelming endorsement. On the other hand, the Hon. Member would be well advised to wonder about his own party, a party which finally managed to gain only one seat after nine months in the government. I suggest that the support the Prime Minister is getting from Quebecers is due mostly to his performance as Prime Minister of Canada. On the contrary, provincial politics have a great many connotations and depend to a large extent on circumstances. It is due in part to the lack of understanding demonstrated by some of his colleagues who have projected such a poor image of English Canada—including the leadership candidate who is always speaking against bilingualism; as a matter of fact, I could understand the Quebec people's desire to seek independance and elect a separatist government, if his colleague I have referred to were the leader of the Progressive Conservative Party.

But for the time being, judging from recent pools . . . When Quebecers had the opportunity to vote during a referendum on Quebec's separation from the rest of Canada, they voted no.

Therefore, there is not any relationship, of cause and effect for the Prime Minister's support in Quebec has continually increased since 1968.

[*English*]

Mr. Nickerson: Mr. Speaker, I would like to compliment the Hon. Member for Shefford (Mr. Lapierre) for a very interesting presentation. I have one question to ask him. I would disagree to a certain extent with his observation that the high level of youth unemployment is something that is very new. In my opinion, it is a matter that has simply become very much worse in the last year or so and the problem really goes back several years to the late 1970s.

The response of the Government at that time was to engage in these make-work programs—the alphabet soup programs. The problem was not alleviated and got worse year by year, culminating in what we have seen in the last year and at present. Again the response of the Government has been more of the alphabet soup, make-work programs. It does not seem to be working.

Has the Government Party given any thought to how it can get away from this make-work scheme where the taxpayers' money has to be paid out? It seems that we are on a roller-coaster with no end to it. Has any thought been given to the long-term solution of what appears to be a structural problem of youth unemployment in Canada?

[*Translation*]

Mr. Lapierre: Mr. Speaker, I was quite pleased to hear the comments made by the Hon. Member for Western Arctic (Mr. Nickerson) because in closing my remarks, I called for the establishment of a special parliamentary committee which would precisely be given the mandate to deal with the problems of young Canadians and which could at the same time review the host of existing programs in this field. I think there is a total of 82 programs which directly or indirectly affect young Canadians and I believe it would be a very valuable exercise to sit down and review all of them, to estimate their value and to verify whether their existence is still justified in today's society. Obviously, this host of programs did not solve the problem, and that is why I would very much welcome the co-operation of the Hon. Member and of the Government. Indeed, I know all Hon. Members share my concern in these problems, but we must examine the whole matter of young Canadians' opportunities for the future. I know the Hon. Minister of Employment and Immigration is studying this question within his mandate, but it seems to me that the social aspect of this matter should be the responsibility of all Members of Parliament, and I would hope that we can count on the co-operation of all Members. Of course, even the implementation of some 52 new programs would not necessarily solve the fundamental problem, but I think at this point we can count on the co-operation of the Hon. Member for Western Arctic, and I hope other Members will join us in calling for such a committee. In this way, the problems of the young would be drawn to our attention and we would be forced to think about them in a global way, to re-examine all budgetary items allocated within various programs which are—

• (1250)

[*English*]

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I rise on this New Democratic Party Opposition Day to join with Members of the NDP in condemning the Government on behalf of the youth of this country. You will note that the NDP has framed its motion to restrict criticism to condemning the tragic implications of the monetarist policies adopted by the Liberal Government. You will note from my comments, Mr. Speaker, that I will go well beyond restricting criticism to the monetarist policies. In fact, I will condemn the economic, social and fiscal policies of this Government.

I agree the Government has clearly botched the governing of this country. Let us look at the basics. Canada has a small population and we have tremendous resources over which, by the grace of God, we have stewardship. One must then look at the way in which the Government over the last 15 years has botched its stewardship of governing. It has not put in place policies which ensure that our small populace have work and satisfying careers.

I agree with the NDP that the Government has clearly botched its job. The Government has lost touch with reality. It has lost touch with the economic reality of Canada in global terms. It has so concentrated its efforts on internal conflicts, whether with the Government of Quebec, the Government of Alberta, or within the social classes of our country, and on its view of centralizing power, that the Government has forgotten that the primary role we have in this House is to deal with international affairs. If it were not for the Progressive Conservative Party and the New Democratic Party allocating Opposition Days to discuss international affairs, the subject would never be discussed. Yet if you look at our Constitution, our prime responsibility is to deal with international affairs, international trade and defence matters. We never talk about them.

If we were to concentrate on what Canada should be doing in the world, this small population of 24 million people should be working flat out. No doubt people all over the world need our resources. They need to have the benefit of our many many generations of political stability, economic development and general maturity. Canada should be providing capital to the world. Can you imagine, Mr. Speaker, the capital which 24 million Japanese would generate from the resources we have? Can you imagine the capital that 24 million Germans would generate? Canada would then be a source of wealth to the world. But instead, what are we doing? We are begging on our knees for money from Germany, Japan the the United States. By having to borrow that money we are competing against Third World countries, which in turn drives up interest rates. We are hurting that Third World countries far more than we need to. It is the same with energy. We are competing with Third World countries for energy. Canada should be a source of energy.

The Prime Minister (Mr. Trudeau) gets a lot of praise in some branches of the media for his high international reputation. I can tell you, Mr. Speaker, that the people to whom I

talk internationally do not think our Prime Minister has done a good job; nor do they think that Canada is pulling its weight in the world in terms of defence, in terms of international energy or in terms of international capital flows. Canada has vast resources. We should not be out competing in the world; we should be providing skills to the world, not taking them away.

My point of departure with the NDP motion is that it puts total blame on the Government's abuse of monetary policy. I believe the Government has abused not only monetary policy but social policy, fiscal policy and economic policy. When a Government year after year after year piles on deficits, which is just another way of saying that the Government offers programs to people without a corresponding tax to pay for them, it defers payment to another generation. It is a mortgage on the future. When a Government does that year after year after year, it leads directly to inflation, which we have had; it leads directly to high interest rates, which we have had; and high interest rates lead directly to loss of jobs and bankruptcies, which we have had. Then we have an enormous period of adjustment that is so difficult. The Government has thus violated social policy.

Let me talk about those people who have retired. During all of those years they worked faithfully at their careers and put a little money aside for their pension. But when they were faced with 20 per cent inflation, the value of their pension dropped to half within four or five years. Therefore all our seniors are upset. Those same deficits led to people taking money out of the country rather than investing it here. That procedure has affected our youth because there is a direct correlation between investment of the capital of the nation and jobs. Resources do not mean anything if they are not used.

Let me cite one example. For hundreds of thousands of years, coal lay under the great western plains unused. The native people at the time had a different culture. They walked over it. They had social taboos against using the coal that stuck out of the banks in my own City of Lethbridge, Alberta. It was only when that resource was developed and used that it became wealth, which was redistributed to all parts of our society and generally raised our well-being.

Forests are worth nothing if the trees are left standing. The forests are of value only when the lumber is used. If I take a tree and cut it up, I can sell the lumber somewhere within or outside the country to build furniture, to build houses or factories. If I, as an individual, find oil, I realize that I can build a refinery and turn the oil into propane, butane, gasoline, kerosene and asphalt. But only by people having ideas and acting upon them does oil or other resource take on value.

Peter Pond found the Alberta tar sands 200 or 300 years ago. Yet the Alberta tar sands were nothing until a company, a collection of individuals, decided to put up a syncrude plant, process the oil by running it through hot water, skimming the oil off the top and then selling it. Only then did that resource take on value and increase our standard of living.

The Government, having driven away all that capital, has taken away jobs. This affects our youth and is why we have youth unemployment of 24 per cent.

All of these ad hoc programs that just keep people occupied for a few weeks at most do not direct themselves to the underlying problem, which is real jobs, not ad hoc jobs. Interestingly enough, the poor parts of the country become poorer and poorer under these ad hoc programs. Let us have a unified effort and develop this country, because the resources are here.

May I call it one o'clock, Mr. Speaker?

[*Translation*]

The Acting Speaker (Mr. Corbin): Order! It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

FINANCE

REQUEST THAT QUEBEC REDUCE TAX ON GASOLINE

Mr. Gaston Gourde (Lévis): Madam Speaker, on November 7, 1981, the Quebec Minister of Finance introduced the 40 per cent escalator tax on gas in Quebec. In his speech at the time, the Minister said that the increase was necessary and temporary, and would be in effect until March 31, 1983. The tax is still in effect, however, although we are now past that date. Last weekend, the same Minister announced that the escalator tax is here to stay, and there is every reason to maintain this particular tax.

Madam Speaker, I feel the tax is having the worst possible impact on Quebecers. If we consider that Quebec is getting more than $1 billion in revenue from this tax and that agro-food-related activities represent 20 per cent of economic activity in Quebec, it means that there is a difference of $200 million between Quebec and Western Canada where gas taxes are low or altogether non-existent. This puts Quebec at a veritable disadvantage in the agro-food industry, and members of the Coalition for the Survival of the Agro-food Business should raise this point with the Government of Quebec. The same applies to tourism. Our American neighbours and Canadians from other provinces have every reason to avoid

Quebec, considering the fact that a full tank of gas costs $10 more in Quebec than in Saskatchewan. I would therefore ask the Quebec Minister of Finance to make a substantial reduction and bring the tax back to its original rate of less than 20 per cent. If he does not, I hope the Canadian Government will once more come to the rescue of Quebecers.

* * *

[*English*]

INCOME TAX

PROVISION AFFECTING PART-TIME FARMERS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, on March 29, 1983, I asked the Minister of Finance (Mr. Lalonde) if he would at the very least increase the allowable deduction for part-time farmers under Section 31 of the Income Tax Act from $5,000 to $20,000 to reflect the general rate of inflation since 1952. Arbitrary interpretation of Section 31, by Revenue Canada auditors with little or no agricultural expertise, has financially crippled many farmers and ranchers to the point that they are now faced with bankruptcy. The Minister indicated that he would give the matter serious consideration and that he would consider the question as a suggestion for the budget.

The budget has come and gone and, judging from the lack of action on Section 31, the Minister did not give the matter his attention. In fact the Minister of Finance gave so little consideration to the agricultural sector that, according to an April 25 report in *The Globe and Mail*, several Liberal backbenchers have complained to the Minister.

The Minister of Finance should immediately introduce measures to increase the deductions allowable under Section 31 to reflect the fourfold increase in costs since this tax measure was first introduced some 31 years ago. In addition, the Minister of National Revenue (Mr. Bussières) should introduce a moratorium on farm audits until this measure has been implemented and, furthermore, limit back taxes already assessed to the current year.

The Minister of Finance introduced a $200 million budget change to save his job. Surely he can introduce simple measures which would correct the obvious inequities and ambiguities in Section 31, amendments which would provide incentive and assistance to farmers rather than the present harassment and destruction.

* * *

HEALTH CARE

CONSTRUCTION OF NURSING HOME WITHIN RESIDENCE FOR SENIOR CITIZENS

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, at a recent official opening of a nursing home for senior citizens in the Hamilton region, I was most favourably impressed with an innovation whereby a 32-bed nursing home was constructed within a 110-unit senior citizens residence. This was a very progressive step in which the continued need for nursing beds for senior citizens was met.

The details of the financing of this project were under the supervision of Canada Mortgage and Housing Corporation, but it required a co-operative effort between the federal Government and Ontario provincial authorities to overcome the regulatory restrictions to make the project feasible.

The principal advantage of integrating a nursing home with a senior citizens residence is the reunification of elderly couples, one of whom requires nursing care, and the other, residential facilities. It also brings together medical and paramedical personnel available for the care of senior citizens in both wings of the building project.

My concern is the bureaucratic nightmare that presents itself to non-profit organizations in many areas of the country where similar projects are needed and could replace separate nursing homes and senior residences which currently preclude companionship and closeness of aging couples. Hopefully the results achieved at the Heritage Green senior citizens residence and nursing home in Stoney Creek, Ontario, which combines these two types of facilities, can be duplicated in other parts of the country through federal-provincial co-operation.

* * *

FISHERIES

PROPOSED UNITED STATES RESTRICTIONS ON IMPORTATION OF CANADIAN SCALLOPS

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, the Canadian scallop fishing industry is in deep trouble. At the present time the count for scallops exported from Canada to the United States is 40 meats to the pound. On this basis the scallop fishery alone was worth $88 million last year to Canada. About 75 per cent of the 15,000 metric tonnes of scallops caught off the Atlantic Coast last year was exported to our friends south of the border. This market will be devastated if the United States follows through with its proposals to limit scallop imports to 30 meats to the pound on May 15.

The Americans have stated that the proposal to restrict scallop imports to the larger size is being implemented as a conservation measure. Yet when Canadians some three or four years ago requested the American scallop fishing industry to cut down on the number of pounds landed per trip from Georges Bank, they not only continued to overfish the Bank but the American fleet has more than doubled in size.

If the proposal to limit imports of scallops from Canada to 30 meats per pound is implemented by the United States, it will mean that Canada will no longer have a viable scallop fishery. I submit that the American proposal is a non-tariff barrier to trade. This is a fundamental basic resource industry, and I urge the Government to take this matter up with the Americans at the highest possible level.

NUCLEAR ARMAMENTS

POSSIBLE TESTING OF CRUISE MISSILE—CALL FOR PARLIAMENTARY DEBATE

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, the Prime Minister (Mr. Trudeau) keeps suggesting that people in the thousands, including Members of this Party, who want a freeze on nuclear weapons testing, development and deployment, followed by massive reductions, want it to be on one side only. Of course this is not true. They want it on both sides and they want it to include SS-20s whether in eastern Europe or on the Chinese border.

The Prime Minister would know this if he attended any of the marches and rallies which have taken place or if indeed he listened to the people; or he could read anything I or others have said on the subject as reported in the proceedings of the Standing Committee, on radio, and on television. He would also discover that the United States Cruise missile is seen as particularly destabilizing, above all with the proposed stealth technology, because of its unverifiability. If we cannot verify the numbers and location of a weapon, we cannot have arms reduction. To test it, therefore, is a grave escalation of the nuclear arms race and an invitation to the Soviets to try to catch up with the newest United States technology.

The education of the Prime Minister would be immeasurably advanced if he would allow debate in the House, giving up a Government day for this purpose, and if he attended and participated in this debate and allowed a free vote to follow.

* * *

[*Translation*]

HOUSING

RRAP PROGRAM—REQUEST THAT CHMC EXPEDITE PROCESSING OF REQUESTS FROM DESIGNATED MUNICIPALITIES

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, when the Minister of Finance (Mr. Lalonde) brought down his budget on April 19, he mentioned the Residential Rehabilitation Assistance Program, also known as RRAP. In fact, an additional $40 million has been allocated to this program, that is, $10 million for 1983-84 and $30 million for the year after. Before the budget, $155 million had been earmarked for 1983-84.

The purpose of my statement is to ask the Canada Mortgage and Housing Corporation, in view of the additional funding it has been granted, to examine forthwith applications by various municipalities who wish to be designated under the rural RRAP program although they are considered urban because they have a population of over 2,500. Many municipalities and towns in my riding have applied under this program. There are a number of points that must be discussed and negotiated, with the Provincial Government as well. However, with this additional funding, perhaps the Minister responsible for the Canada Mortgage and Housing Corporation could recommend to his officials that municipalities with a population of more than 2,500 be admitted to the program, considering the funds granted in the Budget, and I am sure that many Canadians and Quebecers would be very pleased to see this happen in the context of the urban RRAP program.

* * *

• (1410)

[*English*]

INDUSTRY

DEFENCE INDUSTRY—PARTICIPATION IN UNITED STATES MILITARY PRODUCTION

Mr. Ron Stewart (Simcoe South): Madam Speaker, last week it was revealed that the Pentagon is planning to exclude Canada from access to U.S. defence industry development programs partially because Canada has been taking a free ride at U.S. expense, and, more significantly, because they feel our participation would result in the leakage of American secrets to the Soviet Union. The Government's refusal to prosecute Hugh Hambleton and the recent revelations concerning Long Knife, an ex-RCMP officer's betrayal of a Soviet source, serve to reinforce this opinion.

Canada's defence industry is not capable of survival without sharing U.S. research, development, design components and machine tools. Therefore it is time the present Government faced the reality that its leanings toward socialist friends while not protecting our own national security will result in severe limitations on Canada's historical participation in American military production, and no doubt could cause problems with the $3 billion Canadian offset package negotiated as part of Canada's $5 billion purchase of the McDonnell Douglas F-18, particularly if limits are placed on U.S. industrial offset agreements as per the monitoring Bill H.R. 2057 which is before Congress again this year. The close relations with our largest trading partner, neighbour and protector, must not be jeopardized by irresponsible Government policies, particularly from here onward.

* * *

THE ECONOMY

CALL FOR ABANDONMENT OF GOVERNMENT POLICY

Mr. Rod Murphy (Churchill): Madam Speaker, in January of 1983, the Canadian Conference of Catholic Bishops called upon the Government to introduce an option which called for economic policies which recognized that the needs of the poor have priority over the want of the rich. As the Bishops pointed out, working people, the unemployed, young people, and those on fixed incomes, are increasingly called upon to make sacrifices for the sake of the economy at the same time as tax changes favour the wealthy at the expense of the poor.

Since its re-election in 1980 the Liberal Government, in three successive budgets, has heightened these inequalities at

the same time as it has called on all Canadians to accept sacrifice as the price of recovery.

We have discovered that Canadian Pacific and Canadian National have increased executive salaries up to 35.5 per cent, and averaging 20.7 per cent, at the same time as the federal Government has introduced six and five legislation for the workers at CP and CN.

In the spirit of sharing the burden of the recovery, this Party calls upon the Government to abandon its survival of the fittest theory which is used to rationalize the programs of the Government, and calls upon the Government to be concerned about the poor, the unemployed, the pensioners, those who are making the real sacrifices in Canada.

* * *

FINANCE

DEMAND THAT TAX ON FARM FUELS BE REDUCED

Mr. Len Gustafson (Assiniboia): Madam Speaker, last Tuesday's budget was a very disappointing budget for farmers. Less than 1¼ per cent of the total budget goes toward agriculture, the major backbone of the country, at a time when farmers are faced with high rising costs of production and falling world prices for agricultural products sold.

I and my colleagues have called again and again in this House for the cutting back of the very high federal tax on farm fuels, a tax that is over 60 cents per gallon at this time when world prices are falling. This was obviously rejected in the budget.

In addition, there seems to be no positive direction for agriculture put forward by the Minister of Finance. It is obvious that the Minister of Agriculture has no clout in the Cabinet and has had absolutely no impact on the Minister of Finance and the Liberal Government in regard to the welfare of farmers and agriculture.

ORAL QUESTION PERIOD

[*English*]

SPECIAL RECOVERY PROGRAM

ORDER FOR WATER BOMBERS MANUFACTURED BY CANADAIR

Miss Pat Carney (Vancouver Centre): Madam Speaker, my first question is directed to the Minister responsible for Economic Development who announced the Government's Special Recovery Program yesterday. He announced that Ottawa will commission up to 20 Canadair CL 215 water bombers on a shared cost program with the Provinces as part of the Special Recovery Program. Will the Minister confirm that this plane has been around since 1968, that it uses a World War II model engine, and that the other Provinces and other potential customers have rejected it in the past because its cost per flying hour is ten times as high as other planes? Is this the Minister's long awaited high tech policy?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, the aircraft is, of course, of a 1967 design. It has been utilized very widely, not only in Canada but internationally, including China, France, and North Africa. It has been utilized with the engines that are now in the aircraft because of the specific use that is made of the aircraft.

The piston engines that are used in the CL 215 are desirable because of the necessity for the aircraft to accelerate at a very rapid rate in the environment within which the aircraft operates. If the hon. lady will recall, it flies in and scoops water out of lakes in order to dump it on forest fires. You cannot do that with a jet aircraft, Madam Speaker.

Miss Carney: Madam Speaker, I should point out that I had been flying in water bombers long before I ever came to Parliament. Ten times the cost per flying hour of a competitive aircraft is about par for the course for the Government.

* * *

CUSTOMS AND EXCISE

INCREASE IN DUTY-FREE EXEMPTION FOR RETURNING RESIDENTS

Miss Pat Carney (Vancouver Centre): Madam Speaker, I address my second question to the Prime Minister who said that his Government could not leave more money in the hands of consumers because they cannot be trusted to buy Canadian goods and would spend it on imports and trips abroad. We can only assume that the Prime Minister ignores the value added to the economy by Canadian-owned foreign car dealers and import companies.

If the Government has such a low opinion of the spending habits of Canadians, why did it increase the duty-free exemption by 100 per cent, a measure which encourages spending abroad and leads to the export of jobs?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not know why the hon. lady deliberately misquoted me. I never used the words, "the consumer cannot be trusted". I enunciated the very simple economic proposition that I am sure that the Hon. Member would agree with, that when you stimulate consumer spending directly, some of that consumer spending leaks out of the country to purchase goods made in other countries. That is all I said.

Miss Carney: I should point out that the Prime Minister still did not answer the question.

FINANCE

FORECAST SIZE OF GOVERNMENT DEFICIT

Miss Pat Carney (Vancouver Centre): Madam Speaker, in the absence of the Minister of Finance I direct my third question to the Prime Minister. Tomorrow the Conference Board of Canada will publish a forecast claiming that the Finance Minister is overstating his budget deficit by several billion dollars for 1983 and 1984, mainly because the projections for transfer payments seem too high. Transfer payments to persons will increase 14 per cent next year, although the two major programs, old age pensions and Family Allowances, are capped at 5 per cent.

Has the Government inflated the budget deficit, thereby putting pressure on interest rates, in order to provide the Liberals with an election slush fund for next year? If the Government can increase transfer payments in an election year, why can it not do so now when two million unemployed Canadians need the money?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is asking me to answer a question based on a publication of the Conference Board which is to come out tomorrow. I have not seen it, obviously; I have not had that privileged access. I would be happy to comment on it when it comes out, but I do see that the U.S. Conference Board announces today from New York, in a Canadian Press report, that an economic recovery is accelerating in Canada and it brings out several indices which show that that is the case.

Madam Speaker, in so far as creating jobs is concerned, I remind the Hon. Member that the Special Recovery Fund in the budget was divided into two parts. One was to have capital projects which would start immediately within six months, so-called shelved items or shelf items, which Departments could move forward and which would improve the Canadian infrastructure all across the land. We had some announcements yesterday of water bombers and, I believe, search and rescue facilities and Coast Guard ships. That creates jobs now. These jobs will start within six months, but the money will be spent now and it will be in the hands of workers and consumers to spend.

• (1420)

The other half of the Special Recovery Fund, the other $2.4 billion, is in terms of improving the private sector. This will create jobs, but not immediately. They have cash flow problems and an over capacity right now. The budget is bringing in some $2.4 billion worth of measures, substantially in the form of tax measures, which will permit the private sector to create jobs and to boost the economy.

That is the approach of the budget, to create jobs now through Government spending, and to create jobs in the middle term through private sector spending.

ENERGY

SHUT-IN OIL PRODUCTION

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. As he knows, during April over 200,000 barrels per day of Canadian crude oil production is shut in. This shut-in problem has been in existence for months and months and is costing the Canadian economy hundreds of millions of dollars and thousands of jobs. Does he not agree that is absurd that Canadians should be losing this money and be denied the resulting jobs while we continue to import the equivalent amount of oil and to tax consumers to subsidize these imports? Would the Minister not agree that the problem must be solved, and will he tell the House when he will bring about the solution?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I am well aware of the problem and I have discussed it many times with my counterpart in Alberta. We have discussed solutions. Of course, we cannot ship Alberta oil everywhere in Canada at this time.

One solution is to permit the export of light crude abroad. The NEB has said that if it were to receive applications it would consider them favourably. In fact I read in the paper, and I knew about it, that there are shipments of oil products going to Japan at this time. It is something new that we permit the export of oil products to that part of the world. For years we did not permit the export of light crude. At this time, however, the NEB is not receiving many applications from producers because the price is very soft in the United States. There is no demand at this time. Anyone who believes in the market economy knows that when there is no demand there is a shut-in problem.

REQUEST THAT GOVERNMENT FACILITATE OIL EXPORTS

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the Minister knows full well that much more of the shut-in western crude could go to eastern Canada. Is he also aware that the reason the shut-in crude is not being sold offshore in the United States is because of the rigidity of Canadian prices, the rigidity of the export tax on crude oil, and National Energy Board red tape? He must realize that curing the shut-in problem will, in just two months, produce more benefits in terms of income and jobs to the Canadian economy than the entire Special Recovery Capital Projects Fund. If he wants to do something for the unemployed and for the terrible state of Canadian industry, looking after this problem would do more than all the flim-flam introduced in the budget.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, the Hon. Member is speaking very loudly. I have had many discussions with Mr. Zaozirny, the Minister in Alberta. He knows, for example, that the question of price is very important for them, just as it is for us. I do not think that the Hon. Member would ask us to sell

Canadian oil to foreign markets at a lower price than the price Canadians have to pay for it.

We are looking at all these problems. Basically, if there is shut-in oil it is because there has been a great reduction in the demands in Canada for oil. Some of the oil coming into the East is subject to contracts that we have to respect. I do not think that the Hon. Member would ask me not to respect the contracts we have with some foreign nations.

* * *

DISARMAMENT

GENEVA NEGOTIATIONS—PROPOSAL TO REDUCE NUMBER OF NUCLEAR WARHEADS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. A few weeks ago the Prime Minister suggested that alternative proposals were necessary in order to break the deadlock in nuclear disarmament negotiations taking place in Geneva. George F. Kennan, a former ambassador of the United States to the Soviet Union, made one such proposal. He suggested that each of the nuclear powers accept an immediate reduction of some 50 per cent of nuclear warheads.

I should like to ask the Prime Minister if he agrees with the suggestion made by Mr. Kennan and, if so, when he meets with President Reagan in the near future would he present this constructive suggestion to him for his consideration and acceptance.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have not seen the Kennan proposal but I would imagine it has been brought to the attention of the President of the United States. Certainly if it is a good proposal I imagine it will become part of the panoply of negotiating possibilities in which the two great powers are involved.

As far as the earlier part of the question is concerned, the Hon. Member said that I suggested we should look at alternatives. I would point out to him that very recently, following the visit of Vice-President Bush to Canada, to European capitals and NATO countries, there has been a change in the U.S. policy in the intermediate-range nuclear force. The United States has departed from the zero option and has proposed a compromise which would lead to a reduction of the number of SS-20s which the Soviet Union is deploying against western Europe. It seems to me that is a step in the right direction. It is certainly a different negotiating posture than the zero option. I believe it corresponds to the will expressed by many NATO members. I would hope that the U.S.S.R. would indicate a positive response to that.

I would also hope that the pressure of many of the peace groups in Canada and elsewhere would turn at least in part to the Soviet Union so that they would show more flexibility.

Mr. Broadbent: Madam Speaker, to keep this discussion at a serious level, I should like to say something to the Prime Minister on that point because I read what he said in the House yesterday.

For a long time my Party has made it clear that it has been opposed to the deployment of the SS-20 by the Soviet Union. I was speaking in Toronto yesterday and made that very clear. My external affairs critic has made it very clear on television and in a Committee of this House. I point that out to clarify the record so that the Prime Minister understands.

This is a two-way street, and we understand it. The two great powers, the Soviet Union and the United States, have obligations in this immensely important area.

The Prime Minister has indicated that there has been some shift on the part of the United States, and that is true. There has been another and related area of concern as the Prime Minister knows, about what nuclear weapons are to be included. The former head of arms negotiations for President Carter has made a suggestion which meshes with the shift made by President Reagan that, in future talks, the nuclear capacity of France—

Madam Speaker: Order, please. The Hon. Member should come to his question.

Mr. Broadbent: I shall come right to the question, Madam Speaker.

SIZE OF INDEPENDENT EUROPEAN NUCLEAR FORCES

Hon. Edward Broadbent (Oshawa): Considering that it has been suggested that the nuclear strength and capacity in terms of weaponry of both the United Kingdom and France be included in the balancing of the nuclear totals in Europe, will the Prime Minister agree with this? If he agrees that their strength should be taken into account and added to the western equation, if you like, will he pass that suggestion on to the President of the United States, with his support?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member asks several questions. He began by making one point about both great powers. I am happy that the NDP, perhaps having listened to my enjoinders to them, decided to protest last night in Toronto against the SS-20s. It is about time they did that.

Insofar as the French force de frappe and the British nuclear force are concerned, I would point out to the Hon. Member that the suggestion made by someone unnamed by the Hon. Member—

Mr. Broadbent: Mr. Warnke.

Mr. Trudeau: If it was Warnke, that suggestion is probably addressed to the President of the United States. The Leader of the New Democratic Party will know that the answer to that suggestion has already been given by the President of France and by the Prime Minister of Great Britain.

The Hon. Member asked me to talk to the President of the United States. I would answer that it is not the President of the United States who controls the French force de frappe. It

is President Mitterrand, of the same Party as the New Democrats, and I would hope that the NDP would be able to get President Mitterrand to answer its question.

• (1430)

Some Hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, I see the Prime Minister has returned to his usual lofty level of debate. I say to him that we have been on record on the SS-20 for a long, long time, well before he opened his mouth on the issue, I might add. Just for once would the Prime Minister show a smidgen of respect for the truth, just a wee bit? I willingly say to the Prime Minister that we disagree with the President of France on his policy in terms of—

Some Hon. Members: Oh, oh!

Mr. Broadbent: —the inclusion of nuclear weapons, and we would like—

Some Hon. Members: Oh, oh!

GOVERNMENT PROPOSALS

Hon. Edward Broadbent (Oshawa): Madam Speaker, will the Prime Minister for once show some initiative on his part, instead of just responding to what France is doing or what President Reagan is or is not doing? Will he stand front and centre and tell the people of Canada what his proposals are for bringing about nuclear disarmament?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have done that repeatedly. I did that at the two special sessions of the United Nations on disarmament. I did that in a speech at Notre Dame University. I did that just a couple of weeks ago in a toast on the occasion of the visit of Vice-President Bush. I have stated the position many times of this Government. I wish the Hon. Member would look at that and, rather than talk about his long record of participation, take it up with his own friends.

Once again, he asks me to take initiatives rather than to put pressure on others, and in the same breath and same Question Period, he asks me to put pressure on President Reagan. That is fair. I did that when I made a public speech a couple of weeks ago to Mr. Bush. I did that in private meetings with Vice-President Bush. I have not heard of the Hon. Member meeting with his socialist friends of France and making any great hullabaloo about the French force de frappe. Why does he not start there?

* * *

CANADIAN NATIONAL RAILWAYS

REMUNERATION OF PRESIDENT AND SENIOR EXECUTIVES

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Minister of Transport. It comes right back to earth, and we do not have to cruise around at all. The Minister could not give me any information on Friday, Madam Speaker, when I asked about the Chairman of Air Canada and RCMP investigations into activities of Air Canada and/or the Chairman. I would like to ask the Minister of Transport very directly today, Madam Speaker, about the Canadian National and the reports out of Washington that Canadian National high officials received a 20 per cent increase in pay this past year, and that the salary of the President, Mr. Le Clair, is $213,000, up from $151,000 a year ago?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the truth of the matter is that the salaries for high officers at CN have been frozen since January, 1981. What has happened is that, following the departure of Mr. Bandeen and others, there have been promotions, normal ones, at the top. Mr. Le Clair, who was a Vice-President, has become President. That is the explanation for his increase.

JUSTIFICATION FOR SIZE OF REMUNERATION

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, perhaps I will leave the President alone. He will appear before the Transport Committee, I believe, this week, perhaps with the Chairman also. The fact of the matter is, however, there is a report filed with the Securities Exchange Commission in the United States giving public information to the Americans on Canadian officials, which Canadians cannot get in Canada, showing that the remuneration for top officials in CN is now at an average of $92,000, up some 20 per cent since last year.

What is the justification for a 20 per cent increase for the top officials of CN, a Crown Corporation under the direction of the Minister, when the employees in the yard and along the tracks, be it fast track or greasy track, have settled contracts of six and five per cent under the law of the land? Does the Minister not think this represents moral deceit and decay of a Government which has to be corrected forthwith?

Some Hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I can only repeat what I have said, which is that the salaries at CN have been frozen since January, 1981. The salaries which are referred to which have been increased have to do with 1982 over 1981, which is not the period of the six and five application. The explanation I have given, I thought was a very good one, that when you have the President, his salary is consequently adjusted because of the promotion he receives. If you have a good number of people leaving at one time in the organization, you have, of course, a more general effect. The salaries of officers at CN have to be compared with

the salaries of other leading administrators in the private sector of business, because CN is supposed to behave as a quasi commercial institution, which it is.

* * *

CANADIAN PACIFIC RAILWAY

INCREASE IN CHAIRMAN'S EMOLUMENT

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my supplementary question is directed to the Prime Minister who engaged the services of Mr. Ian Sinclair, the Chairman of the Board of Canadian Pacific, to oversee this great six and five program. Has the Prime Minister discussed the increase of some 35 per cent given to the President of CPR, and has he asked Mr. Sinclair whether or not it is his philosophy, as part of this advisory board, to "Do as I say, not as I do"?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, this is the first I have heard of this whole matter. I was listening attentively to the answers given by the Minister of Transport. It seems to me that, in so far as CN is concerned, he gave perfectly valid answers, that the increases were before the six and five program, on one hand, and there was a promotion of a Vice-President to the job of President, on the other. He presumably received the salary which the President was receiving. I do not know about the—

Mr. Hnatyshyn: What about the other "choo-choo"?

Mr. Trudeau: I do not know about the other "choo-choo", to quote the Hon. Member. Perhaps he will put the question either to the Minister of Transport or to Mr. Sinclair himself.

* * *

FARM CREDIT CORPORATION

PLIGHT OF FARMERS LOCKED INTO HIGH INTEREST RATE LOANS

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is directed to the Minister of Agriculture. The Minister will know by now, I believe, of the very great disappointment felt by Canadian farmers following their almost total neglect in the latest Liberal budget. Is the Minister aware, first of all, of a very specific problem which was not dealt with in the budget which has to do with those farmers who are locked into loans from the Farm Credit Corporation at 16 3/4 per cent, and have not, in any way, been given an opportunity to refinance? And does the Minister in fact have a plan to deal with that situation? Did he make representations to the Minister of Finance on behalf on this group of Canadian farmers?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, that does not have to be done within the budget, and the Hon. Member knows that. We have had discussions with the Board of Directors of the Farm Credit Corporation regarding this situation. We believe we can come up with a plan which will help those who are paying those fixed rates of 16.5 per cent—I believe that was the highest that we went. At that time it appeared to be a very good deal because it was about 5 per cent to 7 per cent cheaper than they could get anywhere else. We know that this rate is high. We believe we can come up with a solution within a month which will alleviate that problem with which those borrowers are confronted.

* * *

INCOME TAX

AUDITING OF FARMERS' INCOME—REQUEST FOR MORATORIUM

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is directed to the Minister of National Revenue. It is with respect to Section 31 of the Income Tax Act. It was a great disappointment to the agricultural community in Canada, as well as to some of the Minister's own backbenchers, that this problem was not addressed. Many farmers across the country who have been faced with tough economic conditions over the last several years are now being audited by insensitive auditors of the Department of National Revenue who have little or no agricultural experience. Farmers are being shifted from one class to another and being assessed as much as four years in back taxes, plus interest. Because of the ambiguity of this Section of the Act, until it is amended, will the Minister agree to call a moratorium on tax audits done under provisions of Section 31 of the Income Tax Act?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, first it must be recalled that Section 31 of the Income Tax Act is one of a series of sections aimed at establishing the losses which may be deducted from the income so as to figure out an individual's taxable income. Section 31, which is outlined in an Interpretation Bulletin issued by the Income Tax Division of Revenue Canada, relates particularly to agricultural producers and, to be eligible with respect to losses such as those provided for under the Income Tax Act, one must first be recognized as an agricultural producer. No one is so recognized unless he or she runs an agricultural operation which generates enough income to be eligible. I would suggest to the Hon. Member that he examine each case submitted to him so as to make a distinction between a person who owns land and claims to be an agricultural producer, when in fact he or she is not, and who simply wants to deduct other income from other sources, which enables him or her to earn a living, and to deduct the losses incurred because of that property.

• (1440)

[*English*]

REQUEST FOR LIMITATION ON ASSESSMENT OF BACK TAXES

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, clearly the Minister does not really understand the problem or the gravity of the situation. There are many, many farmers who are literally facing bankruptcy because of this auditing process going on right now across the country. As I pointed out in my previous question, many of them are being assessed up to four years back taxes. In 1972, when this problem came up, the then Minister of Revenue allowed people to be assessed back taxes only for the current year. Would the Minister agree to that, to assess back taxes only for the current year if people are going to be reassessed under Section 31?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I challenge the Hon. Member to show me cases of farmers who really run an agricultural operation, who get their income from farms which generate revenues, and who are having problems because of Section 31. I challenge him to show me such cases, for I would be quite prepared to examine them closely. However, I want to point out to him that I make a distinction between an individual who earns an income from an operation other than a farm, but who owns a farm or a piece of land which he works as a hobby or as a second or third occupation during this leisure time and who wants to deduct his expenses incurred in that activity from his income earned from another source. To my mind, that is a very significant distinction to make and I would not call that individual a farmer.

* * *

[*English*]

INDUSTRY

CLOSURE OF CONSOLIDATED BATHURST PLANT IN HAMILTON

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Prime Minister. The Consolidated Bathurst Company closed its plant in Hamilton today. Many of the workers who have worked there for over 20 years made an offer to Consolidated in Montreal to purchase the plant and equipment. The offer was turned down because the Company did not want the competition.

Given that this is not an isolated incident across the country, that many companies are doing similar things, is it not time that we had legislation to require major corporations to justify their actions which disrupt the lives of many families and many communities?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not happen to be informed on this particular case, but I do know that there is a very general policy, one that is widely respected, of asking the private sector, when it is proposing to close down plants, to consult both levels of Government and that steps be taken in order to try to find solutions to the problems of the people who will be unemployed as a result. The Hon. Member is proposing a legal change which, at first blush, would seem to me to be within the clear jurisdiction of the Provinces. Obviously Consolidated Bathurst is a company operating within a Province, under provincial laws, and it is provincial labour laws which apply there. It is provincial laws which apply to the general operation of that company. Therefore it might be more useful if the suggestion were made to the provincial Premiers in various Provinces to consider that type of reform.

REQUEST FOR LEGISLATION AUTHORIZING INQUIRIES INTO PLANT CLOSURES

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I appreciate the advice. Given that I cannot do that, and given that the Consolidated Bathurst head office is in Montreal and they intend to put an additional shift on there which will replace the work done by the workers in Hamilton, and given that this happens in one Province after another across the country, is it not reasonable to think that we might require some federal legislation which would cover all the Provinces and would enable the federal Government to inquire into the reasons behind the closures taking place, to determine whether or not there are in fact justifiable economic reasons or whether it is simply another rationalization to improve profits at the expense of the workers and their families?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, once again I cannot deal with the substance of the suggestion since I have not looked into the presumably valid financial reasons why Consolidated Bathurst is doing this. But I reiterate to the Hon. Member the point that it is not because a problem exists in many Provinces that it suddenly becomes a matter under federal jurisdiction. Education, for instance, is a matter dealt with by all Provinces but it does not, because of that, become a matter under which—

Mr. Deans: They do not close a school in Ontario from a Quebec base.

Mr. Trudeau: —under which we can pass laws. So I ask the Hon. Member to reflect on the Constitution of this country and see if I am not right in suggesting that that problem is one for the Provinces. The Hon. Member says he cannot talk to the Provinces. He probably can talk to the Premier of Manitoba; would he pass such a law, Madam Speaker?

Mr. Deans: What the hell good is that? It is happening in Quebec and Ontario.

Oral Questions

AGRICULTURE

MINISTER'S POSITION ON BUDGET

Hon. John Wise (Elgin): Madam Speaker, my question is directed to the Minister of Agriculture who will recall that, two or three days prior to the budget, I asked the Minister whether or not he had made representations on behalf of the industry to his colleague, the Minister of Finance. We have had the budget now for seven days, the Minister has had an opportunity to assess its impact or lack of impact on the agricultural industry. Therefore, does the Minister stand by some comments and concerns expressed publicly by his Liberal backbench colleagues, or does he stand by the budget of his cabinet colleague, the Minister of Finance, and turn his back on the industry which he has represented in Cabinet for nearly 11 years?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I have just seen a publication called the "Conservative Agriculture Policy for Canada", published in some eastern newspapers. One of the things that document asks for, and the Minister of Finance put it in his budget, was $100 million extra for farmers who needed extra compensation because of the dire economic straits in which they found themselves. The Hon. Member did not say the Minister of Finance did what his Party requested. There are many other things in the budget for business people. Farmers have the same right to participate in those programs as do the business people.

I have studied the budget. There is not everything in there that I would have liked to have seen, but there is a lot in there for farmers. I have not seen the press article the Hon. Member is referring to when he says my colleagues have made some comment. I am not aware of that, Madam Speaker.

Mr. Wise: Madam Speaker, I appreciate the fact that the Minister has read the ten point agricultural program put out by the Conservative Party. I recognize the fact that the Government has accepted point number one, and it would do well to accept the remaining nine.

INFLUENCE EXERCISED BY MINISTER ON BUDGET PREPARATION

Hon. John Wise (Elgin): Madam Speaker, the Minister did not answer my question directly. I ask if he was pleased with the fact that the agri-bond concept was omitted? Was he pleased with the omission of any reduction in the farm fuel tax and assistance for greenhouse operators, who are particularly heavily concentrated in his own riding and in mine? Was he also pleased that indeed the Minister of National Revenue had no more influence on the Minister of Finance than he himself did with respect to bringing about any changes in Section 31 of the Income Tax Act, and the problems with it that have been caused by the Government?

• (1450)

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member knows that maybe the amendment to Section 31 was not there, but the very fact that they can write off their losses back three years and ahead ten years gives them practically the same privilege they were asking for in the amendment of Section 31 of the Income Tax Act.

An Hon. Member: No, it does not.

Mr. Whelan: Yes, it does. It gives them that, maybe not exactly, but practically gives them all they want.

If everyone got everything they wanted in the budget, the Minister of Finance, who talked for nearly two hours in the House the other night, would have talked for four hours. I did not get everything I wanted. You stay in the big leagues if you bat fifty-fifty.

* * *

[*Translation*]

PUBLIC WORKS

APPLICATION OF GOVERNMENT RESTRAINT PROGRAM TO LA SOCIÉTÉ IMMOBILIÈRE DU CANADA

Hon. Roch La Salle (Joliette): Madam Speaker, my question is for the Minister of Public Works. Somebody mentioned earlier that some Crown corporations will not comply with the 6 and 5 program. Can the Minister tell us whether it is true that la Société immobilière du Canada (Mirabel) Ltée was recently exempted from the provisions of the Public Sector Compensation Restraint Act?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I shall check, but I would be very surprised if that were true. In fact, as the Hon. Member already knows, in the case of the Canada Mortgage and Housing Corporation, because a mistake had been made and the ruling had not been submitted to the Treasury Board Committee as it should have been, the ruling was reversed and the necessary adjustments were made to conform to the 6 and 5 program.

Mr. La Salle: Madam Speaker, I have here a copy of an order from the Clerk of the Privy Council which states the following:

> His Excellency the Governor General in Council, on the recommendation of the President of the Treasury Board, pursuant to section 16 of the Public Sector Compensation Restraint Act, is pleased hereby to terminate the application of the said Act in respect of the employees of the corporation ... in clerical, technical, professional and middle management positions.

Under these circumstances, will the Minister make this ruling public as soon as possible and will he tell us how many employees are involved and why this corporation should be exempted from the Government restraint program?

Mr. LeBlanc: Madam Speaker, if I heard the Hon. Member correctly, he mentioned the President of the Treasury Board. I shall therefore consult my colleague and try to answer this question tomorrow.

[*English*]

CANADA MORTGAGE AND HOUSING CORPORATION

MORTGAGE PORTFOLIO MANAGEMENT SYSTEM

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I want to ask the Minister in charge of Central Mortgage and Housing a question which is further to the one I asked him on March 16. It concerns the efficiency, total cost, and satisfactory performance or otherwise of the mortgage portfolio management system of CMHC. He knows of my interest in it since this program had its genesis when I was Minister. I realize that he was not Minister during the critical period. However, will he tell the House and the country if he is satisfied with the way this program has evolved?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, this very morning I signed the answer to the Hon. Member's question which is on the Order paper. It will give some of the details that I may not have from memory.

The Hon. Member is correct to point out that the program did start some years ago, in the late 1970s. Around July of 1981, if I remember correctly, it was discovered that there were problems which really should be very carefully re-examined. This was done.

I might say that some months ago, around the end of 1982, the Board of Directors called in a consultant to examine the question, and in fact put a hold on the program until such time as they are satisfied. I might also add that the figures quoted by the Hon. Member, or attributed to him in the Toronto *Sun*, are highly inaccurate. In fact we are speaking of a maximum of $24 million instead of $60 million or $80 million.

Mr. MacKay: I recall yesterday when the Minister quoted the late U.S. Secretary of Defence, Engine Charlie Wilson, saying that he wanted a bigger bang for a buck. I would imagine that he would agree that a $24 million loss is hardly peanuts and could have provided for a lot of low cost housing.

CONSULTANT FEES

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, does the $24 million that the Minister is tossing about include all of the consultant fees, to companies like Systems House? Is he prepared to stand or fall on that $24 million figure?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I would have to check the contents of that $24 million before I answer. I take the Hon. Member's question very seriously since he is the former Minister responsible for CMHC. I might suggest that the idea that this was all wasted is inaccurate, if that is the understanding of Hon. Members. The fact is that a certain amount of the equipment or hardware was utilized by the Corporation in other ways.

MINES AND MINING

CLOSING OF SHERRITT GORDON MINE AT LYNN LAKE, MAN.

Mr. Rod Murphy (Churchill): Madam Speaker, my question for the Prime Minister is supplementary to that asked of him by the Minister for Hamilton Mountain. The Prime Minister ended his answer by asking what the Province of Manitoba or the Premier of Manitoba would do.

In the case of Sherritt Gordon Mines in Manitoba, Sherritt Gordon has announced that it is closing the mine, laying off the workers, and will not do exploration in the region for base metals even with the assistance of money from the the Province of Manitoba because, quoting from the President of Sherritt Gordon, "They get a better deal with the private sector since the Government does not pay taxes where Governments do and therefore private enterprise could obtain—"

Madam Speaker: Order. I will not allow Hon. Members to start quoting in the course of the Question Period. That is going a bit too far.

Mr. Murphy: Since the quote indicates that the company will not accept money from the Province of Manitoba because of the federal Government's tax write-off procedures, will the Prime Minister check into the tax write-off procedures and make sure that there is a change so that, when companies refuse to do exploration because of these tax write-offs, the Government will have a stick as well as a carrot?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the question is one which I obviously cannot understand or answer without knowing the facts in more detail. But I do understand that the Hon. Member is alleging that tax write-offs are discouraging exploration rather than encouraging it. It would seem to me to be certainly contrary to the spirit of the budget, and would seem to be a good matter to raise in debate since we are in the middle of the budget debate right now.

Mr. Murphy: I intend to speak on this subject tomorrow when I do speak on the budget.

REQUEST THAT TAX WRITE-OFF PROVISIONS BE CHANGED

Mr. Rod Murphy (Churchill): This matter affects the workers in Lynn Lake. If the tax measures of the federal Government are preventing the company from doing exploration because it would rather do so with private enterprise and not accept the money provided by the Government of Manitoba, will the Government change the tax write-off procedures, since it is a matter of Government policy?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I think it would be important to correct the Hon. Member's assertion in the House. The fact of the matter is that, in the case of the proposed closing of the Sherritt Gordon Mine, negotiations were undertaken under the NEED Program to provide financial assistance under the joint program. Federal authority officials were quite prepared to

help Sherritt Gordon under the NEED Program to keep the workers in place. It was the provincial Government that said no.

* * *

SUPPLY AND SERVICES

PURCHASE OF WATER BOMBERS—CONTRACT FOR PAINTING PLANES

Mr. Maurice Foster (Algoma): Madam Speaker, my question is directed to the Minister of Supply and Services. Can he assure me that the Government's decision to purchase 20 Canadair CL-215 water bombers will result in new jobs at Springer Aerospace near Sault Ste. Marie which has had the subcontract in the past for painting these planes, and is located in a very high unemployment area?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I am very much aware of the Hon. Member's interest in that particular company and the work that it does. I understand that that company has done very good work indeed for Canadair in the past. Of course I remind the hon. gentleman that in circumstances such as those that he has described, the work will undoubtedly be allotted by Canadair on a competitive basis. However I would strongly urge him to make his representations known to Canadair.

* * *

FISHERIES

RESTRUCTURING OF EAST COAST PROCESSING INDUSTRY

Hon. James A. McGrath (St. John's East): Madam Speaker, on April 15 the Minister of Fisheries and Oceans was asked if the Government had made a decision on the restructuring of the processing sector of the Atlantic fishing industry. Since that time we have had a budget with no reference in it to the belaboured and financially undercut fishing industry in Atlantic Canada. I would like to ask the Minister of State for Economic Development, who I understand has the responsibility in Cabinet for the restructuring of the Atlantic fishing industry, if a decision has been made. His colleague, the Minister of Fisheries and Oceans, told us on April 15 that negotiations had reached the delicate stage, and he suggested that we take it up with his colleague, the Minister of State for Economic Development. I now ask him that question.

• (1500)

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, as the Hon. Member knows full well, the negotiating team was given a mandate by the cabinet committee charged with the restructuring, and that negotiationg mandate is currently being carried out.

PRIVILEGE

MR. STEVENS—REVISED BUDGET TABLES ALLEGED MISLEADING—RULING BY MADAM SPEAKER

Madam Speaker: Before ruling on the question of privilege raised by the Hon. Member for York-Peel (Mr. Stevens) on April 21, I wish to inform the House of the sequence of events concerning the tabling of the budget documents on April 19 and 21.

Toward the end of his budget speech the Minister of Finance (Mr. Lalonde) tabled six printed budget documents which were authenticated as having been tabled by the Clerk Assistant on duty. Very shortly afterwards the Parliamentary Secretary to the Minister of Finance (Mr. Fisher) handed to the Clerk Assistant some additional duplicated material which he said should have been tabled by the Minister with the printed documents. The Clerk Assistant accepted these additional documents but decided that he could not endorse them as having been tabled because they had not been delivered to the Table in accordance with the regular tabling practice. He sent the supplementary material to the Journals Branch together with the documents tabled by the Minister, and made a report to the Clerk of the House as to the action he had taken.

On the following day the Parliamentary Secretary inquired of the Clerk Assistant why he had not endorsed the supplementary material as having been tabled. The Clerk Assistant explained that because of the departure from normal practice he did not feel he was authorized to do so. He suggested to the Parliamentary Secretary that this material could be tabled by the Minister or by the Parliamentary Secretary on behalf of the Minister at the following sitting. In the event, the Parliamentary Secretary sought and obtained the unanimous consent of the House to table the additional material at 11 a.m. on April 21.

This leads me to the question of privilege raised by the Hon. Member for York-Peel. In the course of his presentation he alleged that, as a result of changes in the budget documents and the separate tabling of some revised tables, the Minister of Finance misled the House, breached his oath of secrecy and was in contempt of Parliament. The consumption here is that the Minister was in some way dishonest in his manner of furnishing the budget documents.

My predecessors and I have on various occasions ruled that charges of this kind cannot be made by way of a question of privilege but only on a substantive motion making clear and specific accusations. In any case, there is no evidence of what the Hon. Member alleges. It is clear from the report I have had from the Table that the Minister intended to table the supplementary material with the printed documents. The oversight was almost immediately realized and a minute or two later the Parliamentary Secretary handed the supplementary material to the Table. The Clerk Assistant, conscious of the importance of observing the regular practice of the House, did not treat the supplementary material as an integral part of the printed documents. Nothing more serious occurred than

perhaps a misunderstanding concerning the practice relating to the tabling of documents.

On the matter of tabling documents, Standing Order 46(2) states quite clearly that:

A Minister of the Crown, or a Parliamentary Secretary acting on behalf of a Minister, may, in his or her place, in the House, state that he or she proposes to lay upon the Table of the House, any report or other paper dealing with a matter coming within the administrative responsibilities of the government, and, thereupon, the same shall be deemed for all purposes to have been laid before the House.

Ministers, and not the Chair, are responsible for anything they might table concerning the administrative responsibilities of the Government. The Chair is competent to determine whether or not the tabling procedure observed is correct. It is not responsible for the content of the documents themselves. In the present case, the printed budget documents were properly tabled on budget night and the supplementary material was properly tabled at a subsequent sitting. Neither the privileges nor the procedure of this House has been breached.

I must therefore find that the Hon. Member for York-Peel does not have a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. OGLE—CLOSURE OF NATIONAL FILM BOARD OFFICES

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I have in my hand a petition which has been signed by people from the City of Saskatoon and citizens of the northern parts of Saskatchewan. It states that the offices of the National Film Board presently located in the City of Saskatoon, in the Province of Saskatchewan, are facing closure; that the services rendered by the offices of the National Film Board in Saskatoon have been of immeasurable value to the community; that there is no comparable service with resources to provide a similar public service to the community; that the closing of these offices would deny, to countless individuals in northern areas, rural communities and prairie cities, ready access to a form of Canadian culture and creativity which their tax dollars help to make possible; and that the closing of these offices represents an irreplaceable loss in the quality of service to the community.

Therefore, the undersigned petitioners humbly pray and call upon Parliament to urge the Minister of Communications (Mr. Fox) to reverse the decision to close the National Film Board offices in Saskatoon. The petition has been presented by teachers, by professors from the university, by senior citizens and by a broad sector of people. I hope the Minister will listen attentively to it.

Order Paper Questions

UNEMPLOYMENT INSURANCE ACT, 1971

AMENDMENT TO PROVIDE BENEFITS TO ADOPTING PARENT

Mr. Gordon Taylor (Bow River) moved for leave to introduce Bill C-683, an Act to amend the Unemployment Insurance Act, 1971 (benefits to adopting parent).

He said: Madam Speaker, this amendment to the Unemployment Insurance Act, 1971 would entitle an adopting parent, whether male or female, to benefits equivalent to pregnancy benefits currently accorded to natural mothers under the Unemployment Insurance Act, 1971.

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

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 4,527 could be made an order for return, this return would be tabled immediately.

[*Translation*]

Madam Speaker: Is it the pleasure of the House that question No. 4,527 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

EQUIFAX INC.

Question No. 4,527—**Mr. Parker:**

1. Have any government departments or agencies done business with the firm Equifax Inc. in the past two years and, if so, what was the nature of the work?

2. Is Equifax Inc. presently performing any work for any government agencies or departments and, if so, for each agency or department, what is the nature of the work?

Return tabled.

[*English*]

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

Mr. McKinnon: Madam Speaker, a question of mine is on the Order Paper. It is a starred question, which is supposed to incite a little haste on the Government side. It has now been on the Order Paper since May 19 of last year, and it concerns Mr. Geoff Wright. A clear case of petty discrimination has been made against this young gentleman, and the Department of National Defence is refusing to allow him to enrol in the reserves. No real acceptable reason has been given, and I ask that an oral answer be given in the House with the utmost dispatch. I also understand that the answer has been sitting on the Minister's desk for several weeks or months.

Mr. Smith: In the event that the Hon. Member's information is correct, I will do what I can to expedite the tabling of that answer.

Mr. Stevens: Madam Speaker, I, too, have a question on the Order Paper which I would like to—

Mr. Smith: Which one is that?

Mr. Stevens: —gently remind the Parliamentary Secretary is still unanswered. This is undoubtedly an oversight, in that I asked it on January 29, 1981. It simply asked: "What was the total cost of the Prime Minister's December 1980-January 1981 world tour? What percentage of the total cost of the trip will be paid by the Canadian taxpayer?" It is question No. 2,042.

Mr. Lewis: Give us the percentages.

Mr. Smith: Madam Speaker, it is correct that the Hon. Member has raised this matter before. I believe that at least one Department has not completed the necessary information to answer that question, but I will see what I can do to give it a great deal of priority and I will look into the matter on behalf of the Hon. Member.

• (1510)

Mr. Stevens: Madam Speaker, while the Parliamentary Secretary is putting that on the fast track—I understand there is a new "clear all" bureaucracy process over there—could he also look at questions Nos. 3,216 through 3,220 inclusive, all of which deal with the Prime Minister's jaunts to various areas of the world, including Mexico, Australia, Korea, Fiji, Washington, D.C., New York and Algeria. These all go back to 1981. Could we please have an answer as soon as possible showing what it has really cost the Canadian taxpayer?

Mr. Smith: Madam Speaker, I will be happy to look into that on behalf of the Hon. Member. I should point out to the Hon. Member that those trips, which he regrettably and mistakenly referred to as jaunts, have all been official business and they are every bit as legitimate as the frequent trips which the Hon. Member takes to return to his constituency. It goes with the job, Madam Speaker.

Mr. Stevens: All we want to know is the cost.

Mr. McKenzie: Madam Speaker, would the Parliamentary Secretary please look into two questions of mine, one of which has been on the Order Paper since November 18, 1981. It has to do with Liberal Cabinet Ministers' travels. The question reads:

Did the (a) Minister of Supply and Services (b) Minister of Industry, Trade and Commerce (c) Minister of Indian Affairs and Northern Development take a Jetstar flight to Winnipeg for the official opening of General Aluminum Forgings Incorporated on October 30, 1981 and, if so, in each case, other than the Minister and the aircraft crew, who was on the flight?

That question has been on the Order Paper well over a year and a half. I am sure there has got to be some mistake to account for why there has been no reply. I would appreciate it if the Parliamentary Secretary would check into what is causing the delay.

Now for about the eighth time I have inquired about question No. 4,175. This question was placed on the Order Paper on March 24, 1982. This question inquires about the Government's hiring teams that are going to universities in apparently just two Provinces, according to the information I have. I have asked in my question for details as to whether these hiring teams will be going to any other Provinces and will they be going to universities in Manitoba. I have asked what nationalities in particular these teams are hiring. The information I have is that only one nationality is being hired for these Government jobs, which seems highly discriminatory.

I have spoken in committee to some of the Ministers, who have told me that they have filed the information with the proper sources. The Parliamentary Secretary has told me a number of times that he will get an answer for me as to what is causing the delay, Madam Speaker. I ask him once again to make some inquiries and inform me why the delay in answering question No. 4,175 which was placed on the Order Paper on March 24, 1982.

Mr. Smith: Madam Speaker, the Hon. Member is correct; he has raised this matter in the House before. I regret at this point that I am not able to table the answer but I will be delighted to look into the matter on behalf of the Hon. Member.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—YOUTH UNEMPLOYMENT

The House resumed consideration of the motion of Mr. Keeper:

That this House condemn the tragic implications of monetarist economic policies adopted by this Government that resulted in 24 per cent unemployment among young Canadians and that deny reasonable job prospects for the 300,000 young Canadians graduating from post-secondary institutions this Spring.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, when I was speaking to this non-confidence motion in the Government on which we will vote later today, it reminded me that we are once again giving Government backbenchers an opportunity to rise and do something for their constituents and for the nation; that is, to put the Liberal Cabinet out of power so the people of Canada can have a fresh choice as to which group of men and women and which Party they want to lead them over the next few years.

I was speaking about how the Liberal Party has truly botched the governing of this country over the last 15 years and how the Liberals have not only failed the country but our citizens and the world. Instead of being a nation of 24 million people sitting on the vast resources of half of this whole continent, instead of being a nation that is a source of capital to the world, a source of energy to the world, a source of food to the world, instead of being givers, we are takers. I think we will be judged harshly on that. Canada is made up of 24 million people sitting on vast resources, and only by being next to the United States could we get away with this. If Canada were sitting next to China, India or Russia, those countries would have taken us over long, long ago. We are not good stewards of the resources over which we have legal and international jurisdiction. The Government has to take that flat on the chin.

It was not always that way. If we think back fifteen years ago, we realize just how far down we have gone. Fifteen years ago we had a national debt of about $13 billion. That was after we had gone through an enormous depression and had also come through a world war in which 40,000 of our fellow men and women gave their lives to preserve our freedom and economic system. They fought so that our young people could have the opportunity to excel, to work and to do better for themselves and future generations.

We had a deficit on a yearly basis that was zero. We had balanced budgets at that time. We did not have the $30 billion debt that we are facing now; we had balanced budgets. Yet with that small national debt and with balanced budgets we had a hospital insurance program, so that people were protected if they went to hospital. We had a medicare program covering doctors' treatment. We had a post-secondary education system that turned out graduates by the tens of thousands. We had an economic system that was generating ten jobs for every one of us who came out of the university and college systems in 1968. As well, we had an Old Age Security system for our seniors which was fair. We had a Family Allowance system for mothers with young children. And we had a rate of inflation that was small enough that a man or woman could work 25 years or 30 years and put aside a little bit each year. They had a pension plan they knew would protect them in their later years. With low rates of inflation, that could be done. But where are we now, Mr. Speaker? Up to 1968 we had positive attitudes. We were building a nation, and we were building a nation on the basis of our resources.

Before lunch I was saying that resources are nothing if they are not developed. Resources only become available to people if we let our creative individuals and corporations develop them. Creative individuals are able to turn the tar sands oil into an asset. The tar sands oil has been sitting there for millions of years. It was worth nothing to no one until the Syncrude operation came along. Forests are worth nothing if the trees simply stand there. Once the trees are taken down, turned into lumber and converted into houses, this means jobs and infrastructure and our young people can have work. We were respected internationally because we carried our weight. We were a source of food, energy and capital to the nation. This is not the way it is today. We carried our weight in the international defence sphere.

Here we are 15 years later. We are into the troubles that I am setting forth not because there is anything wrong with the Canadian people, not because there is anything wrong with our Canadian Constitution. We have the problems we have today because of deliberate Government policies that were formulated by a Cabinet, put before this House and passed by this House, most often by closure. These policies were passed by the active collaboration of Members of the New Democratic Party when the Liberals were in power in a minority situation, and they are passed now by a Government majority. Members stand day after day on these closure motions and put through any sort of a Bill, whether it is a borrowing Bill for $14 billion or Bills that do not really reflect the genuine need of the nation.

Today the national debt, if we add the debt of the Crown corporations and the contingent liabilities of the Crown, is over $200 billion. The interest on that debt, which does not pay the debt back at all, takes one in three tax dollars that are paid in this country. We tax all of our citizens and that money flows into the Government. We take one of every three tax dollars and give it to someone, often our own citizens who have enough wealth to lend money to the Government. The rich are getting richer. We are reaching the situation where we have small but incredibly rich class of people, while the rest of us who do not have the wealth to lend to Government are becoming poorer and poorer. The programs are not there. Because the Government spends $1 in $3 on servicing debt, it does not have money for programs or for capital to develop resources so that the youth of the nation have jobs.

• (1520)

On a yearly basis we now have a deficit of $31 billion. That is $1.5 billion per month, compared with 1968 when we had balanced budgets. When people were offered programs in 1968, there was a corresponding tax. The deficit means that the Government offered programs with insufficient tax revenue. It stacked up the debt, and as we know young people are becoming painfully aware of the fact that the national debt will be paid by them. A deficit is really a mortgage on the future. Mr. Speaker, it is something you and I would never do in our personal lives. We would never encumber our children in this way. Surely the goal is to make things easier for our children. At the end of our lives we want to be able to say: "I carried my weight and left something better for my children and my grandchildren".

Certainly that is the Conservative philosophy. It is not a Liberal policy or philosophy, nor an NDP philosophy. Theirs is really a policy of greed—we will get all the benefit of these programs today and the next generation can pay for them and make its accommodation with the future. This almost shows that they do not have a thought for the future.

What has the Government done for the post-secondary educational system? The universities are turning out graduates, but there are ten graduates for every job. Through its fiscal policy is has destroyed the economic infrastructure necessary to develop resources and create jobs for young people. Our senior citizens are upset. There is a general attitude of fear. There is fear on the part of our young people that there will not be jobs for them. There is fear on the part of people with jobs that they will lose them. There is fear on the part of senior citizens that their pensions, because of high inflation, will not be adequate in a mere four or five years.

Mr. Gauthier: Nonsense.

Mr. Thacker: I hear the Hon. Member. That is precisely why we have this problem. For years we have seen that situation developing and have heard Hon. Members opposite saying "nonsense". If we carry on in the same fashion, the debt will get larger and rather than $1 in $3 being used to service the debt, it will be $2 out of every $3. What do we do when all revenue goes to pay interest on the debt? In that event we would be into a Third World situation—a small, incredibly wealthy class and a large poor class. Where would the Hon. Member opposite draw the line? I keep saying that it has to be in the area of 15 per cent to 20 per cent maximum. Perhaps he is saying 30 per cent is okay, or is he saying 50 per cent or 75 per cent? In any event, it is a mortgage on future generations. I do not think our young people will put up with it. Their only solution is to become politically active and help us defeat the Government.

How did we get into this jam? As I said earlier, it was by deliberate Government policies. The deficit is not the fault of the Canadian people, the Constitution or the French/English situation we have discussed in the House. It is not the problem of the poor versus the rich or the employed versus the unemployed. It is the problem of a Government which has been in power too long and has learned to exercise power to the full limit, plus an extra 25 per cent. It is still able to fool people. It is relying on the essentially good nature of Canadians who trust the people they elected. That is their first mistake. They should not trust the Government. They should call all of us back to find out what we are doing, particularly Government Members who should be called to account for most of the things they have done.

The National Energy Program was a deliberate policy. So was the policy on defence spending. There has been a deliberate policy of criticizing the United States, the nation with which we have to get along whether or not we like it. The Government cannot ride the free blanket of this defence spending and then kick them in the shins at the same time. It just will not work. We must sit down and reason with them in order to get them to recognize this, not kick the U.S. snipe at their sides and expect them not to retaliate. When an elephant retaliates, the mouse gets squashed.

The Acting Speaker (Mr. Corbin): Questions. Comments. Debate.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, jobs and recovery were the two themes in the April 19 budget. The Minister of Finance (Mr. Lalonde) stated very clearly on budget night that he had two goals he wanted to accomplish in his budget. First, he wanted to encourage the early signs of recovery in our economy. Second, he wanted to make that recovery permanent and give Canadians the hope of a prosperous decade in the 1980s.

Job creation was at the centre of the budget. It was the reason for the incentives and the programs the Minister announced last Tuesday—jobs for young people, jobs to rehire workers who have been laid off, jobs to help people in the short run until the economy picks up permanently and rehires them permanently.

How are we to accomplish this? We will accomplish this through three steps. First, there is the massive injection of public works spending into the economy through Special Recovery Capital Projects. As we know, $2.4 billion will go into the economy immediately in the form of public works to stimulate the recovery. Second, private enterprise is being given encouragement to invest, to rehire and to expand—another $2.4 billion in special incentives to encourage business to get back on its feet and to get going again. Third, we are not waiting just for those two streams to come along. We are injecting $1.5 billion into the economy for direct job creation over the next year; $710 million of that money is new in 1983.

All three steps fit together. All three steps are important to job recovery and economic recovery. The Special Recovery Program will start right away. As its impact is felt throughout Canada, we will see a general economic recovery, particularly as businesses, consumers and trade get back on their feet. Equally, while that is going on we will find groups of people who need help the most receiving direct aid and job support.

What industries or areas will benefit from all this? The Special Recovery Capital Projects are being announced by various Ministers. For example, we have already heard about water bombers to fight forest fires and about a strengthened Coast Guard. We will hear more announcements from other Ministers over the next few days. Whatever the project, whatever the announcement, these public works must come onstream quickly. They must be there fast because we want the impact of this spending to be felt right away. At the same time they must be projects which have a lasting value, a permanence and a usefulness for all Canadians. They must be in industries where we have high unemployment and where our dollars will stimulate recovery quickly.

• (1530)

As I have mentioned, we have already heard about ships and about aircraft and we know that more announcements will be coming in the transport area. We know that public works will involve construction. Because of the announcements made by the Minister of Finance (Mr. Lalonde), we know that there will be a high priority placed on research and training in order to put our industries into a competitive position in the future. We know that one of the great foundations of our economy, resource development, is going to be emphasized. Tourism, an area in which young people and unskilled workers can find so

much employment, will be one of the areas that will be targeted. Of course, high technology, the industry that holds out so much promise for us, will be part of the Special Recovery Capital Projects.

Mr. Speaker, it is important to know that these projects respond to the requests and the initiatives of the private sector that we heard during the pre-budget consultation. Over and over again, representatives from labour, from banks, from industry, from the retail sector, from all parts of Canada, told us that if we wanted to stimulate the creation of jobs, we should do it through public works that have a lasting value. We should, in effect, add to Canada's wealth and inventory. So it is important to know that the ideas for our first leg in this program, the Special Recovery Capital Projects, come not just from Government but from all Canadians, from people in all sectors and all regions, Canadians pulling together through public works to rebuild our economy. But we have not stopped there. As I mentioned, the private sector is receiving important incentives as well. Some of these incentives are in the form of grants, such as increased aid for exports, and some are in the form of tax breaks and new tax incentives. These will stimulate growth in the private sector.

From coast to coast, we have heard business groups on a national, regional and local level saying that we have taken the right course with this kind of priority. We have chosen ways to reach the biggest company right down to the smallest enterprise through tax incentives that will stimulate business into expansion, through refunds in special targeted areas, through help to businesses to get off the debt bandwagon and to start issuing equity, easing the pressure on their cash flow. These incentives are vital, and business has recognized the wisdom of the budget's approach.

In areas like small business, housing, construction, the furniture industry, the mining industry, the machinery industry, the heavy construction equipment industry, we are providing an extra incentive. We are not only providing tax breaks across the board, we are also providing more incentives in addition to all the other new ones that we have introduced. We are doing it because these areas need an extra boost to rehire their workers.

Areas such as small business or the furniture industry have been particularly hard hit by the recession. These sectors of our economy will hire workers back quickly. In our judgment, the best way that we could have created jobs in our economy was to stimulate sectors like the small business area that handle so many jobs and can react so very, very quickly to any changes and any improvement and recovery in the economy. So job creation especially is a target in these incentives.

The third area I would like to mention to you, Mr. Speaker, is support for direct employment. This is something that I am particularly proud of. We have undertaken a very, very agressive program to create jobs in the short term for people who need that help the most. We have, for example, put in another $100 million into our program to let communities take advantage of the special Section 38 regulation. People whose Unemployment Insurance is coming to an end, people who have had that kind of support, can look forward to additional help through the NEED Program. This help includes jobs and projects in communities, private organizations, co-operatives and businesses, jobs and projects that give them needed work and again that have a permanent and lasting value after the projects are over. In the NEED Program, we have added an extra $260 million as an important impetus for this vital project.

Young people have been the topic of today's discussion, Mr. Speaker. In the Minister's budget, direct aid for young people to find jobs totalled an extra $280 million. Obviously we are doing this to tide people over in an emergency, to provide them with a safety net when they need it the most. We are giving this help to targeted groups, to people who are most deserving of the help, and we are doing this to bridge the gap and to get people over these tough times.

This direct action, this targeting policy, is a continuation of past policies that have built up these vital safety nets. These programs have, over and over again, reached out into depressed communities across the country and given them a vital boost at a time when they have needed it the most. These programs have reached into homes where people are unemployed and given them some hope and comfort because the rest of the country is there to help them in their hour of greatest need.

In my community of Mississauga, I have been proud of the kind of projects that this direct aid has produced. My community has come forward with the kind of projects that every Member of Parliament has seen. We in Mississauga are not special. The projects we are promoting are typical of the projects that are being promoted in communities and constituencies from coast to coast.

Looking at the list of projects that I recommended for approval to create student work over the summer, there were several projects on child care, a couple of projects to help handicapped people, one project for the community non-profit housing authority, and another couple of projects for co-operative housing. There were several projects involving community service, and one project involving nursing care. Those projects are of permanent and valuable benefit to my city. I am proud that we have reached out to improve the quality of life in Mississauga through these kinds of student employment projects.

Equally, Mr. Speaker, the parks in my city, the libraries in my city, and the small businesses in my city have taken advantage of the NEED Program. Millions of dollars have gone to Metropolitan Toronto, and much of that has gone into Mississauga to support worth-while programs and to give people who need the help a job until the economy can recover. What could be better? What could be more typical, Mr. Speaker, than the $11 million that is being spent by the Catholic Church in Toronto, the Ontario Government and the federal Government, all three working together to make our city and our region a better place for people who are unemployed?

Through this same direct concern to create jobs and to bridge the tough times, we have also seen a massive investment in retraining. That, Mr. Speaker, is a massive investment in our future. We are teaching people new skills to match new jobs. In 1983 alone, the federal Government will spend over $1.2 billion in retraining, not the least of which is the $60 million going into student loans and aid for young people who want to stay in school a little longer and need help to meet the cost.

• (1540)

Today's motion treats youth unemployment as if it were isolated. I hope my comments will put that into a little bit of perspective. The federal Government sees youth unemployment as a particular tragedy. In the April budget an enormous amount of money was dedicated to solving the problem. We targeted over $200 million to help young people as a special group and to provide direct jobs for them right away. More important, we targeted billions of dollars to renewing our economy and giving young people a chance to look forward to a secure future. Equally important, we targeted hundreds of millions of dollars for skill training and retraining so that people will have the tools to deal with tomorrow's challenges.

That is the message of the April budget, Mr. Speaker. We said that jobs are at the heart of our concern and that we want an economy that will recover in a permanent way. We are boosting those forces in our economy that will make us permanently prosperous.

The Acting Speaker (Mr. Corbin): Questions, comments or debate. The Hon. Member for Fundy-Royal (Mr. Corbett).

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, as usual I listened with a great deal of interest to the contribution of the previous speaker to the debate. I was particularly interested, although not too impressed, with his closing words when he referred to the "heart" of the budget that was recently put forward by the Minister of Finance (Mr. Lalonde). Anyone who has read the budget and is knowledgeable in the affairs of the world of finance would realize that the budget does not have a heart. It has no heart at all.

When listening to the Hon. Member it was some time before I came to the conclusion that he was talking about the budget. His opening remarks certainly did not sound as if he were referring to the same document that I and hundreds of thousands of other Canadians were made aware of with the introduction of the budget. The Hon. Member referred to the $1.5 billion that would be injected into the economy over the next few months but he conveniently neglected to advise the House where that $1.5 billion was coming from. Mr. Speaker, eventually it has to come from the pockets of the taxpayers of the nation. Taxpayers will end up paying over $3,000 each for the deficit that the Government has imposed upon them. That is something that is going to be very difficult for them when added to the already overwhelming burden that they shoulder.

The Hon. Member mentioned several items, several projects, several areas that the Government was going to address to see that the economy was stimulated. He neglected several very important areas from the standpoint of our youth and he did not get around to addressing the problems of youth until his closing remarks. I felt that his speech addressed the plight of the youth of the nation about as much as the budget did, and that is very, very little. He spoke about rebuilding the economy, about giving people hope in time of need. The people who have been talking to me and my colleagues do not feel that the budget imparted a message that gives them any hope.

There are a number of things the Government could have addressed with reference to assistance to our youth population. Just about a year ago I stood in my place in this House and spoke about youth employment. If I recall, the date was around May 6. At that time I said that the unemployment figures of the day, which were in the vicinity of 1.25 million, had been referred to by the Government as being near the peak. The Government anticipated that at the most another 100,000 might be added. In this Party we expressed concern that the figures were inaccurate. Time has taught Canadians a cruel lesson. Over the period of a year we have seen not 100,000 people added to our unemployment rolls but close to 500,000. The real tragedy for the nation is that the people who seem to be hardest hit by the desperate unemployment are our youth. These are the people it seems to be affecting most.

In New Brunswick over-all employment is in the vicinity of 16.1 per cent, or 49,000 people out of a labour force of 305,000. In March, 1983, youth unemployment in New Brunswick was 28 per cent while just a year ago it was 23.2 per cent. It increased by 4.8 per cent over the past year. In my constituency of Fundy-Royal there is general unemployment. Albert County has 18.2 per cent, Kings County and Saint John's County have 12.9 per cent, while Queen's County and Sunbury County have 14.1 per cent.

Over-all unemployment in Canada is 12.6 per cent, and youth unemployment is 21.3 per cent. Unemployment in New Brunswick and Atlantic Canada is higher because of the uncaring attitude taken by the Government over the last number of months. Its policy is not directed toward healing that intolerable situation in my part of the country.

When another 12 months expire the budget will have done nothing to alleviate that unacceptable situation. What it means is that people coming out of school this year will not be able to find a job. That is going to be a very frustrating experience for them. It is going to be a very unplesant experience to face at a time when knowing their future and having confidence in their future is very important to them.

Last week I had occasion to visit a school in my constituency where grades 9, 10 and 11 were combined in a class. After class the teacher told me that she could only take comfort in the fact that her students are not going to be put into the work force this year as they do not graduate yet. In our area there is just no work available for these young people. She said, Mr. Speaker, "I hope that by the time these young people do graduate the situation will have improved to the point where they can have some hope for their future". Unfortunately, Mr. Speaker, despite the fact that I would have liked to have given that woman some assurance that things were going to get

better, I was not able to do so. We know from the projections of the Government itself that, indeed, that is not going to take place. Things are not going to get better in Canada over the next while. Unemployment is going to continue to grow and the youth of this nation will be among the hardest hit.

• (1550)

Most jobs in the workplace, Mr. Speaker, are interrelated. It goes without saying that if the industries of this nation do not have work there will be a spreading effect. If the shipyards, for example, do not have work, do not have ships to build, then the youth of the nation, who might like to take up an apprenticeship in the shipbuilding industry, will not have an opportunity to learn that trade. That is exactly what is taking place. The shipyards are experiencing lay-offs the like of which they have not experienced in years, and that is adversely affecting many of our young people who could otherwise and might otherwise look forward to obtaining long-term employment, even lifetime employment, by virtue of becoming apprentices in the shipbuilding industry.

That is a shame, Mr. Speaker, because our country has many young people who are capable of pursuing many meaningful careers in industries such as the shipbuilding industry. The Government has been repeatedly asked to accelerate its shipbuilding program, to no avail. We find now, within the last couple of days or so, that a program is expected to come into place in some meaningful fashion in the fall. But we have heard these promises before. We have heard them for months and months in days gone by and what has materialized? Nothing. There is little hope.

At least, at the beginning of this Government's reckless venture into the economic morass which it has created, there was some hope, but our citizens, our youth, are fast losing that hope. The only hope is for the Government to address itself to the problems our young people have now and the problems which they will face down the road, and give them an opportunity to establish themselves in our society in a meaningful way so that they may contribute to the future of this country, an opportunity of which they would have been assured if the economic affairs of our country had been managed in a way which was proper and responsible.

There is a group of young Canadians who are following in the footsteps of people who have contributed substantially to the solid foundation which Canada has had up to this point. I speak with pride of the young people who belong to the 4H Clubs across this nation, some of whom are visiting us in Ottawa and some of whom are visiting the House this afternoon. It is unfortunate, Mr. Speaker, that the Minister of Finance in his budget speech did not address himself to the needs of the farming community in this country in a meaningful way. No hope has been given to the farming community that things will improve or that this Government recognizes the difficulties which the farming community is experiencing or recognizes the terrible problems and burdens of the high interest rate policy of this Government which has been in effect for the last number of months. The budget gave no hope to those farmers and their families who are facing a disastrous future, if they have not already succumbed to the disaster brought upon them.

It is unfortunate, Mr. Speaker, that these young people will be returning home with only the memory of the sights and sounds of Ottawa as it is enveloped in its own pink crystal unreality which seems to blend into harmony on Parliament Hill, and which is so untypical of the situation which exists out there in the real world. That is the impression they will go home with, Mr. Speaker. They will experience a sense of despair because when they arrive back in their various areas they will see that things are very much different than they appear here in the nation's capital.

I would like to deal now with the incentives to which the budget did address itself in some ways as far as youth unemployment is concerned. Some programs have been introduced, including the Summer Student Employment Program which, according to the budget, is supposed to provide an extra $70 million for this year and will create 17,000 jobs over the 1982 job level. On examining the documentation, Mr. Speaker, we see that really all we are talking about is an additional $50 million increase over the 1981 funding program.

It is difficult to analyse how this Government can rationalize in its own thinking the fact that it is going to raise taxes in this country next year by something in the vicinity of $250 billion, which the consumers are going to have to pay directly into the coffers of the Government, in order to finance a program to help employ youths, when it is going to put a pittance of only $50 million additional funds into that Summer Student Employment Program. We cannot buy that, Mr. Speaker. We cannot accept it. What is that going to mean to the young people in Fundy-Royal, my constituency? What it is going to mean to them is that a program is going to be developed and that that constituency, which has counties with an unemployment rate which is considerably higher than the national average, will receive the smalles allotment in the Province of New Brunswick to assist youth to find summer employment. That is unrealistic, Mr. Speaker, and unacceptable. The people of this nation will not allow this Government to get away with it. They will not forget.

There are other programs, Mr. Speaker, such as youth internship and job-corps programs. The Department of National Defence is offering to enrol 5,000 more in its reserves. We see the program of Katimavik increased somewhat by $40 million over the next two years, which is going to provide 2,000 more jobs. But what kind of jobs are they? They are jobs which are paid at the rate of $1 a day. The reserves are not full-time jobs. They may possibly provide some training for some of those young people who will be fortunate enough to get into the program, but after that they will find themselves in a work place where there are no jobs for them. Now, what earthly use is that either to the nation or to the young people of the nation who want to go out into the country with some confidence? Mr. Speaker, it is of absolutely no use in the context in which it has been put forward through this

budget. Even governmental officials are reported as saying, when asked about what this is going to do to help the youth of this nation or even the nation in general, "Don't hold your breath." Officials say that the program will not make more than a dent in the over-all unemployment problems this country is experiencing. What this nation needed, Mr. Speaker, what the people needed, was hope. Hope is something that we do not have.

• (1600)

[*Translation*]

Mr. Pierre Gimaïel (Lac-Saint-Jean): Mr. Speaker, we are considering an Opposition motion which seems to indicate that the New Democratic Party has developed some awareness of the employment situation of young people in Canada.

I intend to use the time allowed to give my personal impression of the last ten years and what they have meant to the development of the role played by young people and the Canadian Government. I can only applaud the fact that today, a Member of the New Democratic Party has moved a motion expressing his Party's concern for the young people of this country.

Fortunately, Mr. Speaker, the Canadian Government realized well before 1983 that young people were having trouble finding employment in this beautiful country of ours, and took positive action and introduced policies aimed at helping young people to cope with this situation.

For ten years now, a Liberal Government, that is, the present Government and its predecessors, have introduced programs such as Opportunities for Youth, the Canada Community Development Program and Canada Works. I may recall that during its short period in power in 1979, the first action taken by the Progressive Conservative Party and one of the few decisions it did make, was to do away with Canada Works. This program, which for many years has been severely criticized by the Official Opposition, happens to be the most legitimate vehicle the Canadian Government or any government for that matter has ever given young people as a means of expressing themselves. The Canada Community Development Program and Opportunities for Youth—all these job creation programs constitute an act of trust by the Government in a group in our society that was faced with employment problems. Young people are being asked to design and submit their own projects, and the Canadian Government will give them the money they need to demonstrate that their concepts are workable and to set up their own development structures.

Mr. Speaker, our young people are extraordinary, because they are living in difficult times. However, I feel that in a country where life is becoming difficult for everyone, coping with that situation is feasible. Our young people grew up in nice homes with parents who are secure in their jobs and who are generally quite well off. Often they can afford quite a few luxuries such as travel, several cars or television sets, and so on. In fact, our young people have been surrounded since birth by what would be called affluence in any part of the world. I think that previous generations acquired, quite legitimately, a very high degree of material security, which in turn put our young people in a situation where the material security their parents had acquired in order to provide their children with the essentials of life finally led them to opt for other values, to make a choice. That is, they were told that jobs are important but jobs are not everything, and they discovered other values to defend such as the environment and peace throughout the world and a number of other concepts such as the co-operative system, group work, solidarity, and they made those decisions calmly and clearly. Today, I think we owe them some recognition, because for two years people have been talking about the recession all over North America and the Western world. It seems to be the only subject of conversation. When did people start talking about a recession, Mr. Speaker? When other people, and not only young people, started having trouble getting jobs. When young people had to cope with this, they did so in a positive way, and they are still doing so. They coped with this problem by developing ideas and trying to get people to accept them. To a certain extent, they have led the way as a result of certain views they have expressed on matters that we did not think were terribly important, such as acid rain, and now Canada is very busily defending those views. Young people made this happen. Today, the Canadian Government is being accused of a lack of concern for these young people. This surpises me, because since 1970, the Government of Canada has shown tremendous concern for young people and their future. Have union leaders shown the same concern for young people in our country during the last fifteen years? Has anyone ever seen a union leader get up and try to talk about the future of young people with his own union members, with the management of businesses with whom he negotiates and with various levels of Government?

• (1610)

Mr. Speaker, in the present Budget, the Canadian Government has earmarked billions of dollars for manpower training, which will be used more specifically for young people. Has anyone wondered why the Canadian Government has to train young people who are just out of school? After all, the same Canadian Government is already paying for 50 per cent of postsecondary education, which includes CEGEPs and universities, and 50 per cent of the cost of education in technical schools, plus equalization payments. So why, after paying all that, should the Canadian Government be obliged to pay for training people who have just finished their formal education? It is easy for the Opposition parties to stand up and blame a Government for adopting certain policies, but I want to point out that these policies based on co-operative federalism were originated by the Liberal Party of Canada over the years, and I think the Opposition parties are ill-advised to point a finger

at a Liberal and Federal Government, while the people responsible for providing training programs, and for educating young people for 15, 16, 17, 18 or 19 years and supposedly preparing them for the labour market, are members of their own parties and happen to head our provincial governments. Those are the people to whom the Canadian Government has given a blank cheque to prepare our youth for the future, and they now criticize us because all that they have succeeded in doing is to put on the labour market untrained young people due to the lack of foresight or vision of provincial authorities.

I have no objection if someone wants to say to the Canadian Government: You must do more. We are indeed trying to do more. I do not agree, however, when someone tries to hide the truth from the Canadian people and to suggest that the Federal Government is to blame if young people today have greater problems than other members of our society. I have often been attacked in the past by members of other political parties because the Canadian Government allocated funds to young people in order to launch projects and set up cooperatives, corporations or non-profit organizations for humanitarian purposes, and so on. Such programs have often been branded as band-aid programs because funds were allocated to young people who had decided to help themselves. When the Federal Government said that it wanted to ensure not only freedom of speech, but also freedom of action to those who wanted to try something new, it was accused of taking stopgap measures. I can now laugh about it because the same people, namely the leaders of the Parti Québécois, who used to accuse us of every fault and of taking band-aid measures because of programs such as Canada Works and Opportunities for Youth, are now saying that they want to organize a summit of young Quebecers to learn what young people are thinking. I find this pure nonsense. One thing is certain, Mr. Speaker, I shall attend the summit of young Quebecers and young Liberals will also be there working. Why? Because the Liberal Party of Canada has always allowed young people to express themselves directly without requiring them to wave the banner of separatism or to wear maple leaves or fleur-de-lis, because it believes in human relationship and the basic concept that two heads are better than one and that, with all our resources, millions of Canadians together, regardless of their age, can work wonders.

Today, the New Democratic Party condemns the Canadian Government, that New Democratic Party which has shamelessly jumped on the bandwagon of Mr. McDermott and his cronies, a bunch of people who do not want to see much further than the end of their noses. That same Party now wants to take to task a Government which for many years has been spending millions of dollars to help young people enjoy their place under the sun like anyone else.

We know when we go back home, when we go back to our ridings ... Over the weekend I gave a small lunch talk to nearly 400 people on Sunday morning at Alma. I took that opportunity to announce that the Canadian Government will allocate $492,000 this summer under Youth Canada projects and that 261 students will have jobs. I did not make that announcement in the spirit of someone who was bringing gifts, but rather in the spirit of someone who thought that those young people who are now university or college students have an outstanding productive capacity and they represent the future. They are fully aware of their own problems and they are quite capable of proving it if they are given the chance. That is exactly what the Government did—it gave them confidence in themselves.

Mr. Speaker, we all know that we live in a society in constant evolution and progressing ever more rapidly towards electronic and mechanical improvement. We are entering the era of automation and, as I said, we have provided ourselves with a security structure over the years, with the result that one or two generations of our society have pulled much of that security blanket to their side to cover their own future.

Everything goes well until the day when the birth rate drops by almost 50 per cent in the country and, although we think that the labour market will easily absorb young people in the 1980s, it may turn out to be somewhat more difficult as a result of automation in the industrial sector and practically everywhere else. But the main thing is indeed to seek the experience which we can learn from young people. This may sound paradoxical, but it is pure truth. We know that young people have learned much in the past ten years. They have learned that there are very important values in life, more so than work itself. They also learned to respect themselves and to respect others who were relatively better off, but they are doing all this with a patience that will bring about a complete restructuring of our industry, based on optimism, on local initiative and on private enterprise. That is exactly what the Canadian Government announced in the Budget last week and that is what it wants to do.

Private enterprise, coupled with our native optimism ... If our pessimists would stop talking about deficits and having Canadians believe that when the Government has a deficit, everyone is in debt, if our pessimists would only stop talking about a recession and if Canadians would start taking the economy in their own hands, by taking their savings out of the bank and spending and investing, they could take advantage of some very real investment opportunities in the last Budget. The Canadian Government is well aware that part of the problem facing our young people is that unfortunately, Canadians have often found it easier to invest in a trip to Florida than to buy $3,000 worth of shares in a company. That is a major part of the problem facing our young people today, and I wish that from now on, Canadians would realize that the reason why today, two or three generations of Canadians have been able to find jobs easily is that Canadians before them worked their fingers to the bone and as soon as they had five cents, they spent it in Canada and concentrated all their energies on developing their own country and developing our

industries, which as a result were always very advanced, always kept expanding and have always been able to provide jobs for Canadians.

In recent years, we have developed a taste, perhaps too much so, for spending our money outside the country, and we are also perhaps too much inclined to put our money in the bank and invest in loan capital rather than risk capital, because it is easier. The returns are more straightforward, there is no need to worry about where the money is going. All a person has to do is to get out the savings book and have it updated. I think that today, as a group, we should realize that Canada will have to be developed first of all by Canadians, and although 30 per cent of what we produce is exported, 70 per cent is sold right here in Canada, and if the generations who have the money fail to understand that they must buy a strict minimum to provide young people with enough jobs so that they can make a living in our society and continue to develop their skills, if the generations that have the financial resources fail to understand that they will have to do more than just invest in loan capital and that they should also finance part of the risk in order to provide for future generations, we may be in serious trouble. That is what the Minister of Finance (Mr. Lalonde) tried to explain to the Canadian people last week. These are the tools the Minister has tried to give Canadians. These are the tools that will help Canadians invest in businesses by giving them a tax credit they will be able to spread over ten years. These are the tools that will help Canadians who have the resources to create jobs through direct investment. Sunday, I was telling young people in my riding: Stop wondering when to buy something you want. Go ahead and buy it. Do it for your children who are living at home and who are waiting for you to create jobs by purchasing goods. Go ahead, because the country you will give your children is the one you will build yourself.

Mr. Speaker, in concluding, I would like to say that no other government in the world is doing for its young people what the Canadian Government is doing for young Canadians.

The Acting Speaker (Mr. Corbin): The Hon. President of the Privy Council (Mr. Pinard), on a point of order.

* * *

• (1620)

BUSINESS OF THE HOUSE

DESIGNATION OF AN OPPOSITION DAY

Mr. Pinard: Mr. Speaker, I would like to formally designate this Friday as an Opposition day.

[*English*]

I indicated earlier to my colleagues, the House Leaders, that I might designate Friday this week as an Opposition day. That is what I am doing now. If they want to provide for a vote on their motions they will have the opportunity to discuss that in caucus tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Peterborough (Mr. Domm)—Bilingualism—Katimavik Program—Refusal to hire anglophone; the Hon. Member for Victoria-Haliburton (Mr. Scott)—Banks and Banking—Renegotiation of loans—Amount of penalty, (b) Plight of home owners with high interest mortgages; the Hon. Member for Edmonton South (Mr. Roche)—Finance—Registered charities tax proposal, (b) Calculation of benefits to Government and charities.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—YOUTH UNEMPLOYMENT

The House resumed consideration of the motion of Mr. Keeper:

That this House condemn the tragic implications of monetarist economic policies adopted by this Government that resulted in 24 per cent unemployment among young Canadians and that deny reasonable job prospects for the 300,000 young Canadians graduating from post-secondary institutions this Spring.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, today we are debating a motion that has been put forward by the NDP. It reads:

That this House condemn the tragic implications of monetarist economic policies adopted by this Government that resulted in 24 per cent unemployment among young Canadians and that deny reasonable job prospects for the 300,000 young Canadians graduating from post-secondary institutions this Spring.

This motion was introduced by the Hon. Member for Winnipeg-St. James (Mr. Keeper) but he conveniently or inadvertently neglected to include the NDP Government of Manitoba in the motion. The result of that Government's monetarist economic policies was to cause a real hardship to the businesses in Manitoba, which has, in turn, caused unemployment and lay-offs. All this is the result of the aggressive steps of the Manitoba Government's payroll tax that was introduced in that Province. It denies job opportunities for youth. Businesses in Manitoba are unable to hire apprentices for training in their businesses, with that additional burden

placed on them. They have had to lay off people in order to pay for this regressive additional workers' tax that has been imposed by the NDP Government in Manitoba. That fact should have been included in the motion. The federal Members in the New Democratic Party should also be protesting that tax in Manitoba and asking that the Manitoba Government remove it.

Another reason for the difficulty in creating employment for youth, or anyone else, is the disastrous National Energy Program which was supported by the NDP Members in the House. As a result of the National Energy Program there was a loss of approximately 60,000 jobs across Canada. These nationalistic schemes do not create employment; they only chase investment money out of the country. This is what is occurring with the nationalistic and socialistic Governments led by the NDP and the Liberals. They are not attracting investment but driving it elsewhere.

Finding out whether a Government is good is very simple because a good Government attracts investment and does not chase it from the country with programs such as the National Energy Program.

Let me elaborate on how this workers' tax has affected businesses in Manitoba and how it will affect the young people in that Province, which is the subject matter of the motion today. This Manitoba payroll tax is just an unnecessary added burden on businesses in Manitoba, which are having a difficult time as it is without any additional taxes being imposed upon them. When this tax was first introduced, higher interest rates were in effect and consumer purchasing was down. Businesses could not pass this 1.5 per cent payroll tax on to the consumer. The only things this tax produced and stimulated was inflation and unemployment. Therefore, this is a rather facetious motion from the NDP, condemning as it does this socialist Government here, when its brothers and sisters in Manitoba are implementing exactly the same regressive type of monetarist policies. Hundreds of businesses have been stopped from hiring as a result of that payroll tax.

For example, in order for businesses in Manitoba to cope with this tax they would lay off people employed by their business to cover the amount of payroll tax they had to pay to the NDP Government in Manitoba. This tax discouraged businesses from investing in Manitoba, so they went to the Provinces that did not have this payroll tax. As well, farmers had to pay this payroll tax, as if they did not have enough problems to contend with.

The NDP Government in Manitoba is removing the five-year hydro freeze that was put in place by the previous Progressive Conservative Government. That five years has not expired and, as a result, hydro rates will increase by 9 per cent. This is another added burden on businesses and consumers in Manitoba. Increased hydro rates will result in businesses and farmers being unable to employ more people as it is an added cost to the operation of their businesses.

This NDP motion should have condemned the NDP Government in Manitoba for increasing the hydro rates and not letting the freeze remain in effect for five years. This increase in hydro will be another shock for businesses and farmers because Premier Pawley had promised in his election campaign that the freeze would not be lifted. So much for NDP campaign promises. Today's motion should have included a mention of the effects the increase of hydro rates has had on employment in Manitoba and the fact that it is a reason why we cannot find jobs for youth.

Kimberley Clark has left the Province of Manitoba and is now expanding in Ontario where there is no 1.5 per cent payroll tax. Shell Oil has closed its plant in Manitoba because it is just too expensive to stay in business there under the NDP Government.

The NDP raised questions in the House today about lay-offs at the Sherritt Gordon Mines. The workers' payroll tax was certainly not helping Sherritt Gordon to stay open. That should have been mentioned in the motion of the Hon. Member for Winnipeg-St. James. It is not only the taxes and monetarist policies of the Liberal Government but the regressive monetarist policies of the NDP Government in Manitoba as well that are affecting businesses and causing them to lay off people and not hire youth as apprentices. That should have been included in their motion.

This is one of the best articles I have read on this payroll, or workers' tax as it is referred to in Manitoba. It is an article written by Mr. John McCallum in the *Winnipeg Free Press*. He said:

> There are five other reasons why the payroll tax should go. First, unemployment is by far our greatest single problem at the moment, and the way to deal with that problem is not to put a tax on those who would put people to work.
>
> Second, the payroll tax promotes bad labour relations.

It causes serious problems for businesses when they have to lay people off so that they have enough money to pay the NDP Government this workers' tax.

• (1630)

He continued:

> Third, we are very definitely competing for jobs with Ontario, Saskatchewan and Alberta. None of these jurisdictions has a payroll tax.

He went on:

> Fourth, the payroll tax is a very unconventional tax, and an employer looking at Manitoba would probably say to himself, if they are willing to do that, what else might they do?

That is right. What else might an NDP Government do to business? The NDP Government is against business and it is against profit. It does not encourage investment. The NDP Government chases investment out of the Province. Because of opposition to the private sector, the New Democratic Party Government cannot attract business investment into the Province. You are on a treadmill going backwards with a socialist government in power, either provincial or federal, Mr. Speaker.

Mr. McCallum's article continues:

> Fifth, some contend that because Quebec has a payroll tax, that somehow makes it okay. This is a very bad argument. Quebec's finances are not regarded as being run even close to well, and claiming that what you do is right because it's done in Quebec is not likely to impress anyone.

There have been some other comments in the Province of Manitoba about the regressive payroll tax put in place by the NDP Government. Mr. Lloyd McGinnis, President of the Winnipeg Chamber of Commerce, said the city and the Province will have trouble attracting new industry if employers are faced with a payroll tax. This can be paralleled to the National Energy Program which drove the oil rigs out of Canada. Oil rigs were lined up for miles wanting to go to the United States where they would be welcome. What about all the industries that were affected in the Province of Ontario? Hundreds of them were affected by the National Energy Program. They were faced with lay-offs and loss of business because of this nationalistic National Energy Program put in place by the Liberal Government and fully supported by the NDP.

Alan McLaughlin, Chairman of the Manitoba branch of the Investment Dealears Association, said the tax could also force some firms to review their staffing needs. Leo Quigley, a salesman for CN Railways, said it could have a bad effect on employers. There is no question about that. Opposition Leader Sterling Lyon had been expecting a sales tax increase. We also have that in place, Mr. Speaker. Since we have had an NDP Government in Manitoba we have new taxes on gas, a workers' tax, new taxes on hydro, and an increase in the sales tax. So much for the so-called people's Party. Mr. Lyon called the payroll tax "a hidden sales tax." He said it will be passed along to consumers by employers. There is no question about that.

The Manitoba workers' tax has affected our hospitals. Municipal taxpayers may have to bail out rural hospitals. They are being swamped with red ink because of the Manitoba NDP payroll tax. Several hospital administrators said that the payroll tax is swelling their deficits. They do not know what they are going to do to get money.

Members of the NDP march around during federal elections stating that they are the only people interested in health care. But now the NDP Government has introduced a tax like this which puts an additional burden on our hospitals in the Province. I will be talking about that in the next federal election. I will be reminding the people of Manitoba of the false statements which the New Democratic Party always makes about health care when going into federal elections. The NDP Government says that all the fat has been sliced from its operations, and local municipalities may be asked to increase property taxes to help reduce the deficits. You can see that nobody has escaped this regressive tax in Manitoba. "The 1.5 per cent payroll tax is killing us", said one of the administrators who does not want to be identified. Taxpayers will not be happy about seeing a hospital tax. They certainly will not be happy about that. They will not be able to take on any additional employees in the hospitals because of the additional burden put on hospitals throughout Manitoba.

Also the NDP Government announced early in April that it would set up a venture capital plan and that it would be putting up a million dollars into this plan. It will be very interesting to see as time goes by how much venture capital the NDP attracts from other parts of Canada. All the NDP Government will attract to a venture capital scheme in an NDP Province is fly-by-night groups. No doubt there will be some high risk ventures, with the people of Manitoba putting up the money for these fly-by-night groups.

I have some statistics here going back to when the NDP Government was in power between 1969 and 1977. They show that we had a loss of employment and a loss of job opportunities for youth at that time. These are statistics I received from an investment counsellor who was very actively engaged in assisting businesses to move out of the Province of Manitoba between 1969 and 1977. He gives a list of the moneys that were moved out. These are not figures one can obtain very easily. Not many investors like to put an ad in the paper or make any kind of announcement that they are moving out of a Province or a country together with their money. This investment counsellor points out:

> Countries or for that matter provinces which have nationalistic, leftist or extremely strong bureaucratic tendencies make striving and successful entrepreneurs feel uncomfortable.

Businesses in Manitoba certainly are being left to feel uncomfortable with this Manitoba workers' tax.

I have statistics here of a number of businesses and individuals who moved their money out of the Province of Manitoba because they simply did not trust socialist Governments. I have statistics here from a number of firms and the billions of dollars that were driven out of the Province. This investment counsellor estimates there was a loss of up to 17,000 jobs for the group of individuals for whom he acted. So much for this venture capital deal being introduced by the NDP Government in Manitoba.

In closing I want to say that it is unfortunate that the Hon. Member for Winnipeg-St. James did not include mention of the NDP Government in Manitoba and what provincial Governments can do when they introduce regressive employees' taxes and place additional burdens on businesses. These things affect youth unemployment as well as senior unemployment, both male and female. That is the weakness of this motion.

I am sure there will be some other NDP speakers this afternoon. I hope they will make some comments and suggestions to the House. I hope they will pass the message on to their NDP colleagues in Manitoba to remove this regressive workers' tax which has placed such a burden on the businesses of Manitoba. As long as that tax stays in effect, there will be no jobs for youth or anyone else.

Mr. Keeper: Mr. Speaker, I have a question for the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie). There are two points on which I would like him to comment. He has been busy criticizing the Manitoba Government rather than the federal Liberal Government. I am really quite shocked that a Conservative Member would leave the Liberal Government unscathed when he talks about a payroll tax, particularly when that tax was brought in by a Manitoba Government because of federal cutbacks in transfer payments. I am quite puzzled why this particular Conservative Member would choose to attack the New Democrats but failed to point out—

An Hon. Member: He is a hidden Liberal.

Mr. Keeper: That is what I am beginning to suspect. I would not want to say that he is a hidden Liberal. I would not want to suggest that he belongs to the same Party as the Liberals. But I wonder why he does not attack the Liberals but only attacks the NDP.

The Hon. Member made many statements, mostly about the Manitoba Government. He said very little or nothing about the federal Liberal Government. He referred to false statements by the New Democratic Party, but it is he himself who made a statement which was clearly and unequivocally false. He said that the National Energy Program introduced by the Liberal Party was fully supported by the NDP. The Hon. Member knows that that is wrong and false. He knows that this Party opposed that program 100 per cent. Therefore I call upon him to withdraw that particular statement and explain to the House why he chose to attack the NDP and failed to go after the Liberal Party.

• (1640)

Mr. McKenzie: Mr. Speaker, I will handle the last part of the question first. The Hon. Member for Winnipeg-St. James said that his Party did not support the National Energy Program. That Party might not have supported it in its entirety because it did not go far enough to nationalize and socialize the Canadian oil industry. That was the NDP objection.

Also the Hon. Member said that I did not attack the Liberal Government. I do not think he was in the House for my full speech. I mentioned the socialistic National Energy Program and its disastrous effect on businesses and industries across the country. I will send him copies of some of my speeches on the NEP and some of my attacks on the Government over the years. I have never taken a back seat in attacking the Government. My record is well known.

If the Hon. Member for Winnipeg-St. James said that his Party did not support the National Energy Program in its entirety, I will apologize. When I think about it now, the only reason why that Party did not support it fully was because it did not go far enough. If we went as far as the New Democratic Party wanted to go to nationalize the Canadian oil industry, we would have lost 200,000 jobs rather than the 60,000 we have lost.

The Acting Speaker (Mr. Corbin): Questions. Comments. Debate.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I rise to support the motion of the Hon. Member for Winnipeg-St. James (Mr. Keeper) which reads:

> That this House condemn the tragic implications of monetarist economic policies adopted by this Government that resulted in 24 per cent unemployment among young Canadians and that deny reasonable job prospects for the 300,000 young Canadians graduating from post-secondary institutions this Spring.

I join my colleague in condemning the Government for bringing about the disastrous situation in the country today.

Last Saturday I had the opportunity to visit the University of Saskatchewan which is in the heart of the constituency of Saskatoon East. In a sense, it is the very lifeblood of the constituency. The University goes back to 1911. It was built by our forefathers when they saw that education and the preparation of young people for jobs in the future were part and parcel of the prospects in western Canada. When the pioneers first broke the soil of the bare Prairies, it is interesting to note that they realized that if they did not go ahead immediately with establishing institutions to prepare their young people, the future would not be much of a future.

Some 3,000 people gathered together at the University of Saskatchewan on Saturday to take part in a peace march to City Hall. There were senior citizens and children taking part, but basically the majority were university students. Many of them were the organizers and had something to do with the campus. I was with them as they went down Twenty-fifth Street and over the bridge. I could not help but feel that these young people were facing the menace of an atomic war at the same time as huge problems in their own lives. After all the preparation they had made, with the assistance of their parents, teachers and communities, they were reaching a point in their lives when they would be unemployed persons and would join an army of unemployed of their own age group numbering 600,000 people. The 300,000 graduates who will be coming out will turn that army of people into almost a million.

I would like to put some flesh and bones on that number. Our society has become so accustomed to using huge numbers such as millions, billions and trillions that it is difficult to visualize a million people. Something we can feel and see to a certain extent is the Canadian expeditionary forces in the Second World War, the military forces which were established and grew up in Canada from 1939 to 1945. Those who are my age and older can remember just how many people that was, or what it felt like to have that many military people around. Actually I was told this afternoon that between 1939 and 1945 there were 1,086,771 Canadian men and women who joined the Armed Forces—over 730,000 in the army, 249,000 in the air force and 106,000 in the navy. Many of us can remember those days. We remember how many people were in the military. There were troup trains, army camps and a constant movement of people who were marked because they wore military uniforms. An entire economy developed around the building of military bases, aircraft, tanks and the whole business which was part of the war effort. When we talk about the unemployed today we are talking about a hidden army which is equal in size to the army Canada was able to build up during the Second World War.

Basically I have a philosophical problem today. I have a question which I cannot answer totally and with which I am sure people all over the world are struggling. Why was it possible to turn around a broken economy in 1939 and build up such a large war machine which went off to destroy, kill and burn—and other countries were doing the same thing to us—and today it is not possible to raise what I would call an army of peace? We all know that the problems of the world today

are of such a magnitude that we should not have any unemployed at all. The workers required to bring clean water to the people of the world, to build roads, houses, sewer systems, hospitals and schools are innumerable. Why can we not do such things rather than begin to re-arm all over again in an attempt to blow apart the entire planet? This is a question which we all have to face at this time. I do not feel there is that much time left in which to face it.

As I walked with these young people on Saturday, I talked about the question of unemployment, the future of atomic warfare, their own futures, their probable marriages and the families they hoped to have. I felt a subtle but across-the-board silent despair in many of these people about future prospects. They did not know if there would be any prospects for them in the future.

Also on Saturday I had an interesting encounter with a young farmer from Saskatchewan, a person I have known for a number of years. He is married and has his own farm. During the spring and summer seasons he needs an extra hired man. This year he felt that it would only be fair, because of the large number of unemployed young people in his community, to advertise the job in a local newspaper. He advertised for one young farmhand to spend the summer working with him on his farm. He had never done this in previous years but he felt it was necessary this year. He was swamped with responses from strong, healthy, eager, energetic young men wanting the job. In the matter of a few hours he was able to pick his hired man. However, the flow of people continued in an attempt to obtain that one job. One morning there was a knock at the door. A young man had ridden out from the local town, a good number of miles away, on a bicycle. He was sweating and he was tired and he just simply said, "Can I have the job?" And of course the young farmer simply had to say, "The job is gone." And so they sat down and had a cup of coffee and the farmer's wife asked, "Would you like to have a ride back into town because I will be driving the truck back into town?" The young man said, "No, I will go back on my bicycle because I have nothing else to do."

• (1650)

That young man, Mr. Speaker, is the symbol of thousands, now becoming millions, of young people in our country.

This very day, my office was in contact with Simon Johnson, the President of the University of Saskatchewan Student Union. He told my assistant that only about one-third of the commerce and engineering students will get job interviews this year. Even less will get jobs. He, representing the student body which has swelled to a very large number this past year, was feeling the same kind of silent despair that I have been talking about. He was wondering what would happen to them, where it would all lead, what would be their future. Many of those students who get job interviews and finally get a job, the lucky ones, rarely get a job that they feel they are fit to handle right now.

Young people are caught in a dilemma. They could not get employment last year or two years ago, so what did they do? Well, many of them feel that as they are young and have the opportunity, and as we have a good university and good training facilities in other skills, they can take a year or two of their lives to go back to school to upgrade their education. But this has had an impact upon the university. It has swelled the student population.

Several months ago, I met with the faculty association at the University of Saskatchewan. The members of the faculty association were wondering what would happen to the university. They said, "We are now being in a sense overstocked with students, but at the same time our university budget is being cut back." The impact of the Government's six and five program on transfer payments to the Provinces with regard to education has been to cut back funds to the university. Professors at the university must teach these larger classes with less funds than they had previously. So we really have what could be called a Catch-22 situation.

Young people trying to upgrade themselves are going back to university and, at the same time, universities that are not able to cope with the present load are being burdened by this new load. In light of this, the faculty association is afraid that the quality of teaching will decline, that the quality of the education, the training, and the graduates that they have produced over many years will come under such intense pressure that, against their will, the students will come out into the work force ill-prepared to deal with the very complex situation that awaits them.

This complex situation is one that I believe must be looked at from a far broader perspective than simply the Canadian point of view. Earlier, when the Minister spoke on the subject, I asked him about serious futuristic planning for Canadian young people to enable them to fit into the whole work pattern on this planet, how they will fit into the whole system when the majority of the population of the world is under 25 years old. So the problems that face Canada are only a portion of the problems that face the rest of the world.

If we are serious about planning to solve the problems of our Canadian young people who are now under this kind of pressure, we must do that kind of planning within the reality of the whole world. Unless the planning is done in that sense and unless we look at it as a global question, rather than try to solve the problems bit by bit on an ad hoc basis within our own little country, the problems will not be solved. There is a necessity for a futurist vision, for people who can really look at the whole world around us and put our Canadian situation into that context. Unless that is done, I feel that there will be no solution at all to our own Canadian problems.

Interestingly enough, the Canadian Catholic Bishops' January statement spoke to one of the principles that they felt was necessary to resolve the question of the crisis in the Canadian economy. The thrust of their statement was that the right to a job is a human right, a right that everyone must have in order to develop as a human being. They indicated that the necessity to have a job, to be able to grow with that job, is the very essence of human life at this time.

While agreeing with the Bishops' assertion that jobs are necessary for every single person and that seeing to that should be the priority of any Government at any time, I would at the same time question the Bishops' statement in another area, an area that I think can reflect back on the present problem as well. I would criticize the Bishops' statement to the extent that they almost totally neglected agriculture. I think that it is very important in today's world to look at what has happened in modern agriculture as an indicator of what will happen in all other sectors of the work world.

Agriculture is an area that has entered into technology to a far larger extent and sooner, I believe, than many other areas. The University of Saskatchewan was built by pioneers who came to Saskatoon at the turn of the century and immediately began to build this university which includes a great agricultural school. At the time the university was founded, agriculture was a form of production that required a great number of people. These people are depicted in old pictures that can be seen all over the West, pictures of big threshing crews and of the trains that transported working people from the East out to the West to harvest the crops. To harvest even a small farm required maybe one machine and 40 men. Besides that there were bunkhouses and cookhouses and cooks and all the rest of the workers who went with this operation of harvesting let alone ploughing, sowing, and everything else involving a great number of people.

What happened to the farming industry was that it mechanized. It mechanized at a very high level so that for the same amount of land and higher production, one person or two at the most can now do what formerly took 40, 60, or 80 people to do. Those farmers who lost their jobs, one might say, had to get off the land, come to the city and build it. At that time, industry absorbed those people in the new jobs of manufacturing cars or whatever had to be done.

Now the industries in the cities are beginning to go the way of the old farm. What is happening now is that industry does not need that same number of people to produce what is needed. That problem must be faced, and it must be faced in the context of the whole planetary system.

Interestingly enough, some people may have seen last night on television the report that British Leyland, an automotive company in England that produces very high quality cars, has cut back over 25 per cent of its work force in the last two years but now produces three times as many cars. That is the same thing that happened in agriculture in the Prairies in the 1930s when they sold off their horses and bought a little tractor and began to do more cultivating than was possible with horses. It was a big breakthrough. Now it is happening in all industry. The robot system and new technology makes it possible to produce more goods with less people.

• (1700)

Basically we come to the question of what is human work. That question has to be faced by everyone. Traditionally, since the time of the industrial revolution people have associated income or livelihood with work. I would say that in general we are still talking in those terms, but I believe we must question that now. Will there be enough jobs? Will it be possible to produce anything more than we need and have everybody work, or does society have to look at a new way of distributing the products of industry and farming? There must be a serious rethinking about how goods produced by human beings are distributed by human beings. It is too big a question to put here, but I believe we must consider it when talking about unemployment in the present age.

To recapitulate, Mr. Speaker, as a people, as a Parliament, as a Government I believe we have to look at questions that we have not considered seriously before. We have to see that everyone has a job, but those jobs could be very different from anything we have known in the past.

Mr. Deputy Speaker: Do any Hon. Members rise to ask questions? If not, the Chair will recognize the Hon. Member for Sudbury (Mr. Frith).

Mr. Doug Frith (Sudbury): Mr. Speaker, before getting into the main part of my remarks I should like to congratulate the Hon. Member for Saskatoon East (Mr. Ogle) for adding a new dimension to the discussion this afternoon. He outlined quite properly some of the problems that face our youth today. Some of the issues he raised not only affect our youth but also affect most Canadians in the work force and not on the unemployment rolls. Some of the technological changes that he mentioned as having taken place in the last 30 or 40 years are still occurring every hour of every working day in Canada and in most western industrialized nations. Each of these technological changes that takes place means a loss of jobs for workers in any segment of the economy you wish to look at. The Hon. Member mentioned the massive mechanization of the agricultural sector not only in Canada but in most western countries. He pointed out that over a period of time workers who previously found work in the agricultural sector were able to move, as part of what Toffler calls "the second wave of the industrial revolution" into the metropolis and find jobs in the manufacturing sector.

The Hon. Member is well aware that in the last three or four years a technological revolution has taken place in the agricultural industry. The technological change is frightening to many people, but in industrialized countries they are going to have to be educated to it. It will accelerate over the next five to seven years and it is not going to go away. If anything, experience should dictate that as we get into what I term the post-industrialized age, robotics and microprocessors will become more common. Everyone talks about the computer revolution that is taking place today, but I believe that is only going to have a very small effect on employment patterns in the western world compared to the effect that microprocessors will have.

Over the years the Hon. Member for Saskatoon East has given me a list of reading material to educate me in some of the areas that affect all of us in today's world. I should like to recommend two books. First, Toffler's "Third Wave", but more important a book called "Megatrends" by Anderson. He

attempts to put some semblance of order into a very chaotic changeover in our society. This does not necessarily mean that I think both authors have all the answers for Government and Members of Parliament attempting to come to grips with the problems created by the technological revolution in all sectors of our economy.

The Hon. Member for Saskatoon East mentioned that he wished there was some sort of forum where the best of our futurist thinkers could put their heads together and decide how the world economy is evolving. I agree because in today's complex society I believe that Government needs lead time to decide on policies that are better than the band-aid solutions which, as I frequently have to admit to my constituents in Sudbury, are not much more than stop-gap measures. They give us time to adjust to the technological changes that both Government and business have difficulty in coming to grips with, regardless of the sector of the economy, be it mining, agriculture or manufacturing.

I think it is safe to say that there is no Member of Parliament who does not have a youth unemployment problem in his riding. During my three years here it is one of the most difficult things I have had to come to grips with. When I have to replace an assistant, for instance, I look at the 60 or 70 resumés that I keep on file. Many of the applicants have masters degrees and are not working at all or are in work which is not related to the discipline they studied in university or community college.

Today the young people of Canada are facing an extremely serious situation trying to find their place in the labour market. It is with some regret that I say the situation is likely to exist for the next two or three years. Their problem is also Canada's problem because on our youth rests the economic future of the country. Their potential skills are essential to the well-being of the country.

An economic recovery is now taking place. I was surprised to see a Thompson newspaper with the courage to publish the kind of headline that appeared in this morning's *Globe and Mail*. Normally all they have been doing, in my view, is to place a negative interpretation on any Government policies that have been instituted to deal with our problems over the last three years. It now appears that all the indicators show that we are going to come out of this recession much quicker than was anticipated. However, as always, the recovery in youth employment will lag behind the unemployment rate of adults. That has been true throughout our economic history. In times of economic recession young people are the first to be laid off and the last to be rehired in an economic recovery. This is mainly because they have little experience and virtually no seniority.

From a federal Government standpoint, we realize the extent of the problem in the country. At the same time, when placing a budget before the public, we recognize that other constituents have needs that must be addressed because they also have valid concerns about the way in which Government programs should be tailored for them as well.

I can say that we are doing as much as we can in order to lower somewhat the youth unemployment rate in the country. If we take a look at the unemployment rate for youth between the ages of 15 and 24, we find that it is somewhere between 25 per cent and 30 per cent. I suppose you could argue effectively that there is nothing that the Government can do which would be good enough in order to put a serious dent in that unemployment rate among our youth.

• (1710)

What I would like to do is to outline to the people of Canada, its youth in particular, the programs which are specifically designed for them because I believe one of the problems we have in the House as Members of Parliament is that there is a multitude of Government programs which are specifically geared for certain segments of our population, and often, although the programs are there, the people are not sufficiently aware of them to use them effectively. As an example, this year the Canada Employment and Immigration Commission alone will be spending more than $1 billion on programs and services for youth. That is an increase of some 25.4 per cent over the year before.

Although we have heard mention before that the six and five program has dampened, in some cases, the amounts of moneys placed in university budgets in terms of the commitment of this Government to solve the overwhelming number one problem in this country, that is, inflation, the 25.4 per cent increase over last year's budget should indicate to Canadians that we view this problem of our youth unemployment in a serious way. We are making the greatest increase in money going toward that program as compared to any others we have in the present budget.

There are various programs available to our youth. One that comes to mind is the Canada Community Development Projects or CCDP. We have the NEED Program which is specifically designed for those Canadians or youth who are about to run out of UIC benefits. We have instituted that special program, NEED in order to help those individuals. One of the most successful programs—and I believe that is recognized by most Hon. Members in the House—is the introduction of Summer Canada. This year there is an increase in the amount of money placed into Summer Canada which specifically flows to our Canadian youth. We have had previously, I believe, good examples of programs such as LEAP and the LEDA Program, which provide immediate job assistance for our young people. Something else which has been instituted in the last couple of years by this Government is what we call the specialized youth units. They are among the new initiatives we have recently adopted. They are specifically designed to assist young people between the ages of 15 and 19 in gaining access to the labour market. These units have been established in some ten locations across the country, and five more are in the process of being established. In 1983-84, $10 million will be channelled to these units. Through specialized counselling and referral services, more than 43,000 young people will find employment this summer. These are what we term as chronically unemployed youth. We will aid them in setting realistic

employment goals and show them how these goals may be reached. Some of these specialized units are involved in our Canada Employment Centres. Others are attached to Outreach projects. These Outreach projects are sponsored by community organizations and are another response to the needs of young Canadians for help in finding employment. Counselling and tests are given to find if we can place a student in a job for which he is skilled, whether he is a graduate from a secondary school, community college or university. The spending of Outreach for youth projects in 1983-84 is estimated at $2.6 million, and we are hopeful that some 48,000 young people will be assisted.

The Government is very sensitive to the situation facing secondary and post-secondary students and the capacity of our institutions to deal with the growing demands placed on them. Students themselves must be able to finance their own pursuit of knowledge and skills. In a year when there are indications that the private sector will be cautious in its hiring of students, I believe that clearly Governments must take up that slack. We must ensure that students who wish to stay in school can do so, particularly in fields of study for which there is likely to be a strong demand in the years ahead.

Summer Canada has been allocated additional funds this year to enable students to gain relevant work experience while accummulating an adequate income in order to ensure their financial viability to pursue another year of their educational studies. For instance, this summer some $140 million will be allocated to Summer Canada for summer employment programs for students. Some $28 million of this money has been allocated to fund one of Summer Canada's most successful elements, and that is called summer internships. These internships recognize that much of the difficulty faced by young people today can be traced to their problems in moving from school to work and the importance of combining work experience with formal education.

As an aside to that, Mr. Speaker, I might point out that in our country the work element is a means of furthering education. In other countries there has been a tendency to use education as a means of getting work. We are studying the experience of Germany and Austria where vocational education and on-the-job training are integral to the transition from school to work.

I might also point out that in the last several weeks I have had the occasion to visit both Washington and San Francisco where I visited both the Brookings Institute and the Hoover Institute and asked them some of the questions about what in fact the United States Government was planning on doing over the next several years in order to address its equally important problem of youth unemployment. It is interesting to note that the Canadian Government will be spending, over the next two years, roughly three times the amount of money per capita aimed at the youth employment market that the United States Government is spending. I mention this because I asked them if they had any sort of think-tank forums in an attempt to pinpoint where the United States Government feels there will be job opportunities for its young in the latter part of the eighties. The director of one of the think-tanks at the Brookings Institute said they had attempted to do that in the last three to four years and found they were not very successful at being able to predict which occupations would require employment five years down the road. I mention that because I know the Hon. Member for Saskatoon East has made that suggestion, and I would concur with him that we do need more kinds of conferences and futuristic thinking about where this world of ours is heading. However, I believe we must be realistic about what can be obtained from that kind of environment.

I believe, personally, that what we must do much more of in the future is to tie the moneys which are directed at youth unemployment to the private sector, because the private sector is much more on the leading edge of the changes in technology and is much more aware of the effect it is having on business than Government can ever be. I would think we should be working hand in hand with industry and companies to help pinpoint with them where they feel their skill shortages are going to occur. Rather than designing programs, I believe what we should be doing is allowing subsidies to encourage the private sector to retrain its own existing work force, to hire young Canadians in the areas where they feel they can get on-the-job experience, and tie it back to the educational system.

I believe that in the last several years, particularly at the post-secondary or community college level, there has been far too much feeling that the academia stays strictly within its own bounds of expertise or reality, or at least its feeling of reality, and does not tie those programs to industry. I find too often that if you take a look at the community college level, or the university level, you find far too many boom-bust cycles. For examples, in one case we were encouraging young people continuously for three years, to go into nursing saying there was going to be a massive shortage of nurses, and suddenly we found we had flooded the market with nurses, and so there is another occupational skill that has gone down in terms of the number of people qualified in that field.

I believe that as a Government we have to co-operate with both labour and business and with the educational facilities, whether those are community colleges or universities. We must work together to develop a long-range program which is going to aid all of us. If we could do that, I believe it would go a long way towards helping us work out our problems with youth unemployment.

I mentioned before that the Canadian Employment Information Centre operates more than 400 Canada Employment Centres for students between April and September of every year. I know most Members of Parliament have probably been invited over the next month or two to open up a particular centre in their own riding. This year we expect some 328,000 job placements from these centres. That is a massive accomplishment which has taken place over the last several years. I think business has responded to the requests from those centres. They have gone a long way toward giving students some employment, particularly in the last years when we have had an economic recession and businesses have not been able

to hire students. The Canadian Government came out with programs which have effectively allowed thousands of students the opportunity to go back to university or community colleges and continue their education.

• (1720)

For those young people who have the education they need but are unable to get that very first good job, we have a new technology employment program. It offers employers a wage subsidy to hire recent graduates trained in scientific or technical areas but who are temporarily unable to find work in their own field. This year we expect to spend some $1.5 million on that program and thus help several thousand students. I would also like to mention new pilot projects being developed to meet the special needs of the young workers. These projects have been conducted at the University of Winnipeg and the University of Manitoba. About 580 students are benefiting from jobs which provide them with the money they need to continue their studies and at the same time gain the experience they need to enter into the labour market.

I am going to conclude by saying that unless we help our youth with the difficult transition from school to work, we risk losing their production potential. This issue crosses jurisdictional lines and it requires a concerted and co-operative effort on the part of the Provinces and the federal Government, and I think business, labour and educational institutions, to develop a new and effective strategy to aid our young people and hopefully bring down this tremendously high unemployment rate amongst that group.

Mr. Keeper: Mr. Speaker, the Member presented a very thoughtful address to the House and I want to put a question to him in the same vein. The Hon. Member mentioned that he agreed with my colleague, the Hon. Member for Saskatoon East (Mr. Ogle) on the need for looking into the future for possible new definitions of work and that whole area. At first I thought, why is the Government not sponsoring such a forum in order to get this sort of thing done? But later on he said he thought, on the basis of his talks with people at the Brookings Institute who were not very successful at predicting needed jobs, that this whole question should be tied to the private sector. I want to put two thoughts forward and ask for the Hon. Member's reaction.

Why has the Government not yet chosen to support the Labour Market Institute, an institution created by business and labour with a view to finding a practical way of getting a handle on what kind of jobs are needed and what kind we should be training for? This kind of institution could have access to information from the business community which otherwise is not available. That would be a way of predicting what we need to train people for. The Hon. Member also emphasized the private sector and how education in Europe can be a way to get into the work environment and the marketplace. The National Training Act, when it came down, really continued the old system of simple subsidies—

Mr. Deputy Speaker: The Hon. Member should make a brief point or ask a question.

Mr. Keeper: Thank you for the reminder, Mr. Speaker. The question is basically this: why has the Government not moved to put in place a training system located in the private sector? An example would be the grant and levy system which we proposed in earlier discussions.

Mr. Frith: Mr. Speaker, the Member mentioned two particular projects I am not familiar with. But if you look at the National Training Act, I know the Minister of Employment and Immigration (Mr. Axworthy), when he introduced that Act, mentioned that it is flexible enough to utilize Government funds on creative projects. My suggestion to the Hon. Member is that he approach the Minister and ask him to take a look at them. It does not mean that every project put before the Minister is going to be funded, but I do know we have done some innovative things using the national training centres across the country. I think there is tremendous potential there. I am involved in a project, as the Minister of National Health and Welfare (Miss Bégin) knows, with the University of British Columbia and the riding of Quadra, trying to utilize the Act to retain young Canadians in western Canada in the medical technology field. So it should be innovative that way.

As to the reference to the Brookings Institute. By no stretch of the imagination am I saying that we should not be funding these futurist conferences. One of the major things we as politicians will have to do, regardless of political Party, is to educate the Canadian public as to what is happening with respect to the information explosion and the effect it is going to have on all sectors of the economy and employment opportunities. This does not apply just to youth; it concerns the need to have continuous retraining throughout our lifetime in different fields. The conferences I mentioned can go a long way to achieve that goal. I think it is very important that we teach Canadians not to be afraid of the future, that change—even chaotic change—does not necessarily mean there has to be fear. Change, if it is properly harnessed by Government, business and labour, can be an enriching experience of great benefit to those affected by it.

Coming back to the other area, the experience in the United States, when you look at the amount of dollars being pumped into the system, you will find that in Canada we will spend on a per capita basis three times the amount of money spent in the United States. We are beginning to realize that you have to tie that to the private sector because it is on the leading edge of technological change and it sees it every day because it is out in the marketplace. I think that is where we should be putting more of our funds.

Mr. Gilchrist: Mr. Speaker, the subject raised by the Hon. Member for Winnipeg-St. James (Mr. Keeper) is of course a very sensitive point and an important subject. It has been responded to in a sensitive manner by the Hon. Member for Sudbury (Mr. Frith), and I would like to pose a question to him.

I was distressed to hear him say that he felt the Government was unable to do very much about youth unemployment. He advocated looking at futuristic conferences and planning for the world of tomorrow. All of which, of course, any thinking person would agree with. But has he not been involved in discussions within his own Party and the Government on matters affecting the country today? Unemployment is not a new phenomenon, nor is the information society of which he speaks now. I am distressed that the budget papers say that the existing tax structure in support of research and future jobs is complicated and somewhat arbitrary and falls well short of the Government's to target assistance. The budget papers then go on to advocate more planning, thinking and discussion.

Does the Hon. Member not believe that the discussion part should be well behind us now and that it is time for action? It is clearly known what the opportunities of the information age are for Canadians, and that it will take massive support, but at the same time it provides massive opportunity. I would like to know what specifically he advocates rather than just talking around the subject.

Mr. Frith: Mr. Speaker, the Hon. Member asks two questions. First he said that he is disappointed because I say that the youth unemployment level is going to remain high for the next two or three years. Let us say that someone asks you, right after the budget: what is this going to do for Canada's unemployed? The figures used show that in order to bring down effectively the unemployment rate in Canada from the present level of roughly 12.4 per cent to 10 per cent an additional stimulus of $12 billion to $13 billion to the economy would be needed. We clearly do not have that kind of manoeuvring room. The unemployment situation is a priority but, quite frankly, we cannot spend ourselves out of unemployment. That cost is far too high. When I say that, I do not want to create any false expectations among Canadian youths. The fact that we are placing this emphasis on increasing by some 25 per cent the amount of moneys put into youth employment programs this summer, does not necessarily mean that the problem will go away.

• (1730)

On behalf of many people on this side of the House I can say that we have been advocating research and development. I think the Government has listened, and Hon. Members opposite can argue that it has not listened well enough in terms of the Cabinet process. We should be putting far more money and emphasis on research and development. If we consider the commitment from the 1980 budget through to the 1983 budget, we find that there has been an increasing importance placed by the Government on the need to put more money into research and development. I could not agree more with Hon. Members of this institution. If I had my "druthers", I would place a tremendous amount of money into research and development because the spin-offs would ultimately do the largest amount of good with respect to unemployment four or five years down the road. If we do not put our money into research and development, we will not develop the leading technological edge and our share of the world market in the information system.

Mr. Walter McLean (Waterloo): Mr. Speaker, in participating in the debate today, I identify with the concern raised in the Opposition motion, the concern which focuses on the tragic implications of the economic policies of the Government which have resulted in 24 per cent unemployment amongst Canadian young people, and which deny reasonable job prospects to the 300,000 young Canadians graduating from post-secondary institutions this Spring.

Today I have had the opportunity to be in touch with universities in my constituency. During the weekend, while attending a reception for the retiring student president at the University of Waterloo, a young man said to me, "Mr. McLean, I want to come to your office because I want to find some work. I am not just concerned about work and payments, but I would appreciate it if you could help me find work where I can gain some work experience, even if I am paid very little or nothing. After completing three years of study, it is most upsetting to find that I have been somehow relegated to a position where I find myself without meaningful entry into the work force". He reflects what we as parliamentarians are hearing across the country, the concern on the part of many young people that somehow they are not a part of society, that they are expected somehow to sit and wait at the convenience of the Government or powers that be and may then enter, if things work out, into the life of Canada.

At the moment, the statistics before us present not only a serious economic but also a serious social question. I want to suggest that the Government, in focusing on employment measures, has not focused on the social implications and the potential unrest of our energetic young people. Second, it has almost totally ignored the sector of our society best equipped to engage these young people, to give them an apprenticeship, to give them some type of internship which would permit them then to enter into the life of Canada.

As we engage in this debate on April 26, we are faced with the fact that 40 per cent of the 1.6 million Canadians who are unemployed are young people. We have been told that in March there were 621,000 unemployed young people. As we know, young people comprise only 25 per cent of the labour force, yet in March. Statistics Canada reported that the over-all unemployment rate for Canadians of all ages was 12.6 per cent. The percentage of unemployed young people is almost double the over-all percentage, reportedly 21.3 per cent.

Looking ahead through the fiscal year 1983-84, the Government suggests that it will spend $260 million on youth employment measures. As we know, $100 million was allocated to summer student employment schemes prior to the April 19 budget, and $160 million was allocated as a result of the new budgetary measures. As we look at these studied estimates for the 1983-84 year, we find that expenditures on youth employment measures are to be as follows: the Summer Canada Employment Program, $170 million; youth internships and job

Corps, $20 million; Defence Youth Program, $60 million; and Katimavik, $10 million. As I consider these announcements, I do not find that they bring a great echo of encouragement.

In speaking today to the Registrar at Wilfrid Laurier University, he told me that approximately 940 students will be entering the work force this summer. However, his comment was that the university graduate is still the most likely to find employment, according to his statistics, because it is more advantageous to fund post-secondary education rather than the unemployment cushion. However, he suggested that of those going out, the great majority from the University are still without significant hope.

The Registrar's Office of the University of Waterloo, which has a world class program of cooperative education, stated that there will be approximately 2,600 students graduating at the convocation this Spring. The final figures, of course, have not been exactly determined. However, this is the estimate with respect to a university student population of close to 20,000. The head of graduate placement, Tom Fitzgerald, told me today that although no final figures are yet known, placement is definitely down from last year. The number of employers recruiting graduates is down by more than 50 per cent over the last calendar year. Approximately one in four engineering graduates has a permanent position to which to go. Only two areas are doing well: computer science and electrical engineering. Science graduates are doing about 25 per cent as well.

With this particular situation in mind, I want to turn my attention for a few moments to the capacity to absorb not only the university-trained graduates, the great majority of whom are not optimistic, but also many of those who are leaving secondary institutions. Where can they be incorporated? How can we somehow begin to take them into the life of the country? The Government proposes several areas, but they are relatively low in employment numbers. For example, the Defence Youth Program will provide work for 5,000 over two years, and Katimavik will provide experience for 4,000 over two years. We are dealing with large numbers in the universities in my own area. In terms of the national picture, we begin to realize the size of the problem we are facing.

We have been hearing from agencies such as the Canadian Council on Social Development and others about the social implications of not addressing the employment situation. For a moment let me share an excerpt from "Youth: The Forgotten Generation A Study of Skill. Training and Apprenticeship Programs in Metro Toronto", dated February of 1982. That report says:

• (1740)

In the past, society looked to its youth to be the future strength of communities. But even then too many youths were left behind. Now the problem has grown worse. The aged, the aging, the training of high-tech workers and other special needs groups gained most of the attention.

Today's youths are being forgotten as we are distracted by continual economic crises and rapidly changing technology. Personal alienation and the risks of social unrest have become substantial and appear to be worsening.

It was in the context of this social concern for the potential of this group that the YMCA, one of our significant national voluntary agencies, undertook a pilot project. It proposed 104 jobs to the CCSP Program of employment. They all had objectives related to the development of volunteers, staff development, social development and program benefits. They stated in their report that the support of jobs of this nature has double benefits in that jobs are created and at the same time some kind of community need is addressed that might otherwise have to be paid for by the Government.

I have a report from the YMCA Canada Community Service project study which was piloted by the YMCA here in Ottawa. This project report has some very interesting statistics which illustrate the information which has been brought forward by the National Voluntary Organizations Coalition. It suggests to the Government in its brief, addressed to both the Secretary of State (Mr. Joyal) and the Minister of Finance (Mr. Lalonde), that there is an enormous job creation and retraining capacity in the voluntary sector, and that this capacity in particular can be related to the high unemployment of our Canadian youth.

It is very interesting that the budget ignores the voluntary sector with the exception of the reduction of the $100 charitable deduction. The Minister of Finance tries to portray to the country and the House that he is somehow doing the voluntary sector a favour by removing that $100 deduction, but he has failed to give any incentives to the voluntary agencies of this country. As Members of the House know, there are over 40,000 registered charities.

I will return to this statistical analysis project conducted by the YMCA as an illustration of the capacity of this sector. Members of the House may ask who these groups are who have been excluded from the incentives that the Government has put forward. Let me go through the list of Members of the NVO Coalition. There we find the names of the churches of Canada, Big Brothers, the Boy Scouts of Canada. We find such groups as amateur hockey associations, associations for the prevention of crime, the Association for the Mentally Retarded, Neighbourhood Services and the Association for the Deaf. There is the Congress for Learning Opportunities for Women and the Council for Youth. We find the Mental Health Association, the Red Cross, the 4-H Council and the Girl Guides of Canada. There is the John Howard Society, the National Councils of the YM-YWCA, OXFAM, the Native Council of Canada, the Salvation Army and the Unitarian Service Committee. There is La fédération des femmes du Québec. There is an ongoing list of national voluntary agencies.

These agencies, which are represented in the brief that was presented to the Minister, are charities which took in some $5.6 billion in 1980, which is equivalent to 11 per cent of all federal Government revenues, or almost 2 per cent of the Gross National Product. Their wage bill alone was $1.7 billion in 1980 and was estimated to compensate 173,000 workers. This represents 1.6 per cent of the employed workers in Canada, twice as many as are directly employed in the forest industry, one-quarter of all employed in public administration at all levels of Government, or all the employed workers in Newfoundland. We are talking about a sector which has 2.7

million Canadians who volunteered 373 million hours in 1979-80.

This large economic unit is offered no incentive, no encouragement to be part of an employment strategy, particularly when so many of them are youth-related. Canada's 40,000 charities approximately must be seen as a considerable economic force and as part of the response to the current unemployment crisis, particularly as it concerns the youth focus.

I suggest that the Government can address the key issues which have been put forward by the Coalition. The Government has suggested that it has studied these proposals, but then it removed the $100 standard charitable deduction as if that were somehow an incentive to these agencies with all of their capacity to begin to use it for job creation and retraining.

While speaking of the capacity of this sector, let me elaborate on the pilot project of the YMCA. There are 45 associations which proposed 104 jobs for a total of $1,187,377. Thirty-six associations received support for 48 jobs, for a total of just over $500,000. Of the 48 jobs created, 36 of them are projected to be permanent. The success rate of permanent job creation is 75 per cent.

These categories of jobs include physical education and fitness, community development, pre-school children's programs, international development, rehabilitation services, education and program administration. Eighty-five per cent of those hired fall within one of the Government's affirmative action target groups. The estimated potential of new job creation at present is between 75 per cent and 80 per cent. I am trying to suggest to the House that given today's statistics of youth unemployment at double the national average and given the need to deal with the potential alienation of our young people, this Government ought to be censured and condemned for its failure to involve this sector in addressing this serious problem with all the implications for social unrest and alienation if young people are not considered.

I suggest that if the national voluntary agencies were offered an incentive through tax incentives, they could have their funding increased and be able to maintain their independence to do their own work. Instead, the Government chooses to tell these agencies that they will have grants available from time to time through existing programs if those agencies do what the Government says. If we are to maintain the vibrance and vitality of this sector, it is important that these agencies have a sense of making their own plans and are not beholden to anyone else or somehow forced to stay in line through the control of Government funding. Instead, there should be some trust in this sector.

One needs only to look at the list of agencies to understand the sense of involvement, the hours of voluntary activity and the skills of those volunteers. One can see their willingness to train others and in the process of helping our young people give them some sense of involvement in the community and eventually provide them with a skill which they can offer.

We are told that the unemployment rates will not decrease dramatically and that it will take time. It has been suggested that we must put some short-term operations in place while we wait. It is a proven fact that the voluntary sector of this country can engage young people quickly and place them in jobs, provide training and involve them in the life of the community.

• (1750)

The Canadian Federation of Students, a national post-secondary student organization representing almost half a million students, has been expressing its concerns to me. The students were responding to a proposal put forward by a Member, a supporter of the Government, regarding the youth employment capacity of our Canadian Forces. The suggestion was that there would be a creation of some 20,000 jobs. We notice now the figure is 5,000 over a two-year period. What the Government says in response to that is that this country's economy and the unemployed youth in this country do not need band-aid solutions to the chronic unemployment and under-employment crisis. They go on to call for the implementation of the strategy outlined in the Employment Opportunities for the 80s Task Force, "Work for Tomorrow". Rather than short-term schemes, they ask the Government to support projects which will have an involvement in the life of the community and will give some life skills of lasting duration. This is the direction the national voluntary agencies could offer that the proposals the Government has put forward do not offer.

Mr. Simon de Jong (Regina East): Mr. Speaker, in closing this debate for the NDP, I am grateful for the opportunity to say a few words. I understand I am to share my time with a Member of the Government Party and I thank him for giving me a few comments to put some comments and suggestions on the record.

The debate today has indicated the seriousness of the situation that confronts young people in terms of their future, in terms of employment, in terms of asking themselves where they are going. As human beings they must be asking themselves, what should they do with their lives? It is not just a question of youth unemployment; it is a question of unemployment generally. But it is our young people who are on the edge of experiencing a problem which all of society will be experiencing.

When we look at young people and the dilemma they face, we see the terrible social costs already. For example, the suicide rate among young people between the ages of 15 and 24 has quadrupled since 1940. There is a lack of sense of future, of hope, of a sense of direction and a sense of purpose which creates not just economic difficulties but psychological and social difficulties for the young, and I would say for society as a whole.

Perhaps instead of going through all the terrible frustration, anxiety and lack of hope that young people face, can I in the few moments I have try to flip the coin and talk about some of the hope that could exist but does not? Surely in this day and age of tremendous technological innovation and progress occurring at a rate that we did not even dream about a few

decades ago, we should look at the calamity this is creating, particularly for our youth. We have to ask ourselves how this can be rectified. How can the potential of our age be fulfilled? The point has to be made that if we begin to fulfil that potential, it has to be among the young people. To resolve the dilemmas of our present economic and social system we should begin to utilize the energy and the ingenuity of our youth. Canada is a well educated nation. We have to utilize our potential. This is surely the challenge that we as Members of Parliament from all political Parties must face.

I think that in many ways the debate has been a non-partisan one. There is much to blame the Government for, but the problem goes deeper than just different political philosophies. The problem goes to the root of what is the purpose of life in this new coming age.

This is the beginning of the debate. It is a debate that we should have in this House on many more occasions. I look forward to opportunities to participate in these debates and to add my suggestions and the suggestions of my colleagues in the hope that solutions can be found before it is too late.

Mr. Norman Kelly (Scarborough Centre): Mr. Speaker, this afternoon two charges have been levied against the Government. The first is that the Government is unaware of the extent and the nature of the problem of youth unemployment. The second, besides this lack of awareness, is that we have done very little or nothing to respond to the problem in an effort to solve it.

I would like to demolish the first argument by saying that I doubt there is any Government or any politician in the western world who is not aware of this problem. I was delighted to hear the remarks of the last speaker which stand in contrast to the remarks of the speaker of this Party who initiated the debate. The Hon. Member for Regina East (Mr. de Jong) said that this is really a non-partisan issue. He is absolutely right. This problem is so fundamental and the solution to it is so important that I believe it should stand above partisan politics, both in the House and in other institutions.

The second charge, that the Government has done nothing about the problem, is a charge I hear frequently from Members of the NDP. I heard it in my riding several months ago. I shared a platform with a Member of the New Democratic Party who told the audience that the Government had done nothing.

In reply I asked him what he would like us to do. He said that he thought we should put together a package of programs to retrain kids, counsel and direct them. I asked him what else he would like us to do and how much money he would spend on those programs. He told me $1 billion at least. I told him that is what we have done already. The National Training Act, which was proclaimed in 1982, did exactly that. It will spend close to $1 billion in retraining, counselling and directing youths. All the things the Opposition want us to do have been done. To supplement that program there will be money spent on the Skills Growth Fund, on the COPS Program and the various programs enunciated in the budget.

This afternoon I went through the budget of the Minister of Finance (Mr. Lalonde) and the provisions it has for youth unemployment. I counted up in excess of half a billion dollars worth of programs being directed toward youth. I imagine a lot of Members of the Opposition might say, "Well, $1.5 billion is a lot of money." But in the context of this problem it is not enough. These things only constitute ad hoc band-aid programs. But I would argue that any Government must respond with the tools that it has at its disposal. It does not matter whether the Government is a Liberal Government, a Social Credit Government, a Progressive Conservative Government, or a NDP Government. You always respond to the problem with the tools at hand. Frankly, I think any person who wants to be fair and reasonable in his judgment of the Government's response to this problem would have to conclude that this Government, using the tools and the limited resources it has at its disposal, has responded extremely well. I think it should get high marks from every fair critic for its response.

[*Translation*]

Mr. Deputy Speaker: Order, please. It being six o'clock, it is my duty to inform the House that in accordance with the provisions of Standing Order 62(11), the proceedings on the motion have expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

BILINGUALISM—KATIMAVIK PROGRAM—REFUSAL TO HIRE ANGLOPHONE

Mr. Bill Domm (Peterborough): Mr. Speaker, I sought this opportunity to clarify some points raised through a question in the House of Commons on April 25, at which time I asked the Secretary of State (Mr. Joyal) to explain why a constituent in Peterborough by the name of Geoffrey Webb was denied employment with Katimavik, a national program, because he was not bilingual. Mr. Webb took the opportunity to draw to my attention that he answered an advertisement which appeared in a Toronto newspaper. The advertisement indicated that Katimavik was seeking group leaders to work in the Toronto area. One qualification to become a group leader with Katimavik was that the applicant must indicate his willingness to become bilingual. I suggest that nowhere in the ad—and I will submit it for the record—does a statement appear which indicates that in order to apply one must be bilingual.

Mr. Webb received a reply from the Katimavik Human Resource Manager of the Ontario Regional Office, Chapel Street, Ottawa, Ontario, which very specifically indicated in

its first reason for the denial of Mr. Webb's application for employment the following:

> We require leaders who are functionally bilingual and who pursue a conserver lifestyle in keeping with the Katimavik objectives.

On further investigation of his application I thought as far as a conserver lifestyle that with his involvement of three years with the armed services, his trips throughout Canada in the capacities of sales representative, production manager, and traffic manager, and his being stationed for three years as an armed service recruit in Calgary, Alberta, followed by another three years in Germany, the least they could have done was give this gentleman an interview.

However, in the interests of pursuing the issue, I asked Mr. Webb if he would be kind enough to apply for the other position, that of district co-ordinator. We must bear in mind that the job was in Toronto, Ontario. The advertisement indicated that it was located in a district comprising the Greater Toronto and surrounding area. He applied for the district co-ordinator's job and was not even given the courtesy of an interview for the following reason:

> Because of the large number of applications received in response to our organization's advertisement for the position of District Co-ordinator we have had to apply a screening process to reduce the number invited for personal interview to manageable proportions.

This resulted in a further inquiry on my part to find out exactly what were the terms of reference for jobs in Katimavik. I have had conversations with the body responsible for Katimavik known as OPCAN. I have had discussions with the staff of the office of the Secretary of State. A Mr. John O'Sullivan very kindly pointed out to me today that if a person was found to be bilingual this would be the ideal situation, meaning that if they could find a bilingual person in downtown Toronto for these programs he would be considered ideal and from there they would work with the remaining qualifications. I suggest that the House of Commons give serious consideration to the ramifications of that decision.

In the Province of Ontario we have over eight million people, of which only 475,000 are Francophones. I would suggest, and I stand to be corrected, that many of those Francophones might not even qualify because they themselves would not all be in Toronto. We are dealing with an ad in *The Globe and Mail* asking for workers in Toronto and we are immediately reducing potential Katimavik Program employees to somewhat less than 5 per cent of 8,264,000 the total population of the Province of Ontario.

• (1805)

The step that Mr. Geoffrey Webb of Peterborough is now pursuing is this letter which has been sent to the Human Rights Commission in Ottawa, Ontario, to the attention of Mr. Gordon Fairweather:

> I am lodging a complaint of discrimination against the Katimavik Programme.
>
> I answered an advertisement in the Toronto Newspaper in March 1983 for a Group leader (Copy enclosed) but my application was refused because I was not functionally Bilingual. Whereas the advertisement stated that I must indicate my willingness to become so.
>
> I also answered the next advertisement (Copy enclosed) for a district co-ordinator but again was refused this—

The reasons were given in that letter which I read into the record, in reply to in his second application. There were literally no reasons given for the refusal other than that he had one of far too many to consider being given an interview.

I would be interested in the Minister's response to the question whether he intends, through his Parliamentary Secretary, to assure this House that the qualifications as specified in the advertisement will be adhered to, so that totally bilingual people are not the only ones who can become part of the Katimavik leadership or district co-ordinator employee classification.

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, after listening to the comments made by the Hon. Member, I must say that he has amply demonstrated his ignorance with respect to the Katimavik Program. The Hon. Member is claiming that since Katimavik has projects in Toronto and the number of anglophones in Toronto is very substantial, the person in question would not have to use French. Now, I think most people are aware of the Hon. Member's views on the subject, and some people—I am not naming any names—would even go so far as to call him a frog basher. In any event, Katimavik projects cover a wide spectrum of Canadians, and a project leader must be able to communicate with participants. A representative sample of Canadians, although my hon. colleague opposite may find this most disturbing, would have to include Francophones, and these people must be able to communicate with their group leader. That has been the policy of Katimavik from the outset. Mr. Speaker, I would even say that the raison d'être of Katimavik is to bring Francophones and Anglophones together. It is too bad the Hon. Member has never taken part in this program, since it might have broadened his mind a bit.

Mr. Speaker, I think it is absolutely disgusting the way the Hon. Member is trying to launch an indirect attack on our policy of bringing together francophones and anglophones in Canada. He has been doing this since he became a Member of the House, and quite frankly, I think his francophobia is preventing him from learning what Canada is all about and from acquiring a proper appreciation of Katimavik, a program that was set up so that his children will not have the same aversion to bilingualism and to Francophones.

Mr. Speaker, I think Katimavik is entirely justified in wanting to have group leaders who are able to communicate with all participants, as is indeed the case throughout Canada.

Adjournment Debate

• (1810)

[*English*]

BANKS AND BANKING—RENEGOTIATION OF LOANS—AMOUNT OF PENALTY. (B) PLIGHT OF HOME OWNERS WITH HIGH INTEREST MORTGAGES

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, on April 25 I asked the Minister of Finance (Mr. Lalonde) a question which I consider to be of vital importance.

Almost daily, I receive correspondence and telephone calls from constituents who were forced to renew mortgages and loans during the period of excessively high interest rates. I am sure the Minister remembers those rates. At the same time he was issuing Canada Savings Bonds at an interest rate of 19.5 per cent. Of course that lasted for only a year, and they were then renewed at 12 per cent.

The Minister in his answer said that the Bank of Canada does not establish the bank rate. He is of course technically correct in his answer, but we all know that the bank does play a role albeit behind the scenes in determining how the auction of treasury bills proceeds.

I find it incredible that he refuses to even consider the plight of those Canadians stuck with high interest rate loans and mortgages. In many cases the banks and trust companies are asking for penalties of $9,000 and $10,000 to bring loans down to current rates. Reports in the Toronto papers of two weeks ago state that a $10,000 penalty is not uncommon at banks and trust companies in Toronto.

Contradictory to the Minister's answer to my supplementary question, most of the cases I have been made aware of are not short-term loans and may not be renegotiated without a penalty clause, such as he mentions. The lending institutions have protected themselves, probably quite properly, with these clauses.

Who is going to help these people? Must they continue to pay up to twice the amount in loan payments for the next four years because they were forced to renew when this Government was sponsoring a policy of high interest rates? They are left with no alternative; they cannot afford the penalties required in their loan agreement. The federal Government is the only body that can do anything about this situation.

How can the Minister be so callous as to suggest that he has no responsibility toward these people. I repeat, this anwer is not acceptable to me or, I am sure, to any other Member of this House, as it indicates that the Government feels no responsibility at all to citizens adversely affected by its policy decisions.

The budget of April 19 is another example of this. The Minister of Finance reallocated some money to help farmers in financial distress, but just enough to say he had done something. He announced a great new special recovery plan. The announced capital projects under this plan will keep a number of people employed, but I do not see any new jobs. All I see is the acceleration of already planned projects and the propping up of troubled Canadair. Again, the Government is ignoring the long-term need of our constituents for jobs, just as the Minister chooses to ignore my request for assistance for those paying unduly high interest rates on their homes.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I have to say that today is not a good day for the banks in the House of Commons. I have just come from the Agriculture Committee where we were talking about farmers needing to renegotiate loans. I was involved in giving a blast to the banks about disclosure of one farmer's private business and income. As I rise to answer this question about the banks affairs I must say I am doing so with a certain degree of impatience towards the banks.

In the past the Minister has welcomed Members of Parliament who came to him and told him about specific details of a given mortgage. I think that offer should be renewed to the Hon. Member as he seems to have forgotten it.

Let us be practical, Mr. Speaker. When a mortgage is short-term, a three-month penalty is too much to pay to renegotiate it. The three-month penalty would be higher than many of the benefits householders would gain by renegotiating. The Hon. Member has an obligation to stand up and admit that point, which he jumped over in his speech.

Officials have informed me that at one major lending institution 85 per cent of home loans negotiated last year were for a period of six months. What good would a three-month penalty do a home owner under those circumstances, yet a three-month penalty would be the very minimum anyone could hope to negotiate with the banks, be he an ordinary home owner or the Minister of Finance (Mr. Lalonde).

The three-month penalty is the standard that developed in the 1970s. For many home owners it would not be worth their while to take a three-month penalty for the sake of a lower interest rate. A little work with a pencil and paper would help the Hon. Member decide whether he is talking about a situation which is to the benefit of his constituents or is opposed to their interests. We need a little less rhetoric from him and more practical thinking.

The Minister is willing to hear when people have legitimate problems, but does not want to be drowned in requests that are made just to get the ordinary Member off the hook.

• (1815)

FINANCE—REGISTERED CHARITIES TAX PROPOSAL. (B) CALCULATION OF BENEFITS TO GOVERNMENT AND CHARITIES

Mr. Douglas Roche (Edmonton South): Mr. Speaker, I wish to pursue the question I addressed yesterday to the Minister of Finance (Mr. Lalonde) regarding the way he has distorted the position of the voluntary organizations of this country.

The budget removes the automatic $100 charitable deduction, while rejecting the recommendation for a tax credit on receiptable charitable donations. The Minister blithely says he has accepted one recommendation and has rejected the other. Let me quote from the letter of Andrew Cohen, chairperson of the National Voluntary Organizations Tax Reform Committee, who wrote to the Minister of Finance on April 20, 1983, the day after the budget, as follows:

—our suggestion for the removal of this provision (the $100 standard deduction) was inextricably linked to our proposal for a 50 per cent tax credit for all charitable donations.

As envisaged by the coalition of National Voluntary Organizations, the elimination of the standard $100 charitable deduction was proposed primarily as a logical means for Governments to realize the revenue which would be required to finance this 50 per cent tax credit. In short, the budget deceitfully ignores the "give and take" concept which I supported in my Private Member's Motion on June 8, 1980, and which has been put forward repeatedly by the Hon. Member for Waterloo (Mr. McLean).

Incidentally, the Minister of Finance himself supported "give and take" resoundingly in public three years ago. All he wants to do now is to take without any give. The Government's move is a thinly disguised tax grab which, according to Table 3.2 of The Fiscal Plan, will net Ottawa an estimated $380 million over the next four years. Yet, according to Mr. Cohen, finance officials have been opposing "give and take" on the grounds that the elimination of the $100 standard charitable deduction would not yield any significant revenue. They claim that most taxpayers were already giving close to this $100. Indeed, they even suggested that they would have no hesitation in implementing "give and take" if there was the assurance that the removal of the $100 deduction would generate the revenue to pay for it. They cannot have it both ways, Mr. Speaker. Moreoever, given Government's well-known reluctance to forfeit a tax field once it has been occupied, charitable organizations have lost their strongest, self-financing card for pushing for "give and take".

From a narrow point of view, the idea of a charitable tax credit is much more progressive than that of personal tax exemptions which are based on marginal tax rates. Much more fundamentally, "give and take" would give real incentives to contribute to charities, providing the nation's voluntary sector with a badly needed firm financial foundation. Otherwise, they will be dependent on Government handouts, leaving all kinds of room for arbitrary and inefficient Government interference. This is especially worrisome at a time when the position of the voluntary sector remains tenuous, particularly in terms of the definition of a charity having regard to political activities.

In brief, this budget, Mr. Speaker, ignores the social and economic contribution which 47,000 registered charitable organizations make to Canada. They provide 175,000 jobs, more than the construction industry, with an annual wage bill of $1.7 billion and total revenues of $5.6 billion, which is fully 3 per cent of the GNP. And these jobs are labour-intensive by nature, giving work to the disadvantaged, such as women, youth, part-timers and so on. The voluntary sector creates one full-time position at a cost equal to one-third of that required for the federal Government. Why have these facts been ignored in a budget premised on fighting unemployment? Why does this Government refuse to give charities in this country their rightful place in the sun? Why has the Minister of Finance not brought in the "give and take" proposal?

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I appreciate the opportunity to comment. May I begin by quoting from the official briefing note I was given by the Department on this issue. The Department of Finance is currently undergoing careful study of this and alternative structures for charitable contributions. Until the study is completed it will not be possible to ascertain fully the relative merit of a flat credit or any alternative structure.

There seem to be three or four very important technical concerns at stake here, Mr. Speaker. First, we are concerned that a tax credit could easily turn into a disincentive. Tax credits, unless they are at a very high level, will not stimulate the people who traditionally give to certain types of charities. Education, arts and culture particularly, are charities which are sensitive to high income givers. A low tax credit will not be an effective stimulant for people in those income brackets. What we are looking at is a 50 per cent or higher tax credit which is needed in these areas. In order to finance that we would have to pay a minimum of $100 million in foregone tax revenues. This would also involve considerable complexity with regard to the income tax form, and there would be a need for federal-provincial agreements. None of these technical questions have been answered yet. The Department is taking them seriously but they do not have a ready, quick-witted answer to give the Hon. Member when he asks his question.

I would say, however, that the standard deduction was ended for two other reasons. First, it is not intended to be simply an extension of the personal deduction. Second, we were advised by charities that many people were using it that way rather than as an incentive or convenience to charitable giving. We wanted to move this issue along, we did not want to sit on it. We have listened to the charities and, as the Minister said to the Hon. Member yesterday, charities got half of that for which they were asking. I hope the Member will take our assurances that the other half is taken seriously, but we simply do not have ready answers for all the complexities.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock.

At 6.24 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, April 27, 1983

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE UKRAINE

FIFTIETH ANNIVERSARY OF GREAT FAMINE

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, 1983 marks the 50th anniversary of the Great Famine of 1932-1933 in which over seven million Ukrainians perished. Besides its horrific magnitude, what makes this famine different from most is that it was a planned act of genocide on the part of Stalin's Soviet Government. In the words of journalist Malcolm Muggeridge who witnessed this event:

> The novelty of this particular famine, what made it so diabolical is that it was the deliberate creation of a bureaucratic mind, without any consideration whatever of the consequences in human suffering.

Planned famine was used as an instrument of national policy to break down resistance to Government efforts to collectivize the farming community. In the four years preceding 1932, Stalin and the Central Committee purposely estimated unrealistically high yields and thereupon established maximum supply quotas. When producers could not meet these quotas, they were accused of stealing, hoarding, and sabotage. In the fall of 1932 the authorities confiscated all food which could be found. By the spring of 1933, Ukrainian peasants were dying at a rate of 25,000 a day.

This tragedy must not be forgotten. It is important that history accurately portray the Stalinist régime for what it was, an unspeakably ruthless régime. The Ukrainian people have been the subject of many trials and tragedies, but none greater than this despicable famine. It in part explains why the Canadians of Ukrainian—

Madam Speaker: Order. Order, please.

Mr. Hnatyshyn: —descent so love their freedom—

Madam Speaker: Order, please.

Mr. Hnatyshyn: —and why they are willing to contribute so freely—

Madam Speaker: Order, please. Order.

Mr. Hnatyshyn: —to nation building in a free and democratic nation.

Madam Speaker: Order, please. Order. I would just like to remind Hon. Members that this is the first time an Hon. Member has not put an end to his statement when I indicated that the 90 seconds were over.

* * *

TOURISM

CONDEMNATION OF BUDGET MEASURES AFFECTING INDUSTRY

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, as Hon. Members of the House are well aware, I have repeatedly urged the Minister of Finance (Mr. Lalonde) that, because of its geographical dispersion, because of the volume of cash flow it generates, and because of the ripple effect it causes throughout the economy, any serious attempt to breathe life into the hoped for recovery should start with the tourist industry. This massive but unrecognized giant is the second largest industry in the country, employing 1,100,000 persons and generating $16.5 billion in revenues. More than any other, this sector can attract both Canadian and offshore money and spread it throughout the economy. Encouragement of this industry is the encouragement of the economy as a whole.

In light of these demonstrable facts, the recent budget has not only done nothing for this industry, it has in fact taken the opposite tack. Effective October 1, 1984, it increases the excise tax on alcoholic beverages, and the four-cent a gallon "Canadian ownership charge", despite the original reason for its existence having been accomplished, has been left intact on the price of gas at the pump. It is almost as though the Government is saying to Canadians, "Go and holiday somewhere else. We don't want your business!" Perhaps the Government does not, but let me assure you that the tourist operators of Parry Sound-Muskoka, and throughout the rest of Canada, do.

* * *

HOUSING

REGISTERED HOME OWNERSHIP SAVINGS PLANS—SUGGESTED AMENDMENT OF REGULATIONS

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, it was recently pointed out to me by a constituent who had signed an offer to purchase a residential property and subsequently verified that once an RHOSP is collapsed and the cheque representing the proceeds from the plan are cashed, there is no possibility of having the RHOSP re-instated. While I can appreciate the over-all

rationale behind this provision, I believe that there should be exceptions to the rule. One which I have in mind concerns allowing re-instatement in the RHOSP in the event that, through no fault of the prospective purchaser, the property transaction does not close.

As the many lawyers in the House will appreciate, properties often fail to be conveyed at closing because of some condition not being met. At this stage of the transaction, financing has already been arranged by the purchaser, including collapsing the RHOSP.

While the regulations governing RHOSPs provide that the owner of the collapsed plan has up to three years within which to purchase a home and claim the deduction on his income tax, someone who collapses a RHOSP but whose attempt to buy a property falls through is no longer eligible to make tax-free contributions to it and collect tax-free interest on the funds contained in the plan. Since this seems unconscionable to me, I would strongly urge the Minister of National Revenue (Mr. Bussières) to look into the possibility of allowing such unfortunate individuals as those referred to above to be re-instated in a RHOSP even if a reasonable administration fee has to be imposed.

* * *

HEALTH

HAZARDS TO CHILDREN FROM LEADED GASOLINE

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, as the New Democratic Party health critic, I would like to urge the Government to respond quickly and decisively to the demands of various groups concerned with the health of Canadian children that action be taken to speed up the leaded gasoline phase-down program. As advertisements taken out by these groups have stressed, there has been repeated scientific proof of the hazards to the health of children posed by environmental lead and of the severe neurological damage caused by high blood levels.

Since lead is particularly toxic to the brain and nervous system of the growing child, and since children ingest and inhale more of the lead in their environments because of their play habits, Government inaction on this pollution issue constitutes a continuing health risk to Canadian children.

Urban children are most at risk. Measurements taken in downtown Canadian cities show lead levels three to six times greater than average levels. While Canada was a world leader in the removal of lead from many indoor paints in the 1930s, it now lags behind the United States and most European countries in addressing the problem of pollution from leaded gasoline.

On March 11 the Minister of the Environment (Mr. Roberts) announced his plans to speed up the leaded gasoline phase-down program and he initiated a 60-day period for discussion and input before he reaches his final recommendation. I urge him to listen to those who are interested in the health of Canadian children and not to those who may have an economic self-interest in the continued marketing of leaded gasoline.

* * *

THE CONSTITUTION

ENTRENCHMENT OF PROPERTY RIGHTS

Mr. Bill Yurko (Edmonton East): Madam Speaker, I wish to advise that I categorically favour the entrenchment of property rights in the Constitution. Nevertheless, the reality is that property and civil rights are provincial constitutional matters. Property rights have been entrenched in the Alberta Bill of Rights since 1972 and they have not been difficult to live with.

The proposal of the Prime Minister (Mr. Trudeau) for a one-day debate on the matter, agreed to by the Progressive Conservative caucus, is laudable, as the debate has gone on since the introduction of the Diefenbaker Bill of Rights. However, all should realize that the Prime Minister's proposal, if approved by seven Provinces having 50 per cent of the Canadian population, would be subject to the "notwithstanding" Clause as well as to the opting-out feature, by three Provinces. What would therefore be accomplished except a checkerboard of jurisdictional puzzles across the country?

• (1410)

Perhaps it would be more meaningful if the resolution proposed by the Prime Minister included two additional clauses—first, that property rights would not be subjected to the provincial "notwithstanding" section, and second, that Provinces would be permitted to opt-in to such a constitutional provision, instead of opting out, in their own good time, or when they elected Governments favouring such a constitutional amendment.

* * *

METRIC CONVERSION

RESULTS OF POLL OPPOSING COMPULSORY IMPOSITION

Mr. Bill Domm (Peterborough): Madam Speaker, I am pleased to be able to release a poll commissioned by the CKO Radio network and carried out by the firm of Ron Rotenberg and Associates, a private polling company. This poll was conducted in Metro Toronto and confirms similar polls taken by Loblaws, Dominion Stores, the Canadian Federation of Retail Grocers, and the Canadian Federation of Independent Business, which proves that the vast majority of Canadian people in all age brackets do not support compulsory metric. The results were as follows.

First of all, "Do you personally feel that the use of metric measurement, that is, litres, kilograms and kilometres, et cetera, should be voluntary, that is, left up to the individual to

decide if they want to measure in metric, or should the Government establish compulsory metric measurement by legislation?" Those voting for voluntary—66.8 per cent; Government legislation making it mandatory—only 28.4 per cent.

The second question was "In general, which measurement do you personally prefer, the Imperial measurements such as quarts, pounds, miles, et cetera, or the metric measurements such as litres, kilograms and kilometres?" Imperials 64.8 per cent; metric 26.6 per cent. Most important, Madam Speaker, in the age bracket of 18 to 29 years of age the result was 73.3 per cent for voluntary; only 26.7 per cent for compulsory.

I strongly urge the people of Canada to write the Minister of Consumer and Corporate Affairs (Mr. Ouellet), with copies to myself, pleading for a return to voluntary metric conversion similar to the process used in the United States and Great Britain.

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STATUS OF WOMEN

WAGES EARNED BY WOMEN WORKERS—NEED FOR GOVERNMENT EXAMPLE

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, recent census data confirm that incomes of women continue to lag far behind those of men. More than 1.5 million women have joined the labour force since 1970, yet in ten years the wage gap has been reduced by only 4 per cent. Women still earn only 64 cents for every dollar earned by a man.

Thousands of Canadian women are underpaid and are raising children in poverty as a result of Government inaction. The Minister responsible for the status of women blames provincial Governments for the continuing low wages of women. Instead of passing the buck the federal Government must set an example. Her Government has repeatedly refused to implement mandatory affirmative action for public servants and contract compliance for firms that do business with the Government.

The Liberals guarantee continuing low wages for women through the six and five wage restraint, and have curtailed their bargaining rights. They have ignored the hard won rights of clerks and general service workers, most of whom are women.

The federal Government must set the example for Provinces to follow. It must ensure equal pay for work of equal value for all public servants, and insist on mandatory affirmative action in all sections of our country.

* * *

FISHERIES

RESTRUCTURING OF EAST COAST INDUSTRY—PLEA FOR ACTION

Hon. James A. McGrath (St. John's East): Madam Speaker, the failure of the Government to act decisively and with a sense of urgency concerning restructuring is doing serious and perhaps even permanent damage to the fragile economy of the Atlantic Provinces, especially Newfoundland, which is so dependent on the fishing industry which provides direct and indirect employment to over 80,000 people in the region. This industry is in the midst of the worst crisis in its history, a fact which did not even warrant mention in the budget brought down by the Minister of Finance (Mr. Lalonde).

The Cabinet has before it a number of proposals on restructuring, on fleet management and replacement, and its failure to act could seriously undermine our markets and is in fact playing into the hands of Canada's competitors. Yet six months after the report of the Kirby task force, the only response from the Minister of State for Economic Development (Mr. Johnston), who is responsible for restructuring, is that he has been given a mandate to negotiate and that these negotiations are ongoing.

Thousands of jobs are at stake, Madam Speaker, and I plead with the Government to act, and act now.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HIS EXCELLENCY, MR. ARTHUR MAGUGU, MINISTER OF FINANCE FOR KENYA

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of His Excellency, Mr. Arthur Magugu, the Minister of Finance for Kenya.

Some Hon. Members: Hear, hear!

• (1415)

ORAL QUESTION PERIOD

[*English*]

SUPPLY AND SERVICES

NATIONAL DEFENCE PATROL FRIGATES—AWARDING OF CONTRACT

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is directed to the Minister of Supply and Services. The Cabinet will soon be making a decision on which of the two finalists in the patrol frigate competition, St. John Shipbuilding or Scan Marine, will win the contract. As the Minister is probably aware, the St. John Shipbuilding bid favours the approach which was taken by the Cabinet. Will the Minister assure the House that the contract will be awarded on the basis of defence requirements and not on the basis of political interest?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I can assure the hon. gentleman that the criteria will be the best ship, the best industrial benefits, and the best Canadian content.

OWNERSHIP OF COMPETING SHIPYARDS

Hon. Allan B. McKinnon (Victoria): Madam Speaker, when the Liberals came to power in 1980 they stalled this program for six months while they claimed they were Canadianizing the various consortia. Scan Marine was created by and is 49 per cent owned by Pratt & Whitney which, in turn, is 100 per cent owned by United Technologies of Connecticut. Saint John Shipbuilding is 100 per cent owned by the Irving Group of New Brunswick. Has the Government, in making its decision, given due consideration to the ownership of these two finalists?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I am very pleased that the hon. gentleman has drawn the attention of the public to the fact that we wanted to Canadianize the bids and that we wanted to ensure that there were Canadian companies which were the lead companies in both bids, which is the case.

In terms of the criteria which will apply to the final selection, I refer the hon. gentleman to the previous reply which I gave, and I ask the hon. gentleman to await the final decision which I hope will be made at the end of the month of June or the beginning of the month of July this year.

ALLOCATION OF WORK

Hon. Allan B. McKinnon (Victoria): I would like to ask the Minister if the Government carried out the Conservative plan to have the consortia include, in their bids, cost comparisons for building the actual ships in more than one location, say, two ships in the Maritimes, two in the St. Lawrence area, and two on the West Coast. Has the Government considered dividing the actual shipbuilding work among up to three shipyards in order to speed the delivery of these much needed frigates, and to spread the employment benefits on a national basis throughout this very depressed industry?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I will take the hon. gentleman's question as a representation.

Mr. Baker (Nepean-Carleton): Take it seriously.

Mr. Blais: Unfortunately, the Tories were involved in this particular procurement for such a brief period of time that the records of what their representations may have been are rather scarce.

ORDER FOR WATER BOMBERS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is directed to the Minister of the Environment. The Minister has announced plans to spend up to $147 million to buy 20 Canadair CL-215 water bombers under the Special Recovery Project. However, when we read the fine print we find that the Government is committed to purchasing only four water bombers. The other 16 will be ordered only on a matching basis with the Provinces.

How much is the Government actually spending on its four plane fleet, and why did the Minister purposely inflate the job creation figures, since his claim of 650 jobs assumes that all 20 water bombers are being built?

Hon. John Roberts (Minister of the Environment): Madam Speaker, if the Hon. Member had been present at the announcement, and if she had been in the House and paid attention to what I said before the House, she would realize that what we stressed was that we were purchasing four planes for the Northwest Territories and the Yukon, and that we would be purchasing up to 16 more planes on a matching basis. We have already received indications from over half the Provinces that they will be participating. I am quite confident that that requisite number of planes will be bought.

There are very good possibilities that on this domestic base there will be a further 20 planes sold internationally. That, of course, I cannot guarantee, but there seem to be good indications that that kind of purchase is likely to take place. All of these points were made abundantly clear, both at the press conference and in the House. I am glad to discover that the Hon. Member is finally catching up to what the significance of the announcement is.

Some Hon. Members: Hear, hear!

COST OF CL-215 FLYING TIME

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is also addressed to the Minister of the Environment, who stressed the creation of 650 jobs which will not be in place until two and a half years from now, only if 20 water bombers are built.

• (1420)

The reason that only three Provinces have ordered the CL-215 in the last 25 years is because of its horrendous cost. A study by the Alberta Forest Service in 1976 stated that, at $8,277 per total hourly cost, the CL-215 was 11 times more expensive than the Canso water bomber which only cost $707 per total hourly cost. If those figures are adjusted for inflation, the cost per hour for the Canadair plane would be $15,000.

Given this high price tag for the CL-215, what assurance can the Minister give us that the Provinces will come up with their $100 million share, or is he offering the Provinces a cut rate deal?

Hon. John Roberts (Minister of the Environment): Madam Speaker, I wish that the Hon. Member was aware of the fact that the CL-215 is undoubtedly the most adept airplane for this operation. It is not only a leader in Canada, it is a world leader.

She seems to be surprised or concerned about the cost of the purchase of the airplanes. I wish the Hon. Member was much more concerned about the potential of up to $350 million a year in fire losses as a result of not having this kind of capacity from that airplane.

RAILWAYS

CROWSNEST PASS RATE—RESOLUTIONS OF LEGISLATURES OPPOSING PROPOSED CHANGES

Mr. Laverne Lewycky (Dauphin): Madam Speaker, my question is directed to the Minister of Transport. Is he aware that the Manitoba legislature unanimously passed a resolution on March 15, 1983, rejecting the Pepin proposal, and is he also aware that this resolution concurs with that of the Saskatchewan legislature which was also unanimously passed on February 22, 1983? How can he possibly interpret this as being a consensus in the West, which the Prime Minister said he would have to have before moving on the Crow rate?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am very much aware of that and many other things as well.

JUSTIFICATION FOR MINISTER'S POSITION

Mr. Laverne Lewycky (Dauphin): Madam Speaker, if the Minister is so aware of it, does he feel it is morally right for him to determine what is most beneficial for the farmers of the West when he is only supported by MPs from eastern Canada? Can he justify this unilateral action with the type of attitude he has displayed that is akin to the Soviet invasion of Afghanistan, since the Soviets determined what was beneficial for Afghanistan? How can he justify this hammer and sickle approach to the farmers of western Canada?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I knew I was going to be asked a supplementary question and be given a chance to explain what I meant by my cryptic answer. What I meant by my cryptic answer was that at this moment in the West and the East, many people, groups and associations of all kinds, are in a bargaining position. They are bargaining.

I am sorry that I do not have the quotation from the Minister of Agriculture in Saskatchewan who said recently, on stating these nine points referred to, "When I negotiate with the feds, I do not show all of my cards." My point is that people are putting forward extreme positions. The nine points expressed in Saskatchewan were one of those extreme positions. In the next breath, the press conference that follows the announcement of those points usually shows more willingness to compromise than was shown in the first statement. That is what I meant.

RAIL LINE ABANDONMENT POLICY

Mr. Laverne Lewycky (Dauphin): Madam Speaker, the Minister is obviously aware of the falling prices that farmers are experiencing. How can he justify what I would call harrassment of the western farmers, since he is giving them a double whammy? How can he justify contemplating the abolishment of the Crow rate while at the same time continuing the abolishment of rail lines under the rail line abandonment policy that his Government has been following? How can he possibly justify that double whammy action against the farmers of western Canada?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, with respect to the abandonment of branch lines, I believe the record should be well known. Of the branch line system we had in the 1930s, we still have 88 per cent in place with all the technological changes that have taken place since then. If there is one thing that Governments in the history of Canada should not be accused of, it is of having deliberately presided over the destruction of the branch line system. I repeat that 88 per cent of it is still in place.

On the subject of losses that would be incurred by western farmers if the statement that I made on February 1 were implemented while I should not say everyone, since some have more respect for the truth—many have said that there would be tremendous losses to the Saskatchewan farmers, for example, of possibly $1 billion. They usually forget to mention that there would have been a commitment of an average of $900 million per year on the part of the federal Government alone for the continuation of this operation. Also, they have neglected to mention that there would have been an investment of $16.5 billion over the decade by the railways. These are small points that are usually not brought up by those who take the negative approach to the statement I made on February 1.

* * *

• (1425)

FINANCE

INCOME SECURITY INVESTMENT PLAN

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question, I suppose, is for the Minister of State for Finance in the absence of the Minister of Finance and of the Minister of State for Economic Development. The Minister of State will know that the Income Security Investment Plan protects those who invest in the stock market against inflationary gains. Would the Minister advise us why only the big and the powerful are protected, and why those who invest in small business do not have the same advantages and fairness given to the big companies which have their stocks listed on the market?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I would draw to the Hon. Member's attention, if indeed in seriousness I had to, the other provisions of the special recovery tax provisions of the budget that offer, for example, tax relief to small business people. The share purchase provision of that special recovery tax feature of the budget permits Canadians, both small and large investors, to invest in small and large companies in Canada. They get the advantage of a 25 per cent reduction on the amount of their share purchase. In addition, that will assist both small and larger companies to grow. This advantage is generally available right across the spectrum to small investors and to small and large companies.

Mr. Blenkarn: Madam Speaker, it is unfortunate the Minister of State for Finance is so lost in the clouds. He does not understand that investment tax credits are only available to those who invest, and put people out of work.

POTENTIAL OF SMALL BUSINESSES TO CREATE JOBS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, will the Minister of State for Finance tell us, if this is a recovery budget, why the Minister did not make sure that protection against capital gains that are caused by inflation was made available to those businesses that really create the jobs, that is, the small businesses and the medium-sized businesses? The Minister knows that every test on job creation indicates jobs are created by small business. Why are we not looking at job creation instead of protecting the big and the powerful?

Some Hon. Members: Hear, hear!

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, the Special Recovery Program in the budget of $4.8 billion is designed to do that exactly. It is designed to address the question of job creation, which was in the opening and closing remarks of the Minister of Finance. The budget is designed to do exactly that. The $4.8 billion is split in two ways. First, the $2.4 billion for capital infrastructure is designed to get people working in Canada right away. Second, the $2.4 billion in the investment section of the budget is designed to provide building blocks to get Canadians investing, to get small businesses working. The small business sector in that $2.4 billion part of the Special Recovery Program is weighted. Small businesses are given almost a 100 per cent advantage over large companies. The program is all directed toward creating jobs. When business is back at business, workers will be back at work.

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AIR CANADA

RENTAL OF MONTREAL HEADQUARTERS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Minister of Transport. Would he advise the House whether the present RCMP investigation into the rental of Air Canada's headquarters in Montreal results from alleged conspiracy to defraud between July 1, 1982, and November 14, 1982, concerning a $3.6 million secret sweetheart deal involving the Chairman of the Board of Air Canada and three other named individuals?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I said the other day, and I stood on my head to attract attention, that I was not in a position to say anything on this inquiry.

Mr. Stevens: Why?

Mr. Pepin: I said then why I was not. This is an inquiry which is under the responsibility of the Minister of Justice. He has said repeatedly that he could not say more at this time. I take it my hon. friend respects that view. Presumably, in due course, when the inquiry has been completed, the conclusion will be known.

• (1430)

NEGOTIATION OF LANDING RIGHTS FOR TAP PORTUGUESE AIRWAYS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, this matter has been dragging on far too long. The Minister or the Minister of Justice should be able to come into the House today and give some indication of when this investigation started, when it is to be completed, and whether it includes the allegation that the Chairman of the Board received or accepted from TAP Portuguese Airways tickets to and from Montreal and Lisbon, Portugal, so that the three named people in the original allegation of fraud could travel back and forth from Montreal to Lisbon for their influence or help in acquiring landing rights for TAP at Toronto.

Since I have been informed that the Department of External Affairs in June or July will be undertaking further negotiations on landing rights, surely there must be some declaration from some Minister of the Crown as to what is going on with what is in effect the largest airline in the country. It is a Crown corporation and it has some responsibility to report to the people of Canada.

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, in the past my hon. friend has usually shown an understanding of the traditions of Canada. I hope he will continue to do so. This is a situation in which the hon. gentleman's question would suggest that we should have a trial in the House, or that we should have a report to the House on facts which are the subject of a long investigation. That is a new doctrine in this country, and I hope Hon. Members of the Opposition will be the first to repudiate it.

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TOURISM

GOVERNMENT COMPETING WITH PRIVATE INDUSTRY

Mr. Mel Gass (Malpeque): Madam Speaker, in the absence of the Minister of State for Small Businesses and Tourism I will direct my question to the Minister of Transport because his Department has caused some of the problems the tourist industry is experiencing at this point in time. It has been brought to my attention by the Greater Ottawa Hotel/Motel Association, and Canada's Capital Visitor's Convention Bureau, that the federal Government is unfairly competing with privately owned accommodation, meeting, and training facilities, by offering federally owned facilities at one-third to one-sixth of what private hotels must charge in order to survive. Could the Minister explain to the House how the federal Government can justify such artificially low pricing of

Government facilities and using unfair booking practices, when the accommodation business is in such economic trouble?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, obviously this is beyond the reach of my own Department. I will bring it to the attention of the Minister responsible for tourism, but I doubt that he can resolve the problem of competition in Canada between the private sector and the public sector in one shot. I would suggest that my hon. friend meet with him and tell him all the facts as he understands them. It is impossible for a Minister to answer questions of such breadth.

RATES CHARGED BY CORNWALL TRAINING CENTRE

Mr. Mel Gass (Malpeque): Madam Speaker, there is a complex in Cornwall, Ontario, which is supposed to be operated by the Department of Transport. It has 700 rooms, meeting facilities and recreational facilities. The price per day for a single occupancy room with three meals is 20 bucks. The Government claims that it is operating it on a cost recovery basis. Would the Minister explain what portion of the costs the Government is recovering when it is only charging $20 per day?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, this centre which the Department has in Cornwall is well known by everybody. It is used extensively for the training of personnel in the area of transportation—air traffic controllers, pilots and the like. It has been a success. We are now training at Cornwall people coming from other countries of the world. It is recognized as a great asset to the country. I am quite sure that people in the Cornwall area are delighted with it. If my hon. friend wants to pick a fight with those people, I suggest he be very careful and arm himself quite substantially in order to resist the pressure he will get from them.

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TEXTILES AND CLOTHING

THREATENED LOSS OF JOBS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Yesterday the Prime Minister indicated that he had no intention of requiring plants which were closing or moving their operations from one part of Canada to another or, for that matter, from one part of Canada to any other part of the world, to disclose publicly the reasons for their moves. Today we discover that the Government has no intention or no over-all strategy to protect the close to 80,000 jobs in the garment industry, most of which are in small communities in Quebec, parts of Ontario, and Manitoba. If the Government does not have any over-all strategy to protect those workers from the inevitable loss of their jobs, where does the Minister propose those people will find work?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the Hon. Member is incorrect when he says that the Government has no policy with respect to protecting jobs in the textile, clothing and footwear industries. As a matter of fact the Government has taken substantial steps over the last ten or 15 years in terms of setting quotas with respect to many textile, clothing and footwear products across the country. Also, if I am not mistaken, I think Members of his own Party from different parts of the country have said that the Government of Canada had been protecting some of those industries far too long and in many cases should open up the door for more of these goods to help Third World countries. I am a little surprised by the question of the Hon. Member.

Mr. Deans: I suppose you would have to believe your own rhetoric to believe that.

MODERNIZATION OF PLANTS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, the Minister of State for International Trade has just indicated that he has no intention of accepting the proposal made to him by the director of the clothing workers union to apply under GATT for some assistance in combating the erosion of the garment industry in Canada. Is it reasonable to sit by and watch small one-industry towns being devastated by inevitable closures which will take place as a result of Canada's inability to provide reasonable protection and reasonable assistance for the garment industry that employs the majority of workers in many small communities in Ontario and Quebec? If it is unreasonable to expect that, why does the Government not come forward with an over-all program to modernize and assist in the redevelopment of those industries so that those towns will not ultimately disappear?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I am a little disappointed in the Hon. Member.

Mr. Deans: I do not care about that.

Mr. Lumley: Two years ago the Government of Canada, this Government, introduced a program called CIRB, or OCRI *en français*, to provide $267 million to do the very thing about which the Hon. Member just asked a question—to modernize and restructure the textile, clothing and footwear industries.

Mr. Deans: It has not worked.

Mr. Lumley: I hate to disagree with the Hon. Member, but he had better talk to the companies that have taken advantage of the $100-odd million which has already been spent. We undertook this as well as negotiated quotas for textiles and clothing across the country under the MFA. In the footwear industry, if I am not mistaken, the Hon. Member made representations for companies in his own riding for quotas on shoes—

Mr. Deans: That is right.

Mr. Lumley: —and the Government took action six months ago. I do not understand what the Hon. Member is basing his question on.

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FISHERIES

PROPOSED UNITED STATES RESTRICTION ON IMPORTATION OF CANADIAN SCALLOPS

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, in the absence of the Minister of Fisheries and Oceans I am not certain whether I should direct my question to the Secretary of State for External Affairs or the Minister of Industry, Trade and Commerce, but perhaps one of these gentlemen will answer it. At the present time the count for scallops exported from Canada to the United States is 40 meats to the pound. On this basis the scallop industry alone last year was worth $88 million to Canada.

Since the Canadian industry will be devastated if the Americans follow through with their proposal to limit scallop imports to 30 meats to the pound on May 15, which is not very far away, I ask the Secretary of State for External Affairs whether he is aware of the situation. If so, has he taken any steps whatsoever to encourage the Americans to accept the Canadian counterproposal of allowing us to ship into the United States 35 meats to the pound?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I want to be frank and tell the Hon. Member that I am not aware of this particular problem. I will examine it immediately.

Mr. Crouse: I simply want to emphasize what I have stated. If the proposal to limit imports from Canada to 30 meats to the pound is implemented by the United States, Canada will no longer have a viable scallop fishery.

BARRIER TO TRADE

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, since many Canadians consider that the American proposal is actually a non-tariff barrier to trade between our two countries, will the Minister discuss the matter with his United States counterpart in the hope of resolving this important issue?

• (1440)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I have on a number of occasions raised these questions with my counterpart in the United States. I have certainly raised the proposed investigation by the American tariff authorities into fisheries importations into the United States from Canada. I raised that question as a matter of concern, expressing our view that it is unnecessary for the Government of the United States to undertake a further investigation as to whether countervail is justified against fishery products because of previous investigations that have been undertaken which have proved that the case could not be made. Therefore, I will have no hesitation of raising this and other fisherey matters with the Secretary of State for the United States.

RESTRUCTURING OF EAST COAST FISHING INDUSTRY

Hon. James A. McGrath (St. John's East): Madam Speaker, I wish to direct a supplementary question to the Acting Prime Minister. The Government's failure to reach a decision on restructuring of the Atlantic fishing industry is costing thousands of jobs, including jobs in the Minister's own constituency. Why has the Government not reached a decision on restructuring, and fleet management and replacement, both of which are critical to the Atlantic Provinces and the Atlantic fishing industry?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member is no doubt aware that the Government has given a negotiating mandate to Mr. Kirby to hold discussions with the Provinces, the industry, and all interested parties. That negotiation is under way at the present time, as I understand it. It will be our intention to reach a decision as quickly as possible when the negotiations take a form that it will be possible for Mr. Kirby to report to the Government, the ad hoc committee, and the Minister of Fisheries and Oceans.

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CANADA POST CORPORATION

COMPETING WITH WEEKLY NEWSPAPERS FOR ADVERTISING REVENUE

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister responsible for Canada Post. I am sure the Minister is aware that Postmasters in small communities are now selling advertising in flyers to be printed and distributed by the Post Office to all those who receive mail. This is having a detrimental effect on the weekly newspapers in these small communities which rely on advertising dollars to sustain themselves. Why is the Post Office moving in this direction in direct competition with the small weekly newspapers, by selling advertising in flyers? What is the Minister going to do about it?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I shall raise this matter with the President of the Canada Post Corporation, after which I shall give the Hon. Member my answer.

[*English*]

FISHERIES

NEGOTIATION OF NORTH PACIFIC SALMON FISHING AGREEMENT—PROTECTION OF CHINOOK AND COHO SPECIES

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I had hoped to address a question to the Minister of Fisheries and Oceans. In his absence, perhaps the Parliamentary Secretary can take the question. The North Pacific Salmon Fishing Agreement has not been ratified either in Canada or in the United States. That being so, does the Parliamentary Secretary know whether his Minister is satisfied that the appropriate measures have been taken by his officials and that they are in place with regard to quotas, area and type allocation, to ensure that the various species of salmon will not be eliminated, particularly the Chinook and Coho? Also, is he satisfied that any regulations that have been put in place will be enforceable?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, in the absence of the Minister I might attempt to answer the Hon. Member's question. I understand that he is referring to the agreement that has been reached between Canada and the United States. We have concluded that negotiation, and an arrangement has been initialled. It has not been carried any further because, as I understand it at the present time, the United States authorities wish to raise some further points. I know they want to raise some further points. In fact, Secretary of State Shultz advised me of that particular matter when I was in Washington a short time ago. We have not advanced the negotiations since then, because at that time we thought we had concluded an arrangement that had a balance of interest for both countries. Certainly it would be our view that any modifications that might now be proposed by the United States would have to maintain a balance of advantage for both countries and, particularly, maintain the advantages in a comparable way for Canada with those for the United States.

DANGERS ARISING FROM OVER-FISHING

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I am glad that the Secretary of State for External Affairs has answered that question. He avoided the main thrust because, of course, it is a Canadian domestic affair. Since he was on his feet to speak about the international aspects, could he advise us whether he is satisfied that the arrangements that are in place, or ought to be in place, will prevent the exacerbation of the situation between Canada and the United States by over-fishing in areas around the International Boundary, out at the mouth of the Straits of Juan de Fuca or off the Queen Charlottes?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, it is our view that the conclusion of that arrangement, if it could be ratified, would remove from our bilateral arrangements an issue of long-standing importance. If we could conclude this matter, it would be of benefit to Canada.

Mr. Munro (Esquimalt-Saanich): The fishing season is open.

Mr. MacEachen: The Hon. Member says the fishing season is open. There is no possibility that this arrangement can be ratified quickly because of the new points that have been raised by the United States.

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PUBLIC WORKS

ALLOCATION OF FUNDS TO ALBERTA

Mr. Peter Elzinga (Pembina): Madam Speaker, in the absence of the Minister of State for Economic Development I will direct my question to the Minister of State for Finance. Of the $2.4 billion for public works projects announced in the budget on April 19 by the Minister of Finance, what portion will be allocated to Alberta?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the Minister indicated that announcements under that program would be made in due course in the various regions of the country that are affected, for example, the areas that will benefit from those infrastructure projects. The water bombers program, for example, was one of the first announcements. There are over 100 projects in that program. A number of them involve approval of local councils, agencies and provincial Governments. There is a lot of co-ordination required. The difficulty was that had they been in place and firmed prior to the budget, any kind of pre-release of that information runs into the problem of secrecy of budget preparations. Those projects are being firmed up and will be announced in due course, I would say within the next few weeks.

CANADA PLACE PROJECT IN EDMONTON

Mr. Peter Elzinga (Pembina): Madam Speaker, I would like some concurrence from the Minister with regard to a telegram which the Mayor of the City of Edmonton sent to a number of the Minister's Cabinet colleagues, stressing the importance that Edmonton places on projects such as these, considering that the present local unemployment rate is in excess of 13 per cent. In particular, he stresses the importance of the Canada Place project. Can the Minister give us any indication whether this project is being considered. If it is being considered, when can we expect an announcement in regard to it, and how much money will be allocated to the Province?

• (1450)

Hon. Paul J. Cosgrove (Minister of State (Finance)): Mr. Speaker, I have not seen the telegram that the Hon. Member refers to so I cannot make any comment on the project. The

Hon. Member has not even identified the so-called project that is mentioned in the telegram.

Having said that, I am confident that there are many municipalities across the country that will welcome and will find great relief in the $2.4 billion that will be expended in every Province and many municipalities right across the country. There is no question that many municipal representatives are keenly aware of the problem of unemployment. No doubt, as these projects are announced they will be well received, particularly in those areas that have a high unemployment level.

* * *

PENITENTIARIES

NATIVE SPIRITUAL RIGHTS—INMATES' HUNGER STRIKE

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Solicitor General. As the Minister knows, three Indian inmates, Gary Butler, Darelle Butler and Stuart Stonechild are in the twenty-ninth day of a spiritual fast in British Columbia and Alberta and are physically deteriorating. The prisoners are seeking full recognition of their spiritual religious practices, including the sweatlodge and the sacred pipe ceremony. In view of the fact that this practice of traditional native religions is a right and not a privilege that should have to be bargained for, what immediate action is the Minister prepared to take to recognize this fundamental right in all federal prison jurisdictions and to put an end to the historically racist policies of the Correctional Service of Canada in our prisons?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I can say to the Hon. Member that I have no sympathy at all for that hunger strike which is under way on the West Coast, especially since those Indians involved in it spent several weeks fattening up before the strike began.

We have an enlightened policy on native spirituality. The Indians took me to court in British Columbia and the policy was sustained as being consistent with the Charter of Rights. We have already built three sweatlodges at other institutions and federal penitentiaries across the country without the need for anyone going on hunger strike, and without the need for questions being asked of me by the NDP.

Further, two of these strikers are American citizens. If they would prefer to be imprisoned in the enlightened conditions in the United States, they can apply for a transfer to their own country. I can assure them that I will give my approval to that request for transfer.

APPLICATION OF POLICY

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I have a supplementary question. I would be interested to know whether the Minister believes there is one standard for Canadian prisoners and another standard for non-Canadian prisoners in his novel doctrine of prison discipline.

Last Friday the Minister admitted that native religious ceremonies have not been permitted in Canadian penitentiaries in the past, despite the disproportionate number of native people in Canadian prisons.

Will the Minister assure the House that, in drawing up new guidelines for these spiritual practices, he will fully involve Indian representatives from the Assembly of First Nations and prison Indian brotherhoods? Will he assure the House that there will be a very speedy resolution of this matter, particularly in view of the serious nature of the on-going spiritual fast which he blithely dismisses, despite the fact that human lives are involved?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, these individuals are striking on a volunteer basis. I think the Hon. Member should read the answer that I gave to the question on Friday.

In fact the policy has been changed. At present a policy is in effect which recognizes native spirituality and allows the expression of native spirituality in institutions although, as I indicated, that was not the case in the past. That policy is now in effect. It is an enlightened policy which is sustained by the courts.

I am reviewing all the practices myself, Madam Speaker. For example, I do not think the natives should have full control over the amount of sweet grass and rope that each individual can keep in his own cell, which is something that they want. I think a reasonable policy has been developed and I am reviewing it. I think it is a good policy.

As for the process and the speed with which we are building sweatlodges where there are native inmates in institutions, consistent with the other priorities of the Correctional Service of Canada I think we can be proud of the rate at which the new policy is being implemented.

REQUEST FOR PUBLIC INQUIRY INTO CORRECTIONAL SERVICE

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I have a supplementary question for the Solicitor General. In the last nine months there has been a riot at Archambault when three guards and two inmates were left dead; there have been suicides and attempted suicides at Archambault, Edmonton, and other institutions; two weeks ago the three-member inmate committee at Archambault resigned en masse due to tension between guards and inmates; a week and a half ago two inmates were stabbed with picks at Archambault; last Friday a guard was murdered and an inmate wounded at Archambault, and last Sunday an inmate convicted of murdering a guard at Archambault last summer was—

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

Mr. Friesen: Rather than depend on a sanitized report by the Inspector General of Corrections, will the Minister call for a full, open public inquiry into the conditions and the calamitous situation that exist in the Correctional Service of Canada?

[*Translation*]

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I am keeping a very close watch on the problems at the Archambault Institute. Four investigations are now being conducted by the Inspector General, the police, the coroner and the Correctional Investigator who is also doing his jobs at Archambault.

In view of all the enquiries that are now being held, I can see no justification for adding another public enquiry at this time.

* * *

[*English*]

PUBLIC SERVICE

APPLICATION OF RESTRAINT PROGRAM TO PENSIONS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the President of the Treasury Board which arises out of testimony which he gave to the Senate Health and Welfare Committee concerning Bill C-133, the act affecting the Public Service pensions and the application of the six and five program to that pension. At that time the Minister indicated that he would consider the Committee's recommendation to provide a threshold at the poverty level below which the recipients of superannuation whose total income was their pension, would be excluded from the six and five requirement. Has the Minister done that and, if so, what are the results of his undertaking with respect to this matter?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, this is something I would have to consider in consultation with my colleagues in Cabinet. In my view it is something we should do in the context of the debate on the Green Paper on reform of the pension system in Canada generally.

Madam Speaker: May I ask Members to conduct their private conversations at a little lower level. It is beginning to be very hard to understand what is going on.

Mr. Baker (Nepean-Carleton): It must be because it is spring, Madam Speaker. This is the first nice day we have had.

DELAY IN MAKING DECISION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a supplementary question. The Minister has indicated in his answer that he has not yet consulted his colleagues with respect to the matter. I would remind him that he undertook with the Senate on January 27 that such consultation would take place. Is there any reason for the delay in this matter? Is it absolutely the policy of the Government that we have to wait for the outcome of a parliamentary Committee which is studying another report, which is a report on another report, in order to deal with this matter which is very important to some Public Service pensioners?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I have been considering a number of issues connected with Public Service pensions, including that mentioned by my hon. friend, but they all relate to what might well be broad ranging issues connected with that plan. I think this is something that has to be the subject of careful consideration. One of the things to consider is whether this should be dealt with apart from considerations of the pension system available to Canadians generally.

* * *

RAILWAYS

CROWSNEST PASS RATE—PROPOSAL TO VARY RATE ACCORDING TO WORLD GRAIN PRICE

Mr. Jack Murta (Lisgar): Madam Speaker, I should like to direct a question to the Minister of Transport. In an earlier reply to a question put by the Hon. Member for Dauphin the Minister indicated that he was in a negotiating mood, or that he was always in a negotiating mood.

In terms of dealing with the problem of the Crowsnest Pass rate, the feeling on the Prairies is basically that the rate should be tied to the world price of grain so that it would rise or fall depending on what grain was selling for on the international market. Organizations like the Manitoba Pool Elevators have come out in support of this, as have a number of other organizations. Can the Minister indicate whether the Government is actively considering this as an alternative, or is it considering an amendment to the legislation that the Minister will introduce?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I thought that, in answer to a question put by the Hon. Member for Crowfoot a couple of Fridays ago, I went as far as I could on the subject. Some people thought that I might have ventured a bit too far. The idea which I expressed then was that obviously this was a concept, this was a wish, this was a desire, which seemed to find its way in the West quite consistently at this time. I expressed surprise that it was not brought up at the Gilson exercise at the time, but strangely enough it was not. It seems to have gained momentum now, and I indicated the Government was aware of that and could not be, I said, insensitive if there was a great request for it, but the request must be accompanied by a number of positive steps, because in a matter as complex as this, you cannot give everyone 100 per cent of what he is looking for. I was inviting people, therefore, to rally around that concept and leave aside some of their other wishes for example, the inclusion of other products, the elimination of variable rates, and all kinds of other matters which together constitute what is referred to as the "Crow" question.

Message from the Senate

• (1500)

PAYOUT OF GOVERNMENT FUNDS

Mr. Jack Murta (Lisgar): Madam Speaker, I have a supplementary question for the Minister of Transport. Can the Minister assure the House that the Government has not moved in the direction of changing the basic proposal which it talked about some time ago, the Pepin proposal, and made a change in favour of paying all the money which would be paid out, to the railways, and not splitting the payment half to the farmers and half to the railways?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I cannot say that we have not, because the final decision has not been made yet. At the same time my hon. friend, who is a democrat, as I am, cannot fail to witness the fact that both in the West and in the East there has been a movement, and a number of representations made to that effect. I may not think that this is justified. I may very well think that what I announced on February 1 was a superior program, but I cannot, as a democrat, simply ignore the fact that there have been strong protests against that part of the announcement which I made on February 1.

* * *

INCOME TAX

AUDITING OF FARMERS' INCOME—ASSESSMENT OF BACK TAXES

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, yesterday in Question Period the Minister of National Revenue (Mr. Bussières) challenged me to present him with some legitimate cases of farmers who are having problems with Section 31 of the Income Tax Act. I have here 30 of the more urgent cases from my riding.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PETITION

MR. OGLE—CLOSURE OF NATIONAL FILM BOARD OFFICES

Madam Speaker: I have the honour to inform the House that the Petition presented by the Hon. Member for Saskatoon-East (Mr. Ogle) on Tuesday, April 26, 1983, meets the requirements of the Standing Orders as to form.

* * *

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-142, an Act to amend the Canada Deposit Insurance Corporation Act, without amendment.

* * *

[*English*]

POINT OF ORDER

MR. MUNRO (ESQUIMALT-SAANICH)—QUESTION DIRECTED TO MR. DE BANÉ

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, you will remember that during the Question Period I rose to address a question to the Hon. Minister of Fisheries and Oceans (Mr. De Bané). In his absence, however, the reply was given by the Secretary of State for External Affairs (Mr. MacEachen). Subsequently the Minister came into the Chamber at about ten minutes to the hour. This is not the first time, Madam Speaker, I have withheld, hoping that the Minister would show up. This time I asked the question and it was replied to rather unsatisfactorily by the Secretary of State for External Affairs—

Madam Speaker: Order, order. If the Hon. Member is complaining about a Minister not being in the House, I must tell him that that is not a point of order.

Mr. Munro (Esquimalt-Saanich): Well, I just—

Madam Speaker: Well, it took quite a long time. I gathered from the Hon. Member's intervention that he was complaining because of the absence of a Minister. If it is something else he should come to the point very quickly.

Mr. Munro (Esquimalt-Saanich): My further comment, Madam Speaker, was that I would hope the Minister would give me a reply to the questions I raised in writing.

Madam Speaker: That is not a point of order.

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, may I say to the Hon. Member that there is a limit to how fast I can move. I left this City this morning for Toronto. I managed to be back before the end of Question Period.

Mr. Pinard: He should have waited.

Mr. De Bané: Surely, the Hon. Member could have waited. Surely he should not have to ask for permission of the Speaker—

Mr. Lewis: Point of order.

Mr. De Bané: —to write me a letter or to phone me—

Madam Speaker: Order, order.

PRIVILEGE

MR. DOMM—ALLEGED UNPARLIAMENTARY LANGUAGE OF MR. LAPIERRE

Mr. Bill Domm (Peterborough): Madam Speaker, I would like to draw your attention, and the attention of the House, to a comment made last night, reported at page 24889 of *Hansard*, by the Parliamentary Secretary to the Deputy Prime Minister and Secretary of State for External Affairs (Mr. Lapierre). I would like to point out the Parliamentary Secretary's statement wherein he refers to the Hon. Member for Peterborough most indignantly as a "frog basher" and accuses me personally of "francophobia". I would like to ask, Madam Speaker, under a question of privilege which I rose on, for a retraction, and failing that, for a referral of this matter—

Madam Speaker: Order. First of all, the Hon. Member is now rising on a point of order. He is then telling me he is going to rise, or that he intends to rise, or did yesterday rise, on a question of privilege. If there was some unparliamentary language spoken in the House yesterday, the matter was probably dealt with by the Speaker who was then presiding over the proceedings. Obviously, the Speaker did not feel there had been any unparliamentary language, that whatever words the Hon. Member is referring to were the kind of sometimes violent, sometimes not so violent, debate which occurs in the House. There is no point of order and there is no question of privilege. At any rate, a question of privilege, I believe he knows, requires a written notice to the Speaker.

* * *

POINT OF ORDER

MR. BLENKARN—VOTES IN MAIN ESTIMATES ALLEGED IRREGULAR

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise on three points of order with respect to the Main Estimates filed with this House, three matters which I believe the Chair should rule on, or at least I should draw to the attention of the Chair, so that when these matters are eventually brought to a vote the Chair can rule as to whether it is possible for the House to vote.

The first matter is Vote 40 for the Export Development Corporation. Under the estimates for External Affairs, on page 952 of the Main Estimates, under Vote 40, there is a vote required to allocate $35 million to cover losses of the Export Development Corporation. You will note, Madam Speaker, that the Export Development Corporation's financial statement has been filed with this House indicating that there are no losses. It would strike me that it is impossible, therefore, for the House to be asked to vote $35 million to cover losses for which the House is already apprised that there are no losses, the consequence being that that vote must, therefore, be stricken from the record or from the estimates presented.

Point of Order—Mr. Blenkarn

The second matter I draw to your attention, Madam Speaker, is a matter immediately following Vote 40 on the same page of the Main Estimates. It purports to be a statutory matter calling for $164 million to be transferred to the Export Development Corporation, presumably under a statutory authority contained in the Export Development Corporation's incorporating statute, being Chapter E-18 in the Revised Statutes, as amended. The only Section, Madam Speaker, under which any money can be possibly transferred to the Export Development Corporation is under the provisions of Section 11(2) of the Export Development Corporation Act. Under that Section there is a requirement for the Minister and the Cabinet to make a decision and then ask for the money. This particular matter is treated as a statutory non-budgetary matter. The fact is that it must be a budgetary matter because the terms of the Statute, being Section 11(2) of the Act, require that the Minister "may", if the Minister of Finance concurs, subscribe for shares. In other words, "may" is permissive. There is a requirement for a decision by the Governor General in Council. There therefore must be an appropriation which is directed to the House rather than the matter treated as a statutory matter. Therefore it must be put to the House for a vote. Unfortunately, the way the estimate is drawn and treated, it is a statutory, non-budgetary matter on which the House cannot express an opinion.

• (1510)

I therefore ask you to rule that the matter be treated as a budgetary matter, one that the House can direct attention to so we can express our opinion as to whether we should grant to the Export Development Corporation $164 million for subscribed capital and such other matters the Corporation may want or the Minister may seek.

The third matter I draw your attention to is Vote 25 under Industry, Trade and Commerce, found on page 14.6 of the Main Estimates. That deals with an appropriation for $185 million to be paid under the Small Business Investment Grants Act. Madam Speaker, you will know that this House dealt with that Act last week and it has now been dealt with by the Senate. The Bill provides that the entire Act expire as of April 1, 1983. Only applications applied for prior to that date could receive a grant.

The Minister has already received part of this $185 million under the advance payment we voted on earlier this year. There is certainly no grounds in the statutory law for any grant to be made under this Act, and therefore I ask that you rule that Vote 25 be ruled out of order, the matter having been dealt with by the House and no longer appropriately before the House.

Madam Speaker: I thank the Hon. Member for raising these points. I will look into them and rule on them later.

PRIVILEGE

MR. DOMM—ALLEGED UNPARLIAMENTARY LANGUAGE OF MR. LAPIERRE

Mr. Bill Domm (Peterborough): Madam Speaker, immediately following Question Period this afternoon I rose on a question of privilege and you ruled that I did not have a point of order. Perhaps there was some misunderstanding as to why I rose at that time. According to the Standing Orders, as I interpret them, a question of privilege can be brought to the attention of the Speaker without notice if it arises from *Hansard* or discussions in the House. I rose on a question of privilege, not a point of order, and I would ask the Chair to give consideration to my question of privilege at this time.

Madam Speaker: I thought the Hon. Member had risen on a point of order. Let us now allow that he has risen on a question of privilege. Did he not tell me in his presentation that he was referring to proceedings which took place yesterday?

Mr. Domm: Madam Speaker, I was referring to proceedings which took place yesterday in this House during the adjournment debate. You will realize that at that time it is impossible to enter into a question of privilege; you have to wait until you have seen the remarks as printed in *Hansard*. In trying to present the case I would ask that you at least give me perhaps 45 seconds in which to make my points to show that this is a legitimate question of privilege.

Madam Speaker: First of all, the matter of unparliamentary language should be dealt with under points of order. That is why I thought the Hon. Member rose on a point of order. Therefore I do not see that he can deal with a matter of unparliamentary language under a question of privilege.

The point he is arguing now is that a question of privilege may be raised if it deals with the proceedings as shown in *Hansard*. I think he knows that a question of privilege may be raised without notice if it deals with proceedings of that day. The Hon. Member refers to yesterday's proceedings and that definitely requires a written notice. I am just putting the Hon. Member on notice now that the matter of unparliamentary language should be treated under a point of order. If it was not dealt with during the proceedings, it means that no one in the House had objection to it.

As I said, unparliamentary language has to be dealt with as it occurs. Sometimes *Hansard* has to be checked because it may involve interjections which the Chair might not have heard and an Hon. Member says that he does not think he uttered those particular words. There are two things that have to be considered, the actual words spoken and the fact that it created a disturbance in the House. Those two conditions have to be looked at in dealing with unparliamentary language.

Mr. Domm: Madam Speaker, with all due respect, if the House is adjourned at six o'clock and there are no Members in the House, how do you raise a question of privilege?

Madam Speaker: The Hon. Member is equating debate with an adjournment. If it happened yesterday, the matter has to be dealt with today by notice. If the Hon. Member had risen at the time it occurred or immediately afterwards, he could have dealt with it then. If he wants to raise a question of privilege, I need a notice.

Mr. Doug Lewis (Simcoe North): Madam Speaker, on a point of order, I take it that the matter can be dealt with by proper notice from the Hon. Member for Peterborough (Mr. Domm). Words such as those used by the Hon. Parlimentary Secretary to the Deputy Prime Minister and the Secretary of State for External Affairs (Mr. Lapierre) are absolutely objectionable. That is what the Hon. Member wants to clear up. They have appeared in *Hansard*, he has made his point that you cannot do it during the adjournment debate, and what he wants to ask the Chair is how he goes about seeing that language like that is stricken from the record. Surely what is at issue is the unparliamentary language of the Parliamentary Secretary.

Madam Speaker: Well, I have told the Hon. Member three times that he can send me a notice. If he sends me a notice and describes briefly what his question of privilege is all about, I will hear him as I always do. That is simple and I said it three times.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. TAYLOR—RECONSIDERATION OF BILL C-85

Mr. Gordon Taylor (Bow River): Madam Speaker, I have great pleasure today in tabling another petition, this one signed by some 256 Canadians, mostly producers from many areas of Alberta. The petitioners pray that the Government will listen to their plea not to pass Bill C-85, an Act to establish a corporation called Canagrex, unless it first eliminates the clauses dealing with the buying and selling of all agricultural products.

These petitioners join with thousands of other producers in Canada in this request and all pray that the Government will hearken to their representations.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,720 and 4,768.

[*Text*]

PERSONNEL AT LACOMBE RESEARCH STATION

Question No. 4,720—**Mr. Schellenberger:**

1. How many persons were (a) employed in 1981 and 1982 (b) are projected to be employed in 1983 at the Lacombe, Alberta Research Station as (i) executive directors (ii) research scientists (iii) biologists (iv) technicians (v) general farm labour (vi) laboratory staff (vii) support staff (clerical staff, secretaries, etc.) (viii) information officers (ix) administrative officers?

2. Is there an expected increase in any of the categories in Part I in the future to cover the operation of (a) the new Meat Research Centre in Lacombe (b) any new research projects contemplated for this facility?

Hon. E. F. Whelan (Minister of Agriculture):

1. As of April 1

		(a)		(b)
		1981	1982	1983
(i)	Director	1	1	1
(ii)	Research scientists	15	17	17
(iii)	Biologists	2	2	1
(iv and vi)	Technicians and laboratory staff	15	17	15
(v)	General farm labour	32	30	29
(vii)	Support staff (clerical and secretarial)	10	9	10
(viii)	Information officer	0	0	1
(ix)	Administrative officer	1	1	1
-	Computer programmer	1	1	1
		77	78	76

2. (a) and (b) No.

AMBASSADOR R. M. TAIT

Question No. 4,768—**Mr. MacKay:**

1. Was Ambassador R. M. Tait recalled from his job at the Canadian Mission to the European Communities in Brussels and, if so, what was the effective date of the recall?

2. What were the jobs to which Mr. Tait was assigned after his recall and, in each case, what was the (a) effective date (b) physical location of the assignment?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. No. Mr. Tait returned to Ottawa at the normal conclusion of his tour of duty as Head of Mission and Ambassador to the European Communities in Brussels on September 9, 1982.

2. Upon Mr. Tait's return to Ottawa and following a period of duty in External Affairs for debriefing, he returned on September 20, 1982 to the Department of Employment and Immigration from which he had been seconded for his appointment to Brussels. He was appointed Assistant Under-Secretary for Cultural Affairs in the Department of External Affairs on February 16, 1983. He took up his duties in the Department of External Affairs in Ottawa On that date.

[*Translation*]

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

Some Hon. Members: Agreed.

* * *

• (1520)

[*English*]

MOTIONS FOR PAPERS

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

[*Translation*]

Madam Speaker: Shall the notices of motion for production of papers be allowed to stand?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

Madam Speaker: Shall all orders listed under Private Members' Public Bills preceeding No. 67 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

CANADA LABOUR CODE

AMENDMENT RESPECTING UNION MEMBERSHIP

Mr. F. Oberle (Prince George-Peace River) moved that Bill C-267, an Act to amend the Canada Labour Code, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, it is not the first time that this particular Bill, Bill C-267, has been introduced in the House. It has been sponsored by myself for a number of years, and it will not be the first time that our friends in the NDP and Liberal Parties will combine in talking out this particular measure; in other words, defeating it in Parliament. The Bill attempts to correct what I consider to be some serious imbalances in our Canadian labour laws, both at the federal and provincial level. It attempts to bring Canada's labour laws into line with contemporary public attitudes and with practices in

other industrial countries with which we compete in the international marketplace.

The Bill will be called "right to work legislation" by our NDP friends because it seeks to remove the closed shop and union shop provisions in the Labour Code. I prefer to call it a "freedom of association" bill.

Since the Bill was last debated in the House, certain important things have happened, not the least of which was the acceptance of entrenchment in our Constitution of certain cardinal principles of democracy, one being the freedom of association. Before our friends, the Liberals and New Democrats, decide to talk the Bill out, they may well be advised to take into consideration certain factors which have become evident since the Bill was debated the last time. We are in the midst of a very serious recession and it would be smart for them to consider the impact of our present labour laws on the average worker in light of the recession. They should also consider the impact of new entrenched provisions in our Constitution which deal with freedom of the individual, whether he be a worker or anyone else.

From the outset, let us not be stingy in giving full credit to the great pioneers or even heroes of the union movement. Let us give credit to their contribution over time, going back to the early time of the industrial revolution. Without doubt, their efforts resulted in a more equitable redistribution of that part of the industrial wealth and benefits and wealth which have been created by the machine, the benefits which have resulted from the multiplication of human energy by the machine.

We all agree that the role of unions in our society will become even more important, if not totally indispensable, as we make another transition from the era of the industrial society, and the revolution which was associated with the industrial society, to an even more profound revolution causing even greater social adjustment and upheaval. I am speaking, of course, of the transition into the information and microelectronic society.

Human energy is being multiplied at an ever-accelerating pace by the microchip, the computer and the robot. The benefits achieved by the industrial society over the last 200 years will be equalled over the next 20 years. It should not be very difficult for anyone to understand the incredible adjustments which must be made in our social structure to accommodate such rapid and profound change in the industrial workplace.

The effects of the industrial revolution have not been confined to the workplace and to the industrial relations process. Our society as a whole has undergone some very fundamental and profound changes in many other areas. One such fundamental change, of course, is the way by which the individual in our society relates to his Government. I make the comparison of this relationship today with the way it existed 200 years ago, in the pre-industrial society. In the agrarian society, it was important for a person to secure his comfort and economic well-being in old age by having a large and extended family.

There is no doubt but that the industrial society has brought with it a greater degree of freedom and a reliance by the individual, no longer on the extended family, but, rather, on the Government and organized society to which he is prepared to surrender a part of his personal freedom in return for the benefit of living in an organized society which affords very important social benefits. I am making this point to illustrate that the industrial revolution has brought with it a change from the large, extended family to the nuclear family, which is the order of the day today, just to illustrate how important the changes in the industrial workplace have become.

We are now moving into the information society which will produce even greater individualism and freedom, not so much in the political sense, but, rather, concerning economic comfort, freedom and security. However, that security and comfort will not be delivered by the large, extended family. We expect it will be left to the institution of government which we have chosen for ourselves to distribute in a fair and equitable way the benefits which were created by the industrial machine and which will now be created by a robot and a computer.

Unions can and must play a very important role in this new society, but it must be a responsible and equitable role. Union leaders must recognize and accept the fact that a third partner has entered the bargaining process, assuming the responsibility to protect the right and satisfy the aspirations of not only those in our society who can afford the protection of large, powerful, integrated unions, but of all workers in our society, including those who do not even have the opportunity to join unions. Of course, I speak of the Government and its many institutions as the third player in the future industrial relations process.

• (1530)

Let me talk about some of the institutions which we have already put in place to deliver some of the benefits that bring about this comfort and security. For instance, there is the minimum age law. No longer are there the sweat shops and 13 and 14-year old children working in the mines. There are very sophisticated laws respecting workmen's compensation and workers' safety. These are not laws that were brought about as a result of the unions' political power, although they certainly have played a role in it; they have also been brought about because of the incredible wealth that has been created and responsibly distributed by all participants in the workplace. We have a much more enlightened workplace than we had 200 years ago.

There is Unemployment Insurance that will carry us over the crises that occur from time to time as a result of the cyclical nature of our free market economy. The recent recession has been a perfect example of how important and beneficial these institutions are and how important it is to build on them. This recent recession could well have been as serious in social terms as the Depression in the 1930s if these institutions and insurance programs had not been in place. While there certainly was hardship and still is, it has been very much cushioned by the fact that we have these very important social institutions.

More of these institutions will be put in place. The Canada Pension Plan will be a most important social institution and I have no doubt that it will be actuarially sound because I believe that we all recognize, as partners in the industrial workplace, that this incredible wealth can be created with little human energy in the new information society. It will be shared equitably and a portion of that wealth will be put into a fund that will afford people who have made their contribution to the workplace at an earlier age a comfortable life with dignity and financial security. Again, unions will have a very influential role to play in persuading Governments, the third partner in this bargaining process, to bring about greater social benefits such as dental plans.

I do not speak of these benefits being affordable only for people who have the protection of a powerful union. I believe that if it is fair and right for a steelworker or a public servant to have a dental plan, it should be fair for everyone else, including those who are unable to belong to a union to enjoy those benefits.

The role of equitably distributing the wealth that will be generated in this new industrial workplace must be shared by the other two partners in the bargaining process. I have said that it is particularly important to recognize this fact because the unions in our country only represent one-third of our work force. Two-thirds of the people working in this country have no opportunity to join a union and the unions have not really been very interested in organizing them.

The recession has shown that workers' expectations of what their unions would deliver them have been betrayed and disappointed. In the crucial period during 1982 and 1983, the unions have not produced jobs or job security for those who are working. To the contrary, we have evidence throughout the country that, because of the irresponsible exercise of union power, some plants are shut down and people are out of work. Some have been deprived of work and have a more modest income than they were used to during the roaring 1970s as a result of the irresponsible exercise of union power.

Like the Depression in the 1930s, the recession will force us to adjust our attitudes, expectations and relationship in the workplace. For that reason, the long-term effects of this recession will be positive to some extent. While there is no excuse for the misery that was caused, there certainly will be long-term, positive effects, particularly if we all, Government, labour and business, draw important lessons from these crises.

The unions and their spokesmen in the socialist Party will have to adjust their attitudes as well. The best way they can do that would be to look around the world and see what other models are available for them to learn from and begin, in partnership with the other legitimate partners, the debate, and to build a new and more responsible and equitable union model in our country.

As I have said, there is even a more compelling reason. It is that Canadians are expecting certain fundamental institutional changes resulting from the patriation of our Constitution and the entrenchment of a Charter of Rights and certain principles of democracy in which we all believe. I am exaggerating somewhat because I doubt that our friends in the socialist Party believe in all of these principles. One such principle I wish to comment on is the freedom of association. That freedom permits the average citizen and indeed every individual which makes up the cornerstone of a free society to join any political party, church, religion or union of their choice and become an extra-parliamentary critic of Government. It is probably the most important, essential and precious element of democracy that we know.

That cardinal principle of democracy, freedom of choice, must be exercised both ways. No one should be compelled or coerced to join a political party, religious group, extra-parliamentary protest group or indeed a union, particularly if our laws are structured in such a way as to permit unions and their leaders to play a very active role in politics. By letting our labour law compelling a person to belong to a union remain in force, people are being deprived of some of their political freedoms.

I draw from the experience of other industrial countries with whom we compete in the markets of the world. I talk about socialist countries like Sweden, France and even Germany until recently. However, I should qualify that statement by calling these countries social democracies because unfortunately the New Democratic Party does not espouse principles of social democracy but principles of socialism. There is a very profound difference. In no other country in the world except the United Kingdom, where there is an equally irresponsible Labour Party from time to time, is this principle of freedom of association interpreted in any way other than I have just described—free to belong but free also to abstain. Free to be provided with the choice either to belong or to opt out is an important freedom.

• (1540)

This is Canada in a painful way working its way into the twenty-first century. I espouse a European-type model which would provide every Canadian worker with an opportunity to belong to a union. That would be a very important element in our labour law. Any union that wants to be certified would have to make itself available to every person who wishes to join, but no person should be compelled to join for no other reason than the right to work. No longer should we permit the sacrifice of this important and cardinal principle of democracy, the freedom of association. I hope that our Government, industrial leaders and union leaders will get together and this question will be tested in our Supreme Court. This, then, will be the last time that I have to stand up in Parliament to speak for the freedom of the individual in terms of his relationship with his union.

Mr. Gilbert Parent (Welland): I thank you for recognizing me today, Mr. Speaker. Listening to the Hon. Member for Prince George-Peace River (Mr. Oberle), I note his comments this time are basically the same arguments he put forward before. The Hon. Member from Prince George-Peace River is bringing before Parliament for the fourth time in a decade what, in my opinion, is an ill-considered and ill-advised

proposed amendment to the Canada Labour Code. This particular incarnation is Private Member's Bill C-267.

On the last occasion he justified the repetition on the grounds that it gave him, and I quote:

—an opportunity to answer some of the criticisms levelled against the Bill the last time it was debated.

Will he consider it unfair if we take this opportunity to comment upon some of the arguments he raised before the House on February 6, 1979? I noted earlier that the Hon. Member virtually repeated himself in a number of instances. I will use some of his quotations from a previous speech to prove a point.

When the Hon. Member last spoke on this issue he was at pains to stress his view that opponents of the Bill deliberately had misnamed and misinterpreted the legislation. Although similar to American "right to work" laws, he preferred to call his Bill "freedom of association" legislation. He linked it to the contemporaneous debate over the entrenchment of a Bill of Rights, and this time he referred to the Charter of Rights, I believe, and said:

The cardinal principle of democracy is freedom of association, individual rights and collective rights.

He mentioned freedom of association again today. I suppose we are intended to read "liberty" for "democracy", but what relationship he meant "individual rights and collective rights" to bear to the principle clause is unclear in my view. Although their juxtaposition implies compatibility between the two terms, each being an integral part of "freedom of association" and "democracy", shortly after this assertion the speaker appeared to reverse himself asking:

To what extent, however, does the freedom of the individual have to yield to the collective rights of groups?

In spite of the speaker's apparent ambivalence his audience would, no doubt, have been all well disposed to forgive him his earlier confusion had he stuck to the high ground carved out and developed the important philosophical and practical issues posed by his question: To what extent does the freedom of the individual have to yield to the collective rights of groups? It is, after all, a debate stretching back probably at least to the first urban civilizations and counts among its more illustrious exponents such philosophers as Plato, Socrates, Aristotle, Hobbes, Locke, Rousseau, and even Hume in later years.

Unfortunately it soon became apparent in the Hon. Member's previous speech in February, 1979 that we could expect no such learned consideration of the question by the Member for Prince George-Peace River. In fact, the direction his comments took immediately following would appear to justify a suspicion that the question was raised primarily as an excuse to launch an invidious attack against what I say are Francophone Canadians and trade union members.

Let me explain, Mr. Speaker. What were the collective rights in Canada of which he most feared the exercise? The most dangerous apparently was:

The right of the Francophone majority in the Province of Quebec and the Francophone minorities in other parts of the country to speak their language.

His subsequent protest that he appreciates this collective right and respects it seems only to highlight his pronounced fear that the exercise of the right is likely to lead directly to separatism, since he went on to say:

I cannot help but wonder if it could in some instances be taken to the point where a minority language group says, "Look, you are not giving us our way, we don't like you any more, we are going to leave the country".

I note that the exercise of the collective linguistic rights which he fears are the rights of the minority. On the abuses of collective linguistic rights by the majority, he is silent. It is a curious tack for a man to take who professes to be introducing amendments to protect the interests of minorities of one.

He deplores separatism, and I do too, when it involves minority linguistic groups but is a staunch defender of the right of individuals to separate themselves from groups even when these individuals might continue to enjoy benefits obtained by the efforts of those groups. Is the Hon. Member in danger of giving the impression that his opinions are based not so much upon principle but rather upon his own interests and the interests of his particular group? I followed these questions and I intend to give my opinions and the answers to them.

Unfortunately, the impression the Hon. Member gives is reinforced by his second illustration. Coming finally to the point, he reveals his primary concern and motive which, evidently, again in my opinion and with all respect to the Hon. Member, is to weaken trade union solidarity and cohesiveness. It is not the rights of the individual which concern him really but, rather, the ability of the unions when he said:

They are not getting their way at the bargaining table, not only to withdraw their essential service but to opt out of the country.

He only confuses the issue when he concludes the phrase by saying:

—regardless of what that means to the individual rights of Canadians.

May I ask the Hon. Member, "What rights of which Canadians?" Doubtless he is referring to a supposed right of some people to receive a certain service. That this supposed right to receive a service might be assessed in relation to the right of other people to work or to withhold their work as they choose, obviously, is a question which the Hon. Member has not contemplated or has decided not to discuss.

Had he chosen to open up the issue, in all intellectual honesty he would have been forced to question the assumptions upon which his amendment lies. At the very least, if he has any real grasp of the terms he was tossing around so lightly and, I hope that he does, he would have been forced to admit that he was not discussing individual rights at all but rather the collective right of one group measured against the collective right of another which, of course, was the same problem with his analogy of competing linguistic claims.

Even if the Hon. Member failed to discuss effectively the issues arising from his question "To what extent does the freedom of the individual have to yield to the collective rights of groups?", it is, nevertheless, a question well worthy of consideration. He might have provided convincing arguments if he had, for example, raised the issue of the individual

Francophone living in Prince George or, for that matter, the lone Anglophone in Rivière-du-Loup. To what extent is it incumbent upon the state to fund bilingual facilities to permit these individuals their claims to do business with the Government in their own language?

• (1550)

Let me make my point explicit. I am not referring to the language question only because the Hon. Member for Prince George-Peace River referred to it in the previous debate. There is a principle common here to the issues raised by his proposed amendment. In the case of the minority language question, the issue, as I see it, is to what extent the collectivity should be taxed to provide linguistic services to minorities, that is to say, to provide them their individual rights. It is a clear question of the collective or majority right not to be taxed against the individual right to receive services. There is the quid pro quo. Obviously there is no one right answer. I would not profess to have the only answer in Canada or in the world. I put forth my views for the consideration of the House.

As in all arguments over who gets what, the final choice will probably be made by a process of compromise. No doubt such a process is unsatisfying to the ideologues and extremists who would attempt to discuss the question in the absolute terms of rights, but it is precisely this sort of compromise that prevents countries from becoming unstuck. One great writer wrote at one time that the art of governing is in itself the art of compromise or the art of trying to move a country in the direction that the country itself wants to and should move, this by its own analyses.

The same arguments apply in the case of compulsory trade union membership and the payment of dues. The Hon. Member referred to this matter on three different occasions in his speech today. As one attempts to discuss these issues in terms of fundamental rights, one is inevitably thrown into endless and sometimes confused debate over the relative rights of the collectivity, meaning the group, versus the individual. Evidently the Hon. Member's failure to draw out the implications of the question posed is, in my view, an acknowledgement of the weakness of such an approach. However, since these are the grounds upon which the representative of Prince George-Peace River has chosen to base his arguments, we will have to take a closer look at them despite the unlikelihood of being able to draw any fundamental and definite conclusions.

At one point in his speech he asked rhetorically:

> Why do I have to be compelled to belong to my union?

He asked that again today. At another point he maintained that in West Germany workers "cannot be compelled to join" unions and stated:

> The right of the worker in an industry is that if he does not like what the union does he should not have to pay dues.

I believe I am quoting him correctly.

Mr. Oberle: Not at all.

Mr. Parent: The Hon. Member says that I am not quoting him correctly. I tell him that this passage was taken directly from his speech on February 6, 1979.

The last statement concluded a paragraph of argument in which the Hon. Member attempted to turn around the cogent reasoning of the Hon. Member for Winnipeg North Centre (Mr. Knowles) in a previous debate on the amendment. The Hon. Member for Winnipeg North Centre is not present in the Chamber, but he argued that the amendment, if applied to other conditions, could result in the claim, that "Because I am not a Liberal", or for that matter a Conservative, "and I do not agree with everything this Government does"—and he was referring to the Government of the day—"I should not have to pay taxes". By some bizarre and unexplained leap of fancy, the Hon. Member for Prince George-Peace River said that the position of the Hon. Member for Winnipeg North Centre illustrated his argument that "the union power in this country puts itself on an equal footing with the power of this institution and the power of Government".

Whether or not there might be any truth in the Hon. Member's claim that unions believe that "if I do not agree with what the Government is doing, I do not have to pay taxes", it would appear to be a statement completely irrelevant to the issue under discussion unless it is to illustrate once again that the Hon. Member, with all respect, is not at all concerned with the rights of the individual and that it is union solidarity which his amendment attacks directly.

If the Hon. Member for Winnipeg North Centre will excuse me, I will attempt to explain the intent of his analogy to the Hon. Member for Prince George-Peace River. If I understand the Hon. Member for Winnipeg North Centre correctly, he was referring to an old Conservative principle. What a disgrace that Liberals and socialists should have to lecture Tories on Conservative principles. I do so only with great deference. The principle is that once born into society we derive the benefits of society involuntarily. We could not live and develop without these benefits. However involuntarily we receive them, we are bound by our debt to society. When a child is born into Canadian society, he becomes a Canadian. He accepts all the rights of a Canadian and, by the same token, he accepts all the duties of a Canadian.

We discharge the debt referred to under the social contract by obeying society's laws. Those who seek to evade their obligations, we brand as criminals. Hence, whether or not we agree with the specific acts of a particular Government, our general debt to society is so overwhelming that we have no choice but to submit to these acts until, by the democratic process, we have the opportunity to seek redress. To act otherwise would be the limit of irrationality. General disobedience to the laws of established authority would lead only to anarchy, where the war of all against all in this state of nature would render life, in Hobbes' terms, "nasty, poor, solitary, brutish and short".

Very similar arguments are applicable to workers in industries governed by collective agreement. As anyone well grounded in Conservative principles ought to know, our social obligations are not limited only to the state. The state itself is a composite of corporate groups, each of which acts in its own sphere to regulate and civilize the life of the citizen. Just as the individual is bound to obey the national laws because he is the beneficiary of ordered conditions imposed by the state, so too where a worker is the beneficiary of conditions negotiated by a trade union, even where he is on involuntary beneficiary, by accepting these benefits he contracts certain obligations to that trade union, that is to say, the paying of dues.

As in the case with the laws promulgated by our Governments, the trade union has the option of joining in collective action at the time of union elections to change union officials, if he does not like them or should he believe the policies and actions of the leadership to be inadequate. I, for one, believe that these elections of trade unionists are free and democratic. Either as a citizen or a trade union member, the individual in Canada cannot be compelled to take part actively in political or union activities. That is a matter of law and is one of the basic tenets of democracy. Canadians have the right of non-participation in political and union affairs. We witness the fact that at election time sometimes only 75 per cent to 80 per cent of the people take advantage of the opportunity to vote.

• (1600)

Nor are all workers in all industries even required to take nominal union membership under the current provisions of the Canada Labour Code. For the Hon. Member for Prince George-Peace River to suggest it is a matter of natural right for individual workers to benefit from collective agreements and yet be exempt from contributing to the maintenance of those institutions is as irresponsible, in my view, as it would be for him to say that individuals should benefit from institutions of the state and yet not contract any obligation for their maintenance.

Does the Hon. Member object that these are not the things that he advocates, that all he wants to do is to redress a perceived increase in union strength? I put it to him, and this is my last statement, that the amendment he is advocating, if passed, would destabilize seriously the union system in this country. It would lead to increased union rating of members, would threaten the financing of trade unions and could seriously undermine the ability of union leaders to reach agreements and guarantee their observation, and would surely threaten a degeneration of industrial relations in this country.

Mr. Oberle: Mr. Speaker, I wonder if the Hon. Member for Welland (Mr. Parent) would permit me to ask a brief question before you recognize the next speaker.

The Acting Speaker (Mr. Corbin): That could only be done with unanimous consent of the House. Is there consent to allow the Hon. Member for Prince George-Peace River to put a question?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Corbin): There is not unanimous consent.

* * *

THE ROYAL ASSENT

The Acting Speaker (Mr. Corbin): Order. I have the honour to inform the House that a communication has been received as follows:

Government House,
Ottawa,

April 27, 1983

Madam,

I have the honour to inform you that the Honourable Brian Dickson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 27th day of April, 1983, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be
Madam,
Your obedient servant,
Esmond Butler
Secretary to the Governor General

* * *

CANADA LABOUR CODE

AMENDMENT RESPECTING UNION MEMBERSHIP

The House resumed consideration of the motion of Mr. Oberle that Bill C-267, An Act to amend the Canada Labour Code, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Dan Heap (Spadina): Mr. Speaker, I am very pleased to have an opportunity to respond to this Bill. I want to use that opportunity because, as a new Member of this House, I have not had occasion previously to engage in the ritual of answering the Hon. Member for Prince George-Peace River (Mr. Oberle) on the Bill which he apparently brings forward every couple of years. In fact, this is my first opportunity even to hear his argument. I do wish to answer.

The Hon. Member's Bill would clearly have the effect of undermining or destroying bargaining units that have been agreed upon between a union and an employer by permitting an individual to claim the benefits of membership while refusing the obligation.

The Hon. Member claims we should copy certain other countries. He disregards the fact that these laws were built up over many years, at least half a century in Canada. In fact, they were built up under Governments, Liberal, Conservative or Progressive Conservative, federal and provincial.

It is rather amusing to hear the Hon. Member describe the effect of these laws, by implication, as socialist. That means that Liberal federal Governments and Conservative provincial

Governments are all socialist. In fact, the laws in Canada are closely aligned to the laws of the United States, and in some cases are modelled on United States laws. The Hon. Member is clearly implying that the United States is a socialist country. It is a very bizarre use of the word "socialist". When he asks us to copy selected aspects of certain European countries, which he calls democratic socialists by contrast with socialist Canada and socialist United States, it is really difficult to understand how he is using those words.

What we can understand is that as a matter of practical experience, with the help of a very famous Judge, the late Mr. Justice Ivan Rand, Canada did establish certain basic principles. I remember clearly the year after I came out of the army. There was considerable labour unrest in Canada. The famous Rand formula was established. It by and large resolved the very difficult situation of strikes and confusion in labour relations.

His principle ws that the workers in the unit must all receive the same benefits and services that are negotiated between the employer and the union. If a worker feels he has not received those benefits or services, he is entitled to sue his union in a court of law for not providing them. The union is compelled to provide those services. Therefore, Mr. Justice Rand argued that each member equally has an obligation at least to pay the dues of the union and in some cases to maintain memberhsip in it. This principle is said to be very strange, but I would point out that it has been adopted by all of the Governments of Canada and most Governments in the United States.

The previous speaker, the Hon. Member for Welland (Mr. Parent), pointed out the comparison with taxation. The minority must pay the taxes imposed and voted by the majority because the minority can also claim all the benefits of the programs carried out with those taxes.

Far from the unions arrogating unto themselves the position of Government, the fact is that in Canada the trade unionists are second-class citizens. Doctors can go on strike but they do not go to jail. Bankers can refuse their services but they do not go to jail. Storekeepers and oil companies can refuse to sell but they do not go to jail. Only union members are from time to time threatened with fines or jail if they do not work.

In that sense, they probably do lack something of the freedom of association that the Hon. Member for Prince George-Peace River claims to support. It is a deprivation of freedom that mere membership in a union should make a person vulnerable to fines and jail to which he would not be vulnerable if he were a member of a medical associaton, bankers' association or some such organization. The Hon. Member is not attempting to protect the members of the trade union from fines and/or jail in that sense. He never said a word on that side of the case. He wishes to protect them from having the ability to organize in solidarity so as to defend themselves when necessary against an employer.

The trade unionists have one basic, fundamental power. If they agree, they can withdraw their labour. The employer has a comparable fundamental power. By his decision, he can withdraw the opportunity to labour. He can shut the door.

• (1610)

In half a century we have developed a structure of law and balances within the law that enables workers and employers to bargain using those two powers which 99 per cent of the time are held in reserve and not exercised but are available as a real possibility. Membership in the bargaining unit, the dues-paying obligation of the bargaining unit, is a part of that structure. It does not make paid unionists fully first-class citizens as bankers and oil company presidents are, but it certainly protects them from being completely dominated and ground into nothing by the bankers, oil company presidents and large employers.

It is interesting that the Hon. Member has such a persistent desire to disrupt the labour law structure in Canada, and presumably if he were in the United States he would be trying to disrupt the labour law there. If he had his way there would be no security in any union contract. It would be impossible for either union or employer to know whether workers in that particular enterprise were going to consider themselves bound by the obligations of the union contract.

After 18 years' experience working as a labourer in a factory, including 12 years' experience on the bargaining committee of my union, I can assure the House that the employer has very great respect for the union contract. He may try to get around it but he does not want to do away with it.

About 20 years ago there was a strike at the Royal York Hotel in Toronto during which the employer fired the employees. He sent letters to all strikers telling them that they did not work there any more and not to come back when the strike was over. The union took the employer to court and the first decision of the Queen's Bench was in favour of the employer on the basis of some statute dating back to 1597 or somewhere relating to master and servant.

Across the country the response came from major employers and industrialists that they were horrified at the decision. In very short order the Superior Court reversed that decision and said that the workers had a quasi-legal right to their job; that when they went through all the arduous steps provided by labour law to the point where they could legally go on strike, they had not quit. They were still entitled to their jobs.

If the Hon. Member for Prince George-Peace River wants to wipe that out and have jungle law in every place of employment under the jurisdiction he is talking about, then he should be frank enough to say: "Let's wipe out unions as legally recognized bargaining agents; let us wipe out contracts". Then every day on every job the employer would not know whether he has workers or not. Often the union would much rather strike during the life of a contract. It is the contract that prevents this. The employer relies on that when he bargains.

It is strange that the Hon. Member keeps bringing this matter up without stating what he thinks would result from what he is after. He has given us some new arguments today and perhaps this is the first time he has used the argument

about chip technology. He suggested that these benefits will come to people if the union leaders act responsibly. He never suggested that employers must be responsible. I assume he is content to have employers be irresponsible, and in fact some of them are in their treatment of labour.

The Hon. Member claims that benefits like workmen's compensation, the minimum wage, the Canada Pension and Unemployment Insurance came about because this is an enlightened country. He tried to do away almost entirely with the history of how those benefits were achieved. Each was won after a long campaign by organized labour. I do not remember any campaign by organized employers to provide these benefits. Employers conceded them as the most convenient way of regularizing certain situations, but in almost every case the thrust to develop those benefits came from organized labour and in many cases from the only parliamentary Party that sympathized with organized labour, the CCF-NDP.

We heard that two-thirds of the work force does not have the opportunity to join a union and that unions are not interested in organizing them. That is probably beside the point of the Hon. Member's argument but as a taunt it should be answered. It is false. The unions spend a great deal of energy, time and money trying to make it possible for workers to join unions. It is the employers who will spend and have spent thousands and hundreds of thousands of dollars and at times even hire known criminals in order to intimidate, beat up, spy upon and lie against workers trying to organize a union or those engaged in the conduct of a legal strike. It shows ill grace for a supporter of business to taunt workers about not having the chance to join a union when the main obstacle to that is the action of many employers.

The Hon. Member also taunts unions with not having produced jobs. He must never have read a labour contract, at least not in the Province of Ontario. By law in Ontario every contract must have or is deemed to have a management rights clause which says that it is up to management to run the plant, to decide what work will be done and who will do it, subject only to its agreement with the union and the laws of the Province and the country. It is management's responsibility to provide jobs. To taunt the unions with not providing jobs suggests that the Hon. Member wants some kind of society entirely and exclusively ruled by unions. Whether he would call that socialist or not I leave it to him to say, but it is not what we have in Canada at the present time. As long as the company has the responsibility for providing the jobs, the unions do not.

Finally, we heard the plea for freedom of association. No person should be compelled to join a union or party. That is fair enough. The members have obviously voted for a union; if they had not there would be no union. They can choose whether to work in a union shop or not. I have friends who have refused jobs because they would not work without the protection of a union. Members can not only change the officers but can decertify the union if they do not think it is doing a good job, and this happens, Mr. Speaker.

There is freedom of choice within a union. If a union wishes to put some money into a political party campaign it must ask permission of members through legal channels at a union meeting. That is a different situation from that of the board of directors of a corporation which can and in many cases does spend shareholders' money supporting the Liberal Party or the Conservative Party without asking shareholders if that is what they want to do.

It borders on hypocrisy for the Hon. Member to accuse unions of taking away freedom of association when in fact there is far more freedom of association for members of a union than there is for either the employees of the company as employees or, in many cases, for the shareholders of the company.

I have attended shareholders' meetings of a large mining company in this country on two occasions. It was evident to me how little power the average shareholder had, attending one meeting in a year. He was not provided with the full information about what was going on in the company; a group at the head table monopolised the time. That does not happen to the same extent in a union.

An Hon. Member: He could sell his shares.

Mr. Heap: An Hon. Member said he could sell his shares. He might just as well say to the employee that he can quit his job. For many people that is a choice and for many others that is not a choice. It has nothing to do with the quality of the internal democracy either within the shareholders' group or within the union group.

• (1620)

Therefore, Mr. Speaker, as long as the Hon. Member keeps being re-elected, we will probably have this debate every two years. I was glad to say my piece this time and I am sure the next time the Hon. Member brings it up there will be some new Members of the NDP caucus here to give him an answer.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. It is my duty to interrupt the proceedings, pursuant to Standing Order 24(2).

[*English*]

Shall all items listed under Private Members' Notices of Motions preceding item No. 69 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

[*English*]

VETERANS AFFAIRS

MOTION RESPECTING TREATMENT OF VETERANS AND SURVIVORS

Mr. Gordon Towers (Red Deer) moved:

That, in the opinion of this House, the government should consider the advisability of implementing Recommendation Number 7 of the Standing Senate Committee on Health, Welfare and Science's Report entitled "They Served We Care" which called on the government to establish a Committee composed of officials from both government and veterans' associations to review and update those recommendations of the Woods Committee which have not been implemented and to identify, study and make recommendations about the anomalies which still exist in the treatment of veterans and their survivors and which also suggested that this Committee should study the apparent inequity to a divorced spouse who under existing legislation has no entitlement to benefits under the Pension Act and the War Veterans Allowance Act and which also suggested that the Committee study the apparent inequity of the manner in which veterans are compensated for periods spent as prisoners of war.

He said: Mr. Speaker, the reason I have presented this Motion at this time is to bring to your attention and to the attention of all our colleagues in the House of Commons the responsibility which falls on our shoulders regarding the treatment we give to the veterans of our country, and especially those veterans who were prisoners of war.

I have been concerned for some time that we have not dealt adequately or fairly in a great many cases with the pensions or benefits which our veterans are entitled to. In a great many cases we have a grey area, and I suppose in any given situation where there is a right and a wrong or a black and a white, you do have those grey areas. I believe that in these judgments which are handed down there are a considerable number of grey areas, and it falls to the judgment of the hon. members of the Commission to make the ultimate decision. In many of these cases, I feel there is not enough scope given to these areas and, perhaps, not enough consideration given to the ultimate decision.

The departmental comments on the 29th Dominion Convention Resolution of 1982, from the Department of Veterans Affairs, were issued by the Dominion Command of the Royal Canadian Legion in February, 1983. I find that the comment with regard to disability pensions and the benefit of doubt is dealt with. I will perhaps read this for the benefit of our colleagues:

Whereas the Pension Act clearly states that an applicant for pension is entitled to benefit of the doubt, which means it is not necessary for the applicant to adduce conclusive proof for applicable pension, but that the body adjudicating on the claim shall draw from the circumstances of the case and the evidence adduced, every reasonable inference in favour of the applicant:

Therefore be it resolved that all pension applicants continue to be given the benefit of the doubt as set out under Section 85 of the Pension Act.

Then, of course, the departmental comment on that, Mr. Speaker, is simply this:

In accordance with Section 85 of the Pension Act, all pension applicants continue to be given the benefit of the doubt with regard to decisions rendered by the Canadian Pension Commission and the Pension Review Board.

I am sure, Mr. Speaker, that you have cases, as well as all Hon. Members of this House of Commons, with regard to requests for pensions on behalf of many of the applicants. I do not believe, sir, that the Commission goes far enough in the direction of giving the benefit of the doubt on these applications to the veterans. I believe we have room in which to move. I know that the question always comes up—it was mentioned in the decision which was made to the Standing Committee on Veterans Affairs last night—that it is a matter of finances. Of course, we should consider it really it would not cost that much in the long term. We have money, apparently, to move the Department of Veterans Affairs to Prince Edward Island. Far better, and I have always said this, to have taken that money and given it to the veterans for pension benefits rather than moving the whole Department out of Ottawa, because the veterans were very happy, and all the Legion members were happy and content to have the headquarters in Ottawa. They were very disturbed when their headquarters were moved. Certainly, the cost is a tremendous factor. How in the world can any Minister or any Department official say they do not have money to assist in the particular areas we are talking about when they can spend a massive amount of money to move the whole facility out of Ottawa?

In order to give credence to my Motion, I am going to deal with the conclusion of the report of the Senate of Canada Standing Committee on Health, Welfare and Science. I will quote from it to explain what I am trying to accomplish as follows:

In the course of our research and the examination of witnesses your Committee was impressed by the many references to the Report of the Committee to Survey the Organization and Work of the Canadian Pension Commission. This task force, set up in 1965, was chaired by Mervyn Woods and submitted its Report in 1968. A great many of its recommendations were later incorporated in the 1970-1971 Amendments to the Pension Act and since then have been credited with having a major and beneficial effect on the treatment of veterans, ex-Prisoners of War and their dependents. On the other hand, many of its recommendations were not implemented. Our witnesses do not think that a massive study of all the legislation and bureaucratic structures dealing with veterans is necessary. They suggest, however, that the Woods report should be reviewed because a number of anomalies and inequities still exist in veterans' legislation and regulations. We agree with this suggestion. There are, for example, two inequities which require further study; namely, the treatment of the divorced spouses of veterans and the treatment of the Dieppe prisoners of war.

At present, the divorced spouse of a veteran has no entitlement to benefits under the Pension Act and the War Veterans Allowance Act. The Pension Act does provide that the Canadian Pension Commission has the discretion to make a grant to a divorced spouse. This discretion comes into play particularly if there is a court order or a maintenance order for some support during the lifetime of the veteran. Under the Canada Pension Plan, on the other hand, pension benefits are divided in half on the divorce of a contributor, if applied for at the time of divorce. We believe that this precedent as well as the new marriage and property legislation in a number of provinces should be taken into consideration in the proposed review in order to keep the legislation in step with present attitudes and new concepts of equality in the marriage partnerships.

● (1630)

Under the Prisoner of War Compensation Act veterans are paid disability pensions of from 10-20 per cent based on the length of time they were incarcerated. The Hong Kong veterans, however, have been entitled to a disability pension of 50 per cent because of the extreme severity of their long confinement. Other groups of veterans, such as the Dieppe POWs, were also held for long periods of time under abnormally harsh conditions but are entitled to a pension of no more than 20 per cent. Is it just to compensate those who were POWs for over 2½ years at a disability rate that is only twice the compensation offered those who were incarcerated for just 3 months?

We understand that there are other possible inequities, and therefore we recommend that:

This, Mr. Speaker, is the centrepiece of my notice of motion today. This is the recommendation we want to support. Incidentally, the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) would like to have been here to take part in this debate today but he had to attend a funeral in Winnipeg of a friend. The recommendation is:

(a) the Government appoint a Committee composed of officials from both the government and veterans associations to review and update those recommendations of the Woods Committee which have not been implemented and to identify, study and make recommendations about the anomalies which still exist in the treatment of veterans and their survivors;

(b) the Committee study the apparent inequity to a divorced spouse who under existing legislation has no entitlement to benefits under the Pension Act and the War Veterans Allowance Act; and

(c) the Committee study the apparent inequity of the way in which veterans are compensated for periods spent as prisoners of war.

Now, Mr. Speaker, I defy anyone to establish completely the damage done to those people incarcerated in a prisoner of war camp. They never knew whether they were going to get out alive or when. They never knew whether or not they were ever going to see their loved ones again. I can understand the difficulty members of the Commission have, but I believe consideration should be given to this situation so that we can all feel these Canadians are receiving adequate and fair treatment.

Now, in the submission the Royal Canadian Legion made to the Standing Committee on Veterans Affairs last night, they said, with regard to another area of interest, deductions for income tax—

The Acting Speaker (Mr. Corbin): Order. Is the Hon. Member presently quoting from a statement made before the Committee last night?

Mr. Towers: Yes.

The Acting Speaker (Mr. Corbin): I should caution the Hon. Member about doing that because the rules forbid debate in the House on matters currently before Standing Committees of the House. The principle is that a matter cannot be in both places at the same time. I hope the Hon. Member will use extreme prudence in the way he presents his arguments.

Mr. Towers: I accept your direction, Mr. Speaker; I always appreciate your guidance. This has to do with the Estimates and a submission made by the representatives of the Legion. They will not be back again. It cannot be said that we are dealing with the same situation both in Committee and in the House, so I would hope you would just let me make this one point because it is pertinent to the case I am trying to make.

The Acting Speaker (Mr. Corbin): Order. If I allow the Hon. Member to go ahead and quote directly from a presentation made before Committee, which Committee has not yet reported to the House, I would be encouraging him to breach the rules of the House. So the Hon. Member may still refer to the matter, if I may be helpful, by taking an indirect approach. Possibly if he did not say that the matter is before the Committee at this time, well, that would be quite fair.

Mr. Towers: Mr. Speaker, I appreciate your comments. Nevertheless, the point is simply this. The submission made by the Legion was that it had been told that the Act cannot be changed for another year or two. This concerns me because—I see the Chairman of the Committee here today and I am sure he would agree with me—we all know how slowly legislation moves in the House of Commons. When the suggestion is made that nothing will be forthcoming within the next year or two, you and I both know we should be into an election about that time and we will not have any opportunity of passing legislation then. Then when you go beyond the election, the matter is delayed further. So I find it very difficult to understand why these regulations cannot be studied to find out where these anomalies exist and action taken on them. We have to realize that these people we are talking about are getting older every year and we should do something along these lines for their benefit during this period of time. Otherwise, in a great many cases, it will be too late.

Therefore, I leave the suggestion with you, Mr. Speaker, that it is our responsibility as Members of the House to accept the recommendation from the other place and recognize that we too can fully appreciate that: "They Served, We Care".

Mr. Maurice Dupras (Labelle): Mr. Speaker, I am delighted to have a chance to participate in this debate. I do so not as Chairman of the Standing Committee and not to defend the Government, but as a war veteran. I do this as a duty to my friends who did not come back and to those who did but could not resume their activities in civilian life. I do this also because I have been involved with the work of the Committee for many years. I have been a witness to what not only this Government but many other Governments preceding this one have put in place, that is, what I consider to be perhaps the best veterans' social program anywhere on earth. That goes also for ex-prisoners of war. I do not think we could find anything comparable to the social and welfare programs we have adopted for war veterans. Because of this sense of satisfaction, I find I have a duty to take part in this debate and follow my friend, the esteemed and respected member of my Committee, the Hon. Member for Red Deer (Mr. Towers).

The Hon. Member has three parts to his motion, but I would like to deal mainly with the Woods Committee report. I gather others will want to deal with other aspects of his motion. Having been a witness to the activities of the Standing Committee on Veterans Affairs and the many times that the Legion has come before the Committee as a witness, I find it distressing and surprising that such a motion is introduced. To me, the record of the Canadian Legion speaks for itself. Reference was made a few minutes ago to the meeting last night. Without faulting anyone, I would nevertheless like to say that in the brief remarks made by the representative of members of the Canadian Legion, I was under the strong impression that this exercise of their coming to the committee was, for them, the

best way to expose and to express the needs of the war veterans. At one point, they even expressed their satisfaction with the way the Government had always listened.

• (1640)

[*Translation*]

Mr. Speaker, whenever representatives of the Canadian Legion appear before the Committee, we must realize that it is an institution that was established by veterans themselves and which is heard, respected and also consulted by the Government. Only yesterday, someone was saying, and it is not the first time I have heard this, that the Canadian Legion is being consulted and that the Government, when it is considering legislation related to the welfare of veterans, consults the Canadian Legion. And in this connection, Mr. Speaker, we must not forget the tremendous sacrifices made by some of our veterans for this country.

The Royal Canadian Legion represents 99.9 per cent of our veterans, since it represents and works as we have already heard . . .It represents the Canadian Indian Veterans Association. There are local branches of the Royal Canadian Legion across the country, and every town, at least in Quebec, has its local branch of the Royal Canadian Legion, where veterans will go if they need financial or social assistance or if they have marriage problems.

I wonder whether my good friend, the Member for Red Deer (Mr. Towers) has considered the consequences if the Government agreed to form a new committee. I am sure my hon. colleague from Red Deer spoke in good faith, but I wonder whether this would not delay implementation of the measures proposed by the Woods Committee. It would be most unfortunate, and I am sure the Hon. Member would agree, if the implementation of certain programs were to be delayed, since when the Legion made its proposals as it did recently, when it asked for an increase in benefits for funeral expenses, I believe the Government considered this request and increased the benefits which were $125 at the time, to $500 or $600. The same applies to casual workers. A representation was made by the Royal Canadian Legion, asking Veterans Affairs and National Revenue to examine certain problems that arose for veterans. The petition submitted by the Royal Canadian Legion on behalf of veterans was accepted, and now, veterans are able to benefit. Thus, representations by veterans are routed to their local branches which are elected by other veterans. The local branches forward representations and requests to the provincial commands and the Dominion command each year, and these requests are forwarded and considered and in fact become a policy or representation of the Royal Canadian Legion.

Considering the record of the Legion and its success in taking such action, I wonder whether a new committee is really necessary. I wonder whether there is not a real risk that approval and implementation of certain measures will be postponed because a new committee would want to examine such proposals. Will this committee, like the present committee, if I am not mistaken, also have a majority of veterans who truly represent their former comrades at arms? I know that when petitions are made on behalf of constituents or a branch of the Legion in a municipality or riding, the Minister always listens very attentively to the grievances and representations put forward by Hon. Members, and the Ministers of Veterans Affairs I have known, the present Minister (Mr. Campbell) and his predecessor, have always been very attentive to petitions based on such representations. In fact, the Canadian Government and Canada have an outstanding record as far as veterans welfare programs are concerned. The measures that were approved to provide for the veterans of 1939-45 were adopted before I got back, since I was still in Europe when they were approved. This means that the Government—in fact all the Governments since the First World War—has been very receptive to the grievances and representations submitted through the Royal Canadian Legion by our veterans.

Once again, Mr. Speaker, the Canadian people are quite aware of the great sacrifices our veterans have made for their country, and I think that the words "They Serve We Care" do reflect how fairly we treat them. Indeed, our comrades in arms, be they from France or Great Britain, may very well feel somewhat envious of our veterans because of the benefits they enjoy. Besides, keeping in mind the care we have given them and the fact that we did go out of our way to make sure that justice was done to those who had given their lives to save democracy and everything else we held dear at that time when we were as young as 18, 19 or 20, I for one consider that the Governments, this one and others before, have fully discharged their responsibilities and, to those who have put their lives on the line and gave so much, we remembered and we can proudly say "They Serve We Care".

Once again, the representations we receive from the Royal Canadian Legion are passed along to the Government through the Standing Committee on Veterans Affairs. As I said earlier, the representations made by the Royal Canadian Legion are heard and examined, and we consult the Legion. Personally, Mr. Speaker, I do not see the need or even the wisdom of creating another institution which would be asked to do exactly what the Committee already does very well.

[*English*]

Mr. Neil Young (Beaches): Mr. Speaker, I do not want to speak too long on this particular motion by the Hon. Member for Red Deer (Mr. Towers). It is a matter which I think has been studied, debated and discussed for many years. It seems to me that having a long discussion today will not add anything new to the debate. It is a motion which deserves the support of the House and should be acted upon by the Minister.

In his motion, the Hon. Member for Red Deer refers to recommendation No. 7 of the report of the Standing Senate Committee on Health, Welfare and Science entitled "They Served, We Care". The recommendations contained in the

Senate report rely quite heavily, in their arguments, on the report of the Committee set up to survey the organization and work of the Canadian Pension Commission, which in abbreviated forum is called the Woods Committee.

• (1650)

In defence of the Government the previous speaker suggested that the Minister of Veterans Affairs have always listened to the needs of veterans. I think he is absolutely right, and surprisingly frank and straightforward when he says that. He is absolutely correct when he says that they have listened. In this particular case they have been listening since 1968 and have probably listened since 1965. When they saw the size of the problem at that time they implemented the usual Liberal strategy of referring it to a commission rather than dealing with it.

They did that in 1965 and the Woods Committee digested the reference for a period of three years until 1968, some 15 years ago, when the Woods Committee report was issued.

The Government then listened from 1968 to 1981, when even senators became impatient, which is somewhat remarkable and perhaps even encouraging. They decided to study the Woods report and issued their report entitled "They Served, We Care" in 1981, I believe. The Government has been listening, reading and considering the Senate report since it was issued in October, 1981, I believe.

The Senate report covered a number of areas in addition to the specific area that was referred to in the motion of the Hon. Member for Red Deer. The primary issue referred to in the motion deals with how a divorced spouse may be treated under the existing pension legislation. It is rather a serious question and I find it difficult to understand why the Government is being so slow and hesitant to improve the conditions of those individuals.

I am sure that other Members have letters, as I do, from women in Canada who are badly treated under the existing provisions of this particular piece of legislation. I know that the Hon. Member for Winnipeg North Centre (Mr. Knowles), who has been very actively involved in the development of veterans legislation, receives numerous letters from veterans across Canada. He brought one such letter to my attention in reference to this particular motion. It is from a woman who resides in Eastman, Quebec, and is in a very unfortunate predicament. She was married to two veterans. Her first husband is now deceased and she is divorced from her second husband. In addition to that, she is a battered wife and was defrauded of her life savings by her second husband from whom she was divorced in 1981.

This woman is a former public health nurse, is now terminally ill and is on welfare because she does not qualify for assistance under her late husband's entitlement, nor does she qualify for any benefits from her divorced husband. That is simply because divorce is not recognized by the War Veterans Allowance Program or the Canadian Pension Commission.

This is what the Minister said in a letter dated March 7, 1983, in response to a letter from the office of the Hon. Member for Winnipeg North Centre:

> I agree that this woman's situation is indeed a tragic one and I sincerely regret that under the veterans' legislation there is no provision to assist her financially.
>
> The Pension Act provides for the payment of pension to a divorced widow if she was awarded alimony or maintenance. In cases where the divorced widow was not awarded alimony or maintenance, the Commission may, in its discretion, award a pension to her if she is in a dependent condition and if, in the opinion of the Commission, she would have been entitled to an award of alimony or maintenance had she made application under due process of law. Dependent condition is defined, in the Pension Act, as being without sufficient income or assets, other than the premises in which the person resides, to maintain himself or herself.

I saw this letter last week and have gone over it numerous times since then. I have come to the conclusion that only a Philadelphia lawyer could possibly understand what the Minister means. I have still not figured out what the bureaucratic language would mean to a person who was trying to find out what his or her entitlement would be under that piece of legislation.

The Minister goes on to say:

> With regard to War Veterans Allowance, the legislation defines "widow" as a surviving spouse of a deceased veteran who has not remarried, and a surviving spouse of a deceased veteran who has remarried and whose spouse of that marriage dies within five years of the marriage. As this woman's situation does not correspond to this definition, she cannot qualify for War Veterans Allowance as the widow of her husband. In addition, as she is no longer the spouse of this particular person, since this marriage terminated in divorce, she does not qualify for any portion of the benefits that may be awarded to him under our legislation.

The Minister then goes on to say that again they are considering the matter as they have since 1965 at least and actively since 1968 and again since 1981. The Minister goes on to say:

> I am pleased to tell you that a thorough review of the War Veterans Allowance and Civilian War Allowance Acts has been in progress for several months. I can assure you that your suggestion with regard to remarried widows will be carefully considered in this review.

The woman since then wrote back to the Hon. Member for Winnipeg North Centre and said how encouraged she was by the last paragraph in the Minister's response. I am afraid that I will have to write her and tell her that, based on the information recently received from the Royal Canadian Legion, any hope for any positive result arising from that review will not take place for at least a further two-year period. At the end of that time, of course, we will have no idea whether the review will ultimately result in the Government's finally doing something to implement the recommendations in the Woods report of 1968 or the Senate report of 1981.

In addition to the recommendations made in the Senate report with respect to widowed spouses, they also made a number of recommendations about matters of continuing concern to the Canadian Legion. According to my discussion with representatives of the Canadian Legion, they are very supportive of a committee being established such as was recommended in the Senate report. That particular recommendation reads:

(a) the Government appoint a Committee composed of officials from both the Government and veterans' associations to review and update those recommendations of the Woods Committee which have not been implemented and to identify, study and make recommendations about the anomalies which still exist in the treatment of veterans and their survivors.

The Hon. Member who stood up to defend and support the Government by making arguments against that kind of committee being established is misreading the situation, in my opinion. The reason the Canadian Legion and I myself have come to the conclusion that such a committee should be established is, quite frankly, that the Government has given no indication that it intends to act on those recommendations. If veterans' associations were involved in recommending active implementation of his recommendations, then perhaps finally there will be some justice brought to this particular situation. After at least 15 years of study, consideration, thought, letter-writing and everything else, but never any concrete action, I think it is time there was some action.

• (1700)

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Mr. Speaker, I am very happy to have the opportunity of speaking in a debate in the House of Commons that is concerned about veterans and their dependants. I can speak with a certain degree of integrity, I hope, because I served in the forces at the tail end of World War II. Although I was not in the war very long, I was in it long enough to get my wings. I have served in the militia for over 30 years since that time. I have expressed my concern for veterans, their loved ones and their needs over many years.

The Royal Canadian Legion has done and still does a great deal for veterans and so do other veterans' organizations. As a matter of fact, I have four branches of the Legion in my constituency, Branch No. 1, Branch No. 101, Branch No. 210 and Branch No. 217, to which I belong. I have belonged to Branch 217 for 35 years since coming out of the service and I have been concerned about veterans' problems for many years during that period of time.

In the eyes of other countries, Canada is in the forefront. We have a most enviable record in the ongoing development of veterans' programs and benefits. It is our duty as Parliamentarians to uphold that reputation. I believe the Government has done this over the years, regardless which Government may have been in power at the time. Our Governments have always been concerned about veterans.

I am informed that the average age of veterans today is nudging 63 years. Our present challenge is to nurture programs that reflect the needs of an aging veterans' population. I suggest that instead of looking forward, we are, in effect, looking backward in this motion. All of the considerations have already been given and the facts are known.

I share the expressed opinion of other Members in their assessment of the Senate report entitled "They Served, We Care". Obviously the Senate Committee on Health, Welfare and Science did not restrict itself to narrow issues. It ranged over a great swath of questions. Many witnesses were called. The Committee clearly felt that it had performed a creditable task. The Committee ensured widespread circulation of a specially produced publication.

In arguing against the establishment of a special committee, I suggest that we have only to look at the publication itself "They Served, We Care". This committee has covered everything as far as I can see. There is no necessity at this time to recreate the wheel by setting up another committee.

Here are the recommendations of a committe that went to so much time and trouble. This committee found apparent inequities in the treatment of two groups, divorced spouses and prisoners of war. This committee, instead of stating its opinion, recommended that someone else look at the issues. The facts are known, Mr. Speaker. Like them or not, the decisions have been made and it is time to stop the merry-go-round. I will get back to these particular issues in my remarks, but first I want to take a look at some of the other recommendations in the report.

One recommendation had been acted upon before the report's ink was dry showing that Parliament's concerns are invariably answered in the normal course of events. Another recommendation called for an end to delays in processing applications. This has always been a concern of the Veterans Affairs Committee, on which I have been serving for many years. We have considered time and time again the length of time required in order to process a pension application. Here is another recommendation that has been made redundant. The facts are self-evident. At the end of December, 1981, it took 334 days to process a disability pension application at the first level. Twelve months later the processing time had been slashed to an average of 99.1 days. Last month it had dipped to less than 80 days, and we hope that time will be reduced even further in the future.

The Commission has to draw information from outside sources. Of necessity, this takes between 60 and 90 days. Therefore, there is no longer any backlog with regard to pension applications at the first level. I am sure that all Members applaud this dramatic improvement. When I remember the clamour that used to come from the Conservative benches about the size of the backlog, I can only take their present silence on the subject as an indication of admiration for the job that has been done and for the reduction in the length of time in processing these cases.

Some of the other recommendations deal with the War Veterans Allowance Act. Members will know that officials of the Department of Veterans Affairs are undertaking a comprehensive study of this legislation, including the matters raised in the Senate report.

What I am pointing out is that veterans have many advocates and their views are heard. Just last week the Hon. Member for Winnipeg North Centre (Mr. Knowles), the dean of critics on veterans' issues, congratulated the Minister on his achievements since he took over the portfolio. There is progress all the time.

What about recommendation No. 7 which is the basis of this debate? I will not talk about the implementation or non-

implementation of the many recommendations of the Woods report. This report is nearly 15 years old and I would be surprised if many anomalies had not been unearthed during that period of time. Rather, I want to discuss the specific issues the Senate Committee wants to put under the microscope.

First, there is the question of the apparent inequity to a divorced spouse who, under existing legislation, has no entitlement to benefits under the Pension Act and the War Veterans Allowance Act. I ask Hon. Members, where is the need for a special committee to probe into this matter? The circumstances are well known. Either you believe there is inequity or you do not. It is not as if this were a new issue. It has been around for years and the facts have not changed. Veterans receive benefits as compensation for their individual service in a theatre of war. They are granted to male and female veterans alike. They are not awarded to families because families do not serve in a theatre of war. Widows can receive survivors' benefits because they had been, until the veteran's death, the spouse of an entitled veteran.

But in the case of a divorce, the veteran no longer has a spouse. The benefits earned by a veteran are not transferable, not to his parents, nor to an ex-spouse. Opponents of this principle point to the Canada Pension Plan where the benefits are divided in half at the time of divorce. But, Mr. Speaker, Canada Pension Plan benefits are earned through financial contributions over the years. War Veterans Allowances and disability pensions are not awarded in return for financial payments that otherwise might have been part of the household income. They are given in recognition of individual service in war time and, of course, in the case of disability pensions, as recompense for individual injury.

No amount of study is going to change these facts. Arguments have been made that War Veterans Allowances should be regarded as is the Canada Pension Plan and the Guaranteed Income Supplement. Such arguments have been rejected. So where is the need for further study? Take the case of a War Veterans Allowance recipient who is receiving the married rate. If this veteran is divorced, only the single rate is paid. Do we need a committee to decide if it is fair for that veteran to pay half the single rate allowance to an ex-spouse? I, for one, do not think so.

Now, let us look at the next matter officials would be called upon to examine. I want to quote verbatim from the conclusions in the Senate report. It reads:

> Under the Prisoner of War Compensation Act, veterans are paid disability pensions of from 10-20 per cent based on the length of time they were incarcerated. The Hong Kong veterans, however, have been entitled to a disability pension of 50 per cent because of the extreme severity of their long confinement. Other groups of veterans, such as the Dieppe veterans, were also held for long periods of time under abnormally harsh conditions but are entitled to a pension of no more than 20 per cent. Is it just to compensate those who were prisoners of war for over two and one-half years at a disability rate that is only twice the compensation offered those who were incarcerated for just three months?

• (1710)

There, concisely and accurately, is the issue. If the Senate Committee could not come to a definite conclusion, why does it expect another committee to do so? What else is there to investigate? That Committee has investigated it all. Any such investigation would centre on the demands by the Dieppe Veterans and Prisoners of War Association for larger pensions for its members. That Association is being well served by its President, Mr. Georges Giguere. Mr. Giguere has appeared before committees in both Houses and has forcefully stated his case. He has met with the Minister. I would suggest that no person could have been more diligent in presenting the case of Dieppe prisoners of war.

We can argue whether or not successive Governments have reacted properly to those presentations, but we cannot argue that Dieppe POWs have not been heard. We sometimes forget that Canada is one of very few countries in the world which has any prisoner of war compensation at all. We have every reason to be proud of our legislation. Surely our record shows that prisoner of war associations have been given sympathetic hearings over the years.

I know the Minister regularly reviews the claims of Dieppe prisoners of war and is in possession of any facts that would be brought before a committee. In conclusion, these issues have been exhaustively studied. They have been studied and difficult decisions have been made. There is no reason to slough off responsibility on another committee. Although I have every sympathy with the issue raised and I congratulate the Hon. Member for keeping issues pertaining to veterans and their families before the House of Commons, I do not see any need for the motion to consider further the advisability of implementing recommendation No. 7 since it has already been considered.

Mr. Towers: Mr. Speaker, I rise on a point of order. Would the Hon. Member for Etobicoke-Lakeshore (Mr. Robinson) accept a question?

Mr. Robinson (Etobicoke-Lakeshore): I will accept a question unless my time is up.

Mr. Towers: In view of the canned speech the Hon. Member has just presented, would he agree that the Government will take action immediately if it will not set up the committee as recommended by the Senate Committee? It is fine and dandy with me if he agrees that the Government will take some action immediately and not wait a year or a year and a half as has been suggested. Certainly a committee could meet and report back in two or three months. This does not necessarily mean that it has to go on so long. Will the Hon. Member guarantee that the Government will take some action on this matter, not just leave it sitting, as it has been for the past several years?

Mr. Robinson (Etobicoke-Lakeshore): I think the Hon. Member for Red Deer (Mr. Towers) asked a very good question which he should put before the Minister when he is in the House during Question Period.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, in September 1981, Mr. A. D. McCracken was commissioned to examine the administrative and adjudicative procedures of the pension process. Mr. McCracken was asked to report to the Minister on possible changes in the pension system to allow a shorter period between the time veterans first apply for disability pension benefits and the disposition of their claims.

Mr. McCracken reported that from mid-1979 to mid-1981 the rate of decisions fell significantly and, as a result, the backlog of applications awaiting adjudication had risen by June 30, 1981 to 4,395 from some 2,800 in March, 1979. Of this total, over 16 per cent had been on hand for more than 12 months. Apart from these backlogs in the pension system, Mr. McCracken also reported that there were almost 3,000 cases with district pension advocates throughout the country, of which 37 per cent had been on hand for six months or more. That was 700 more than was normally the case.

As the Hon. Member opposite indicated, we are pleased to note that there has been significant change for the better. Recently the Minister reported that very substantial progress was made with respect not only to the question of dealing with the backlog of the Canadian Pension Commission but also dealing with the processing time. He noted that where formerly the process was taking around 334 days or nearly a year, it was reduced to some 79 days.

I want to contrast the optimistic report which gives all of us satisfaction with a letter I received yesterday from a constituent, Mr. G. Lars Thompson of Penticton. The letter revealed frustration and resentment as a result of a series of events that had affected him in his relationship with the Canadian Pension Commission. He began his letter by writing:

> I am asking for assistance in obtaining case histories of the experience of veterans with the Canadian Pension Commission. As you are aware it can take years for the Canadian Pension Commission to process a claim that could have been completed in a matter of days. The ridiculously long time that it can take to process a veteran's claim would indicate that the Commission wants the veteran to become discouraged or die before a pension award is made.

I do not believe that is the case, but the letter indicated a frustration in dealing with what veterans believe to be a cold, unfeeling bureaucracy. It revealed a resentment which develops in one who feels that he is being denied a benefit to which he is entitled.

The Hon. Member for Red Deer (Mr. Towers) in mentioning the provision of benefit of doubt that would affect those situations in which veterans cannot provide all specific proof but can produce evidence to substantiate the circumstances they present in their plea for help. Perhaps the frustration and resentment comes about because it appears that where doubt exists there is very little benefit extended to the claimant.

I had wished to bring a matter to the attention of the House concerning prisoners of war and the failure to settle accounts with certain prisoners of war who were held in Stalag III in Germany, however I do not have the time at my disposal today and I will leave it for another day. I also see that my friend across the way is anxious to get the floor, so I will terminate my remarks and give the floor to him.

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I thank the Hon. Member for Okanagan-Similkameen (Mr. King) for allowing me perhaps a minute or a minute and a half to speak very briefly on the motion of the Hon. Member for Red Deer (Mr. Towers).

The report entitled "They Served, We Care" prepared by the Committee in the other place has been justly praised in many quarters. The Minister of Veterans Affairs (Mr. Campbell) has also added his praise of this report. It reflects a thorough and responsible look at the broad range of veterans' issues. As we know, it contained seven recommendations. I should point out that some of them no longer have relevance as they were answered in the normal course of time.

• (1720)

It would seem that the Hon. Member for Red Deer (Mr. Towers) is really concerned about the last recommendation concerning the Woods report. We do know that these particular issues and subjects have been argued, analysed, discussed and dissected time and again.

Mr. Blaikie: Then let's have some action.

Mr. Burghardt: There has been action, as many veterans and veterans' organizations throughout the country know. It is quite evident to any member of the Standing Committee on Veterans Affairs when representatives of the Veterans' organizations appear before the committee. In correspondence individual Members receive from veterans' groups, we see that a great deal of action has been taken.

I realize my time is up. I would like to have been able to further enunciate the actions that have been taken and certainly the broad policies which this current Minister in particular has undertaken.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. Pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Corbin): Before proposing the question on the motion for second reading and reference of Bill C-405, An Act to amend the Unemployment Insurance Act, 1971, (Benefits to adopting parent), the Chair ought to enter a caveat as to the procedural acceptability of this Bill.

When a private members' Bill provides for an enlargement of the class of possible claimants or for an increase in the benefits payable under the Act, the charge on the Consolidated

Revenue Fund would consequently be increased. Therefore, in my view, any such Bill would be a "money Bill" which must be introduced by a Minister of the Crown and accompanied by the recommendation of the Governor General. However, since the Chair does not want to take too much of Private Members' time to rule now, I intend to allow the debate to take place on this Bill until such debate comes to an end, and then I will rule on the acceptability of the Bill.

* * *

UNEMPLOYMENT INSURANCE ACT

AMENDMENT TO PROVIDE BENEFITS TO ADOPTING PARENT

Mr. Les Benjamin (Regina West) moved that Bill C-405, An Act to amend the Unemployment Insurance Act, 1971, (benefits to adopting parents), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, if I should be lucky enough to get to the point where you have to rule on the admissibility, or inadmissibility of the Bill, I will want to present an argument as to why it is admissible. In the meantime, may I say that the use of the term "parent" in this Bill is intentional. For too long our society has thought of the parenting function as the duty of women alone and has not included responsibility of fathers to their children. This Bill accepts that co-equal responsibility at the outset.

This Bill is not specifically about fathers or mothers, but about the arrival of children in new homes as a result of adoption. Some provisions are already in place to assist natural mothers with the arrival of their children. In our view, they are certainly not adequate or all-encompassing. Canadian maternity benefits, compared with those in Sweden, France, Italy and Israel are stingy. When you can take two years' leave with pay in other countries, the 15 weeks in Canada seems somewhat inadequate. This Bill would extend to adoptive parents the benefits that apply to natural parents. There are excellent reasons why it should be enacted.

In many provincial jurisdictions, adoptive parents are required to spend time at home with their new child. This is necessary for the health and development of these children. The time for settling in ranges from a few weeks to several months. It can be required by either provincial Act or regulation of a sponsoring agency. The number of families which can have only one wage earner and numerous other factors has led to today's situation where few families can afford, and as a result may not wish, to have someone adopted into their home.

Unemployment keeps a lot of people at home, but that would not qualify them for adoption. Someone must take time off from their employment to be with an adoptied child. This is a significant disincentive to potential adoptive parents. Why should that be so? If the Government and Parliament can do this for natural parents, it is equally as important for adoptive parents, particularly when it concerns young children. This Bill will redress this injustice by giving adoptive parents the same leave provisions as natural parents.

Second, but no less important, for the most part the person taking time off work would be the woman, the person who faced the most difficulty getting a job in the first place. This is all the more so if it is a good job. Without the provisions of the Unemployment Insurance Act extended to them, adoptive parents would have no right to return to their former place of employment, as does a natural parent. Surely that is another disincentive to becoming an adoptive parent.

This Bill attempts to provide the same privileges for those, who, bless their hearts, adopt a child, newborn to teenage, into their homes. Some time should be spent by one or both adoptive parents with the child. All we ask is that the 8 or 15 weeks be provided, as is the case with natural parents.

I have good reason to believe that Members from all Parties agree with this Bill. I am not wedded to my Bill being passed, whether or not it is in order. If the House is agreed, the subject matter of the Bill could be referred to the appropriate standing committee, particularly if the Chair rules that it is not in order. The subject matter could then be considered by an appropriate committee and incorporated into legislation. The Government can have all the credit, as far as I am concerned.

This measure is long overdue. This Bill has been placed on the Order Paper either by myself or by a former colleague for a number of years. I hope that today the House will agree to deal with the Bill. If Your Honour disputes its eligibility, I wish to make a number of arguments in favour of its being an appropriate Bill. Failing that, having the subject matter referred to the appropriate committee would be a small step toward implementing a necessary piece of social legislation under the Unemployment Insurance Act.

• (1730)

Mr. Gary F. McCauley (Moncton): Mr. Speaker, I have listened with great interest to the remarks of the Hon. Member for Regina West (Mr. Benjamin). I commend him for his initiative in bringing this Bill forward. I have two immediate reactions to his suggestion that Unemployment Insurance benefits should be extended to adoptive parents.

The first is that this is not a new subject; it has been considered on many occasions over the last ten years. The second reaction which I should like to emphasize is that adoptive parents certainly deserve consideration in the special problems they face.

What is the most appropriate means of dealing with what appears to be a legitimate social concern? A proposal to extend Unemployment Insurance benefits to adoptive parents should not be dismissed lightly. We have to see how adoptive parents and natural parents differ under the Unemployment Insurance Act, and then decide how Unemployment Insurance can assist both groups. The adoptive parent plays an absolutely essential role in our society and the adoption process brings the joys of parenthood into many lives.

There have been dramatic changes in adoption in society over the last several years. At one time the majority of adoptive children were infants and there was a large number of infants available for adoption. Now, changing social values have radically altered this pattern; birth control measures are more sophisticated and acceptable, and single mothers are more and more tending to keep their babies instead of putting them out for adoption. For these reasons there is no longer a large surplus of babies available for an insufficient number of prospective parents. Quite the reverse is true in many cases.

Social values on adoption are also changing in many ways. For example, it would have been virtually unheard of 10 or 15 years ago for a single parent to adopt a child. This is happening more and more in today's world. Children's Aid Societies are encouraging the adoption of older children. In many cases these are children with behavioural, psychological or physical problems. Their needs and the needs of their parents are therefore different from the needs of many adoptive parents in the past.

It is evident to anyone who has studied the area that there are circumstances in which adoptive parents will have more difficulty in caring for their new child than is the case with many newborn infants. It is not difficult to imagine, for example, the pressures in an adoptive family attempting to care for a child who has been bounced from one foster family to another, a child who lacks a sense of security, of love and of family warmth. There is no question that in many cases such adoptive children have serious psychological problems and that the new parents must provide continuous care and supervision which will require one or other of the parents to remain at home. Consequently, there may very well be income problems in the family, and it is here that Governments and social agencies must become involved.

One of the criteria, not necessarily the most important, in arriving at a decision on adoption, is the financial circumstances of the family unit. Just as important is the question of whether the needs of the particular child can be met in the family environment of the adopting family. Children's Aid Societies pay a great deal of attention to the suitability of the family. Some of the factors involved in their evaluation are that the marriage situation be a stable one, that adequate emotional stability and security be provided. Parents must demonstrate their ability to handle the problems which will arise in adoptive situations. They must show that they are emotionally able to accept a child and that they will be able to understand and deal with the child's problems and point of view. These are extremely important considerations. They are sometimes complicated by the issue of financial security.

The core of my concern here is not whether adoptive parents may need some form of support. Some will, others will not. I believe the issue for us to consider now is that if we agree in principle that adoptive parents in general should get some form of support through the UI program, then what is the best legislation this House should support to do it?

I believe that this Bill does not represent the best this House could legislate. Let me explain. In general, the specific provisions of this Bill display a lack of understanding of the principles underlying the current provisions of the Unemployment Insurance Act. The qualifying period and entrance requirement proposed is too stringent, given what is now in effect for maternity claimants. Why should adoptive parents be subjected to considerably more restrictive requirements than natural parents? It may well be that, upon further study and consultation we would see fit to have substantially different requirements for adoptive parents. But it does seem inequitable, at first glance, to treat the two groups of claimants differently.

Other provisions of this Bill relate to the way in which benefits could be paid and the length of the benefit period. First, the Bill does not provide for a waiting period, and in doing so conflicts with the insurance character of the UI program. We must remember that the waiting period is comparable to a deductibility clause in a private insurance plan. And, clearly, if there is a waiting period for maternity benefits and if, as the explanatory note to the Bill says, "an adopting parent should be entitled to benefits equivalent to pregnancy benefits", then why should there not be a waiting period in the case of benefits for adoptive parents?

The Bill also proposes to pay benefits for only eight weeks after the adopted child starts to live with the new parents. Some years ago this House legislated that maternity benefits should be paid within a more flexible time frame. It has tended to endorse a more generous attitude to providing modern women with income protection that is commensurate with the critical social role they play in the welfare of future generations. Parents with adopted children play an equally important role. Any motion to provide them with UI benefits should therefore reflect a reasonable and studied attempt to provide comparable income protection. The principle of equity demands it. Any motion to provide them with UI benefits should therefore reflect a reasonable and studied attempt to provide comparable income protection. Furthermore, the maternity benefit provisions themselves have been subjected to detailed scrutiny over the past few years, and many interested groups have made sensible suggestions that would streamline UI maternity provisions and make them more equitable. The Government has been reviewing the provision of the current legislation with a view to proposing changes.

Legislation on benefits for adoptive parents should, therefore, be considered in the context of this review to ensure they are both equitable and consistent with current trends to modernize legislation so that it can provide temporary income protection to those who cannot work due to the initial demands of post-adoption or post-natal care.

Let me stress again that I am not disputing the validity and worth of paying benefits to adoptive parents. Adoption plays, we all know, a vital role in our society, in providing good homes for disadvantaged and parentless children. It also makes it possible for those who cannot have natural children, or choose not to have them for whatever reason, to experience the rewards of becoming parents.

I am suggesting that it is our responsibility to look at this matter in more detail, to develop such legislation more carefully on the basis of consultations already held with various groups interested in such a decision before we bring in legislation to pay benefits to parents who adopt children. In opposing this Bill—

The Acting Speaker (Mr. Corbin): The Hon. Member for Regina West (Mr. Benjamin).

• (1740)

Mr. Benjamin: Mr. Speaker, I am sorry to interrupt the Hon. Member but I understand we are going to be interrupted shortly. Since we have little enough time for private Members' Bills, and in order to facilitate dealing with my Bill, I would like to ask the unanimous consent of the House to agree to sit for whatever time past the hour of six o'clock in order to provide the complete one-hour debate for my Bill?

The Acting Speaker (Mr. Corbin): Does the House agree to the proposal put forth by the Hon. Member for Regina West (Mr. Benjamin)? Is there unanimous consent?

An Hon. Member: No.

The Acting Speaker (Mr. Corbin): There is not unanimous consent. The Hon. Member for Moncton (Mr. McCauley) has the floor.

Mr. McCauley: Mr. Speaker, I will quickly conclude because I know my friend, the Hon. Member for Simcoe North (Mr. Lewis), has a few remarks he wishes to make on this Bill.

In opposing this Bill, this House would not be voting for or against adoption. Nor would this House be voting for or against giving some form of benefits for modern families who may need some temporary income support while caring for an adopted child during the first months. After all, in some ways, the role of parents who adopt children is often harder than that of the natural parent. But I find I cannot support this motion because its specific provisions do not accord with the principles underlying the existing provisions of the Unemployment Insurance Act, the advice of qualified experts and the legitimate interests of private and public sector groups in Canadian society.

Mr. Blaikie: I would like it on the record, Mr. Speaker, that it was the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Schroder) who denied unanimous consent to have this matter discussed—

The Acting Speaker (Mr. Corbin): Order. That is hardly a point of order. The Hon. Member for Simcoe North (Mr. Lewis).

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I echo the sentiments of my friend, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), to the effect that it is regrettable that the Hon. Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Schroder) refused unanimous consent.

I am pleased to rise in support of this Bill, Mr. Speaker. I believe, as expressed in the Bill, that an adoptive parent should be entitled to pregnancy benefits the same as natural parents. I addressed this matter in the House of Commons last Fall. I note, Mr. Speaker, that in 1981, a task force on Unemployment Insurance recommended that the change be made. That recommendation was made in the interests of equity and fairness on the theory that benefits under the Unemployment Insurance Act should be extended to newly adoptive parents. Parents who adopt children face the same physical, mental, social and economic adjustments as natural parents, and they often have no advance notice of the date of adoption. I have received letters from concerned constituents. I would like to quote from a letter I received from a woman in Penetanguishene, who said:

> Even though, in my case, I have contributed to the UIC for approximately eight and a half years, I will not be eligible—

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member but the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Schroder) rises on a point of order.

Mr. Schroder: Mr. Speaker, it was not my intention to deny unanimous consent to continue past six o'clock and allow the speaker to continue.

Mr. Lewis: You may understand that, I do not.

The Acting Speaker (Mr. Corbin): Is the Chair to take that as a withdrawal of the refusal to give unanimous consent? It was taken as such. The Chair should make absolutely sure that there is unanimous consent to prolong the debate beyond the normal time of adjournment, which is six o'clock in this case, so as to complete the full 60 minutes of debate provided for under Standing Orders. Is it agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Corbin): It is so ordered.

Mr. Lewis: Mr. Speaker, I would like to thank the Parliamentary Secretary for reconsidering his position. I was quoting from a letter from a woman in Penetanguishene who made the point that she had contributed to UIC for approximately eight and a half years and that she will not be eligible to collect any benefits once her chosen child arrives. She also makes the point, Mr. Speaker, that the Children's Aid Society requires that a parent be in the home full time for a minimum of six months. The Children's Aid Society recognizes that there is indeed an adjustment period which in fact is even more vital in forming an adoptive family. I have another letter, Mr. Speaker, from a woman in Orillia who suggests that adoptive parents, both male and female, go through the same emotional adjustments as natural parents. I also have representations from the St. Columbkille's Catholic Women's League in which they agree that adoptive parents should receive Unemployment Insurance maternity benefits the same as natural parents.

I want to put this on the record, Mr. Speaker, because, with five natural children, I know there is an adjustment period. I know from our family friends who have adopted children that there is a physical and mental adjustment which should be addressed. I believe it is absolute discrimination that adoptive parents should not have the same rights under the Unemployment Insurance Act, and I would urge the Government to

consider referring this matter to committee, or to include it in the upcoming revisions to the Unemployment Insurance Act.

I listened as my hon. friend, the Hon. Member for Moncton (Mr. McCauley), addressed the fact of adoption, but in my opinion I do not believe he addressed the discrimination which now exists. I do not believe this is a partisan issue. I do not believe it is something on which political Parties will rise or fall. I just believe it is something which the House should make right for adoptive parents. We should hurdle the red tape and the bureaucrats in this case. We should do what is right.

I would urge upon the Government to reconsider and re-open the Unemployment Insurance Act so that adoptive parents can have the same rights as natural parents, and that the present discrimination which exists under the Unemployment Insurance Act can be finished and terminated once and for all.

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, I am pleased with this opportunity to speak to the Bill introduced by the Hon. Member. I feel this is an important Bill because adoption is becoming increasingly widespread in this country, and it is only sensible to have measures that will provide effective assistance to people who are helping others by adopting a child or even several children, because in many cases, people are adopting more than one child. The concept behind Bill C-405 is clearly explained as follows:

An adopting parent should be entitled to benefits equivalent to pregnancy benefits, considering that problems faced in adoption are as great as or greater than those occurring during pregnancy.

Mr. Speaker, I think that the basic concept of this Bill deserves to be supported. The problem is to find out how this piece of legislation could be implemented effectively, and I have taken the trouble to check with the Department to find out what can be done in terms of hearings for children who are adopted, and whether the measures proposed by the Hon. Member could be implemented immediately.

Mr. Speaker, this subject is not particularly new to our debates in the House of Commons. In 1980, the Canadian Human Rights Commission made a statement on the subject and said that something had to be done about—

• (1750)

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Mr. Deputy Speaker with the House went up to the Senate Chamber.

And being returned:

Madam Speaker: I have the honour to inform the House that when the House did attend His Honour the Deputy to His Excellency the Governor General in the Senate Chamber, His Honour was pleased to give in Her Majesty's name the Royal Assent to the following Bills:

Bill C-136, an Act respecting Small Business Investment Grants—Chapter 147.

Bill C-142, an Act to amend the Canada Deposit Insurance Corporation Act—Chapter 148.

• (1800)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

UNEMPLOYMENT INSURANCE ACT

AMENDMENT TO PROVIDE BENEFITS TO ADOPTING PARENT

The House resumed consideration of the Motion of Mr. Benjamin that Bill C-405, an Act to amend the Unemployment Insurance Act, 1971 (Benefits to Adopting Parent), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, I should like to comment further on Bill C-405 which was introduced by the Member for Regina West (Mr. Benjamin).

As I pointed out earlier, Mr. Speaker, this Bill is important because of its principle and because of the people it concerns. I think it is very important to increase the public's awareness with respect to families who adopt children and I also think the Department should be particularly concerned about this matter.

• (1805)

I would like to point out that Unemployment Insurance officials have been considering the problem for ten years, and during that time, Members on all sides of the House have regularly pointed out to the Minister of Employment and Immigration that adoption has become a specific phenomenon in our society.

However, I think we must be particularly careful when we consider parents who are going to adopt. I think the Department is having trouble at this point in properly defining various criteria that would make adopting parents eligible. For instance, there is an increasing tendency among unmarried mothers to keep their babies instead of giving them up to the Children's Aid. This is a new development. Before, it was much easier to adopt children because being an unmarried mother was socially more or less unacceptable, while today, we are seeing more and more single parent families, and it is becoming increasingly difficult for couples to adopt a child. As a result, there are fewer children available for adoption, while the number of people who want to adopt is rising. Orphanages are gradually disappearing.

Today, Mr. Speaker, we are seeing a shift in certain social attitudes, to the point that even single individuals are being considered as adoptive parents and do, in fact, adopt children. This would have been unthinkable a few years ago, while today, it is no longer the exception, since single people may adopt children. The profile of adoption has changed considerably over the years. People are adopting older children who may be suffering from physical or emotional problems. Such children and the parents who adopt them have specific needs, and it is important that they should be defined in legislation, because we need a set of criteria that will govern the subsequent implementation of the legislation and its regulations.

We must consider children who are passed from one family to another and are suffering from a lack of security and a lack of love and human warmth. Many of these children have serious behavioral problems which require special and constant attention. In addition, the people who are now considering an adoption have different expectations than those of the preceding generation. The same applies to children liable to be adopted.

We do not find such a definition in the Bill nor the scope of its enforcement. This is what I find difficult. As I said earlier, in the Explanatory Note to his Bill, the Hon. Member says and I quote:

> An adopting parent should be entitled to benefits equivalent to pregnancy benefits considering that problems faced in adoption are as great as or greater than those occurring during pregnancy.

As I said earlier, the Unemployment Insurance Commission and the minister responsible for the administration of the Unemployment Insurance Act have been considering the problem for well over a decade due to the difficulty to delineate the scope of the legislation.

There is one other important issue, Mr. Speaker, i.e. the adopting family must comply with certain standards. Thus we should make sure that the couple is truly stable and that adopting parents will be able to face difficult situations, because the mere taking care of children should not be confused with an actually responsible and legal adoption. We see an ever increasing number of families who assume the responsibility of children without gaining their legal custody or actually adopting them. Now this Bill should be more specific on that subject.

People who are considering adoption must, in accordance with the requirements set forth by the adoption agencies, have a reasonable annual income since it is often required that one of the parents should leave his or her job during a period which could extend up to six months. Such a standard leads us to further consider possibility of providing some financial aid to those people, especially in the case of a two-income family. Moreover, the purpose of the unemployment insurance program is to provide with temporary assistance people who lose insurable jobs. We should make a distinction between an unemployment insurance scheme and social measures.

I believe however that some important matters must be cleared up in this respect. On the other hand, it has been established that most pregnant women work until one or two weeks before giving birth and receive maternity benefits during the weeks following the birth or births. It is therefore not very likely that most of these women could not go back to work until 17 weeks after the birth of their child. This is an important point with regard to the bill introduced by the Hon. Member. It is not that the principle itself is bad, but the Hon. Member tends to confuse a social measure with the Unemployment Insurance Act itself, which states that a woman must have at least 20 weeks of insurable employment to be eligible for pregnancy benefits on leaving her job, while the Hon. Member wants an adopting parent to be entitled to unemployment benefits. I imagine that the Hon. Member means people who are employed. Should benefits be paid to an adopting parent if the child is five days, two weeks or six months old? It is possible to adopt three, four and five year old children, but the bill does not make any distinction between cases.

Another point should be made. Not only has the Department been reviewing this problem for some time, but the Minister concerned, Mr. Axworthy, has made known his intention to speed up a review of all problems related to adopting parents. As I said earlier, everyone has been considering this problem for ten years, but Mr. Axworthy has promised to speed up the review—

The Acting Speaker (Mr. Corbin): Order, please. This is the second time that the Hon. Member has called the Minister of Employment and Immigration by his name. He should always refer to the Minister by his portfolio or his constituency.

Mr. Maltais: Thank you, Mr. Speaker. The Minister of Employment and Immigration has asked his Department to speed up its review so as to be able to better respond to the concerns expressed by the Hon. Member.

At the moment, it is impossible to grant benefits to adopting parents before this wide ranging study is completed. First, we must define clearly how the Act will apply to adopting parents, since there are a great number of possible solutions. There are many ways to meet the objective suggested by the Hon. Member. We would have to define clearly how such benefits would be provided. Would both parents be entitled to them at the same time? This is an important question since we are speaking about adoption. We are not dealing with pregnancy as such. If both parents work and one of them stays home, for instance the father, would the benefits be sent to the father, the mother or the child? What should we do?

Perhaps we might review the documents and reconsider the possibility of paying benefits for adopted children under the age of 6, in other words those who have not yet started school. This limit could be raised to cover older children because, as I pointed out earlier, a child can be adopted when he or she is one day old, or at the age of 8, 9 or 10. There is also the possibility of paying benefits only in cases where, in conformity with the requirements of the adoption agency, one of the parents has to stay home to look after the child; in other words, it would be a matter of establishing the cause and effect relationship between the child and the adopting parent. There is a strong possibility of excluding adoption through marriage as well as any other situation not directly related to adoption or birth.

Mr. Speaker, another aspect of the study has to do with cases where benefits could not be paid to the parents before the arrival of the child; then, the rules concerning regular or health benefits would apply to the natural mother during the period before delivery. It can readily be seen that this does indeed raise a few questions.

I think that this calls for serious consideration before we take a final decision and introduce a sound piece of legislation.

Mr. Speaker, we will have to consider as well the need to repeal the rule which restricts the maternity benefits to the first 15 weeks of the benefit period because, obviously, we are talking about adoption and not pregnancy. In the case of adopting parents, we will also have to re-examine the 10-week rule which might be irrelevant since then it would no longer be a matter of being unavailable for health reasons because there would have been no childbirth.

• (1810)

Finally, any change to include the adopting parents would be affected by existing conditions concerning maternity benefits. A full review of the Bill would be required so as to avoid any contradiction between conditions concerning natural parents and those concerning adopting parents. The Hon. Member has spelled out very specific provisions in his Bill. I think that Members on both sides of the House will agree on that. But still, the questions I raised earlier deserve more careful consideration because if we extend the general coverage of the law to all kinds of situations, the legislator will not be in a position to make all kinds of exceptions once the law has been adopted. We must therefore look into every aspect and every possibility to be quite sure that the law will still be operative under practically all circumstances. However, Mr. Speaker, the way it is worded I think that, in light of the questions I raised earlier, there will be a great many exceptions which will have to be examined if the Bill is adopted as is. And what the Department is recommending at this stage, is that its own studies be completed, and I think that it might then be useful that such information be made available to Hon. Members, to see whether actually the Hon. Member's concerns have indeed come up in the course of the studies currently in progress. It might also be important at that stage that departmental information be made available to Hon. Members so they know what is going on within the Department.

In that area the Government might be well advised to have Hon. Members involved to a greater extent in the studies and analyses carried out within the Department, because it is very difficult for any Hon. Member to draft a Bill all by himself, with very limited resources, when for ten years the whole Department has been studying and reviewing a problem that is indeed fundamental. It is so fundamental, Mr. Speaker, that the Canadian Rights and Freedoms Commission already has ruled that there is discrimination in adoption cases where no benefits are extended. Therefore, the Hon. Member's concerns are quite legitimate, but the Department might be urged to expedite matters, because increasingly adoption is becoming a wonderful fact of social life, and many foster families would like to suggest as a goal the implementation of the Hon. Member's proposals. There is however the problem of how to proceed with this. Where should the line be drawn between the plans for maternity and the plans for adoption? And where should the line be drawn between unemployment insurance as job insurance, and a social measure that would provide extra income to foster families?

So at this stage there are three important distinctions to be made, and, honestly, the Department would like, before taking a final position on the Hon. Member's proposal, to ensure that the Act can be reviewed in depth to allow to draw the lines between those three cases. Certainly the Hon. Member will recognize at this point in time that fairness is very hard to achieve on these three distinctions. And for the benefit of Hon. Members who have a genuine concern about this matter, it should be pointed out that when an overall assessment is made of the regulations to be applied in maternity cases, we see there is a very close link with the mother's health. That is why people are allowed to choose, either to quit working for a number of weeks before confinement or to keep working

almost to the very moment of confinement and claiming those weeks thereafter. So this is strictly a matter of the mother's health. This is a decision to be made by the physician and the mother. And what we have there is someone who is contributing to the unemployment insurance scheme and is thus insuring her job. And this covers maternity cases.

Now where adoption is involved, is there a need that unemployment insurance benefits be the same as in maternity cases? A one-, two- or three-year old child, for instance, does not require the same kind of care as a newborn child. And if within the family there is help for the mother, for the family, is there a need to have benefits for a foster child? Because if one or two or three children are cared for, unemployment insurance benefits may not be required. Because in such a case, one receives family allowances and, in addition, the tax credit for children, and that is where the distinction must be made. The proposed legislation does not make this distinction. I will conclude my remarks, Mr. Speaker, because time is running out—

• (1815)

[*English*]

Mr. Benjamin: Mr. Speaker, I rise on a point of order. Would the Hon. Member permit a couple of quick questions while he is completing his remarks?

[*Translation*]

The Acting Speaker (Mr. Corbin): Would the Hon. Parliamentary Secretary accept to answer questions?

Mr. Maltais: Yes, Mr. Speaker.

[*English*]

Mr. Benjamin: Does the Hon. Member realize that this Bill has been on the Order Paper for some six years or more, in my name for the past three years and in the name of a former Member of Parliament for three or four years prior to that? He should realize this when he talks about the Department's considering the matter.

Also, does he realize that the Bill indicates that only people and their employers who have paid UIC premiums would be entitled to benefits as adoptive parents? All the other matters he is raising are totally irrelevant.

[*Translation*]

Mr. Maltais: Mr. Speaker, firstly, I agree with the Hon. Member for Regina West that the Department does not act very quickly. Moreover, I also agree that after six years of studies, it would seem to me that results should be coming. However, the Minister is presently indicating that, first the Department is moving at a faster pace in finalizing the research, the studies aimed at establishing the difference between the various situations I was referring to earlier. Second, I am fully aware, and that is underlined in the Bill proposed by the Hon. Member for Regina West, that, obviously, the person who is entitled to unemployment insurance benefits already has insurable employment, although presently, maternity benefits are much more related to a person's health situation than to an adoption case. There is a distinction to be made between these two situations. When you adopt a child who is two, three or four years old and when you already can count on help at home, does the child really need as much attention as if the mother had actually given birth to the child? In my opinion, there are distinctions to be made. That is what the Department is presently considering in a final evaluation, Mr. Speaker, before arriving at a final decision on the suggestion made by the Hon. Member for Regina West.

[*English*]

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I rise briefly in support of the Bill to say how ironic and irritating it is to listen to Government Members complain about alleged inadequacies of the Bill, giving them as their reasons for not wanting it to be read a second time and sent to committee. As the Hon. Member for Regina West (Mr. Benjamin) pointed out, if they did not like the way this Bill was written, they have had some six years in which they could have brought in and tabled a Bill of their own that addressed some of the matters raised.

We clearly have here an attempt by the Government to prevent this Bill from going to Committee, to prevent its subject matter from being considered and to prevent any changes in the unemployment insurance legislation that would eliminate the discrimination which now exists against adoptive parents. If Government Members have that intention, why do they not just be honest with the Canadian people and come out and say so, rather than pretending that they sympathize with the Bill and agree with this or that? They will keep talking until the hour has expired in order to prevent it from going to Committee. That is exactly what I do not intend to do. I would like to continue, but I will not as I want this matter to go to Committee.

I hope the Government will have some second thoughts and let the matter go to Committee. What harm could be done by allowing this Bill to go to Committee so that Members of Parliament have an opportunity to discuss it and make some decisions regarding it? I have had constituents write to me on this issue and I have written to them indicating my support. In fact, I wrote to the Minister of Employment and Immigration (Mr. Axworthy) on the matter. There is no doubt a consensus within the House that some changes need to be made which would eliminate all discrimination. Why does the Government keep stonewalling the Bill? Why not let it go to committee?

• (1820)

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, I can appreciate the concern of Members opposite who ask why we should not discuss this and let it go to committee when collectively we seem to be saying the same thing. We like some of the thoughts expressed in the Bill. As has been pointed out, it has been around for a good number of years in one form or another, so why talk it out now and procrastinate further?

Like other Members in this House, I too have received representations from my constituents on the subject. At first blush, it seems that fair is fair, that if we do it in one instance, why not another? Over time there are other instances that seem to be simple and clear-cut. However, when you examine them closely, they presents all kinds of problems.

Let me begin with the suggestion that it may be more appropriate for us to get into this legislation after the Department completes its studies.

Mr. Taylor: Why?

Mr. Masters: The Member opposite asks why. We are dealing with a matter in respect of which we have an Act that is designed to deliver protection to people who lose the benefit of jobs, whether through being dismissed, a plant shutdown or a period of natural pregnancy and birth. There is a physical reality that has to be addressed during that period and we have to take certain measures with regard to it.

We then get into another principle, if I can have the indulgence of the House to philosophize for a moment. While any proposals of this nature may be tiresome and take a long time to resolve, they must be the subject of thoughtful deliberation and much consultation. I believe the debate this afternoon adds to that.

We can all recall the time when people who could not work because of illness were not paid. If they were ill, that was too bad. In many instances people were not paid anything unless their employer was particularly benevolent or they where the sons or daughters of the owner.

There evolved a conscientious and great social system in which a period was allowed for sickness. The original intent was that people who were ill would be protected by others; the plant owners, and fellow workers who had to pick up the slack. Therefore, these people would not be out of pocket. After all, it is not the individuals fault that he is sick. There really were extenuating circumstances.

After a while, the notion seemed to creep into the system that if Charlie Brown had a week's sick time this year, whether or not I need sick time I should be given a week's sick leave, or at least have the benefit. There was a drastic change in the setup. It started out as a conscientious effort to be fair to people who under certain circumstances were not able to perform their work for a period of time.

We now come to the proposed legislation before us today. It is a kindred matter. We have recognized the need to assist many women who cannot work for a period of time during a natural pregnancy and after delivery. The legislative measure place is the Unemployment Insurance Act. It might perhaps have been designed in another fashion, but I think there is some justification for it. I do not quarrel with it.

• (1825)

My colleague mentioned the delivery system for social programs and I wonder about that when dealing with an insurance-type program. We have now a dilemma in that people adopting children say they experience the same kinds of things as the natural parents. They are not exactly the same things. I do not think we can have universality in the way we deliver services to the people of Canada. It would be nice if we could afford it, and that is the other difficulty I have with this piece of legislation—

Mr. Taylor: Mr. Speaker, I rise on a point of order. In most Provinces a parent who adopts a child is required by law to stay home for six months, so that parent loses his or her job. Why are the Liberals making so many excuses? If they do not want to pass the Bill why do they not say so instead of being so hypocritical.

The Acting Speaker (Mr. Corbin): That may be an interesting contribution to the debate but it is not a point of order.

Mr. Masters: Mr. Speaker, the Hon. Member asks whether we have been sincere. I do not think we want to impute different motives to different people. I am talking the Bill out, that is true. That is an honest statement. But that does not indicate that the Government is not interested in the subject matter.

I was trying to make the point that a problem of timing is involved. We are already being hit on all sides with difficulties under the UIC Act and are not able to deliver everything to people who require it. I believe that in the course of time we have to address these matters with great care and deliberation. There are many problems in our society that have been around longer than many of us would care to admit, but all things come about in due time.

I come back to the idea that the Hon. Member has done the House, the people of Canada and adoptive parents, a service by bringing forward legislation that underlines the sense of urgency which exists in many quarters to have something done in this area. That is worthwhile. What we say in this House has some significance in the process, otherwise we might as well stay in our ridings. This Bill should convey a sense of urgency to the responsible officials to deal with the matter with move vigour and enthusiasm.

The Hon. Member opposite reminded me of some of the technicalities of the adoption process and the law in most Provinces. We appreciate these facts, but we have to ask if we can come up with the money to do the things we would like to do, desirable as they may be, or whether we further weaken a system that is already weaked by further demands on it.

I find nothing wrong with the Government saying that it likes the idea, and that there is a need in many instances for the adoptive parents to be given due consideration, along with natural parents. I should like to see that happen, but this involves time for proper and thorough deliberation. The Member of the Official Opposition condemns the Government for taking precipitous action in other areas. He joins his colleagues in saying that there has not been enough discussion about this, that or the other thing, that there is not enough listening, yet when one tries to make the point that we have to examine the matter more thoroughly—

• (1830)

Mr. Taylor: How long, six years, seven years, ten years?

Mr. Masters: Six years, maybe ten years? There are some problems which have been around for thousands of years. As I said earlier, Mr. Speaker, I am under the same pressures as the Hon. Members opposite from constituents who are adopting children, but I am satisfied—and I do not have the years of experience or the illustrious career of some Hon. Members opposite, and perhaps I am being naive—that my representations on the subject, which have been added to the many representations made here, have at least got me a very quick reply. This is something that occurred to me before I have had those representations made to me in my riding office. The response I received was immediate, it was sympathetic and it was logical. The response was, "We are now in the process of studying. We do have a problem of financing."

Perhaps one of the reasons this has been kicking around for so many years is that representations are being made in the wrong area. I do not see anything wrong with taking another look at that aspect of it. If we do not spend a little more time dealing with social problems—and all of us pride ourselves on our social conscience in this House—trying to bring them into a broader context to make sure they are not just ad hoc types of things or things done in isolation, we are going to have even more problems with budgetary matters. My memory is not that good, Mr. Speaker, but I do not believe the previous Government in its short time in office identified this as a burning issue which it wanted to get to immediately. I will say this, however, there has been good outcome as a result of this kind of a debate this afternoon. I do believe that the onus is now on the Government, and on Hon. Members of this side of the House, to look at this situation carefully and initiate some action.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. In accordance with the order made earlier today, this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to the provisions of Standing Order 2(1).

At 6.33 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, April 28, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Monday, April 25, consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government; and the amendment of Miss Carney (p. 24689).

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, it is indeed a pleasure for me to participate in this budget debate. I think all Members would agree there is nothing more difficult in Government than drafting a budget, and as a colleague and as a fellow citizen, I want to express my heartiest congratulations to the Minister of Finance (Mr. Lalonde) on his superb effort.

Some Hon. Members: Hear, hear!

Mr. Lumley: I cannot recall a budget which addressed in such a constructive fashion the fundamental issues facing the Canadian economy. As the Minister said in his budget speech, economic recovery is underway. The measures he announced will go a long way toward creating the climate of confidence necessary if the recovery is to be accelerated and our goal of creating secure jobs for Canadians is to be met.

The thrust of this recovery budget is divided into two main areas with respect to job creation. First and more immediate is the direct job creation and Special Recovery Capital Projects undertaken by the federal Government. The second phase, the strengthening of the private sector, I believe is the key to long-term prosperity for all Canadians. As the Minister responsible for Industrial and Regional Development, I would like to address my remarks today to this aspect of our economic renewal program. Needless to say, Mr. Speaker, time does not allow me to detail all the measures my Department will undertake in this regard. However, I will try and highlight the key instruments.

It has been said so often and so accurately that the main engine of growth in the Canadian economy always has been and always will be the private sector. However, let us be under no illusions.

Canada's industries have never before faced such a challenge. Increasingly, both developing and developed countries are competing with us for markets abroad. I do not refer just to foreign markets but also to our own domestic markets. This budget has offered specific assistance to Canadian firms so that they can meet this challenge.

The budget also addresses our current situation in a realistic way. It recognizes that the private sector has undergone tremendous pressure in the past few years as evidenced by the dramatic decline in corporate profits. I do not have to tell this House that without corporate profits there would be no corporate investment. Without investment there would be a continuing loss of competitiveness for our firms, by not maintaining a competitive position results in a reduction in employment. This budget has provided the means which will enable Canadian firms, particularly the small and medium-sized businesses which have a much smaller resource base to draw upon to restore their balance sheets, to get out from under the inordinate debt burden many have been carrying. They will then be able to divert moneys now spent on debt servicing to more productive, job creation activities.

The $300 million Special Recovery Investment Fund announced in the budget will be put to use immediately to lever investment in the private sector. When this year's $100 million and the $200 million next year is added to the approved reference levels for my Department, we will be delivering $2.5 billion of direct assistance to industry in that two-year period.

Our private sector consultations indicate that there are many projects being contemplated by Canadian corporations. We feel we can assist in accelerating these investments because of the incentives these additional funds will provide.

• (1110)

The Government, as Hon. Members know, has brought forward many of its own spending plans so that projects can proceed earlier. Not only does this Special Recovery Program assist in the provision of jobs in the shorter term, it ensures Government financing needs will be drawn from the available capital pool at a time when private sector borrowing will be lower. As private sector investment increases—and that is what we required for the long-term, sustainable recovery—Government borrowings will decrease.

It is clear that within this broad framework established by the budget some very specific activities will occur. One goal, that of increasing our productivity, must be stressed again and again. The Government and the private sector, which includes both industry and labour, must direct their resources to

achieving a much more competitive position for our products if we are to maintain and increase our market share.

To facilitate this goal, the budget indicated the Government's intention to fund a National Centre for Productivity and Employment Growth that will be a joint industry-labour effort. My colleague, the Minister of Labour (Mr. Caccia), with whom I share responsibility for the Government's participation in this centre, will be speaking in more detail about this project this afternoon.

The issue of technology and its place in our future is obviously critical. The Minister of State for Science and Technology (Mr. Johnston) will be speaking at more length on this subject during the budget debate. As far as the responsibilities of my Department are concerned, it is both the development of technology as well as the application of technology to industries in terms of innovation and productivity improvement, that is of importance. If time permitted, I would like to detail our efforts in that regard. However, I will have an excellent opportunity to address this issue in detail when I speak to the National Productivity Awards luncheon for the Canadian machinery and metal working industry in two weeks.

As I mentioned, small and medium-sized businesses are clearly of particular importance to our economic recovery and this budget has dealt with their needs in a number of ways. My departmental and Cabinet colleague, the Minister of State for Small Businesses and Tourism (Mr. Rompkey), will be speaking about specific measures as well as outlining the new role which the Federal Business Development Bank will be playing.

The Minister of Finance has set out two major undertakings to assist industry. One consists of those projects in the short term that will be delivered directly by the Government. The second consists of measures which will enable the private sector to become more competitive. Only through the growth of our economic base can this country create the sustainable employment required. With the creation of a stronger private sector industrial base, this growth is sure to occur.

There is another aspect to this budget which to me, as Minister responsible for regional and industrial development, is particularly gratifying. The spirit that underlies the budget, the specific provisions it contains and its timing are all extremely fortunate in terms of the developments which have taken place with respect to our Department. I want to take this opportunity to explain to the House what these developments are.

When the Minister of Finance outlined the tax measures being put in place to assist Canadian business, he was describing one of the two major elements that our industry needs. That was one part of the effort to encourage private sector growth throughout Canada.

Today I would like to describe the other major component of that effort. The new Department of Regional and Industrial Expansion was set up to be the federal Government's principal instrument to provide direct assistance to Canadian industry. It will direct this federal assistance through a number of methods to manufacturers, processors, related service industries, the tourism industry, across the full range from small to large enterprises.

Over the past few months, the basic groundwork has been done to put into place the Department of Regional and Industrial Expansion, whose task will be to mount a major effort in industrial development across all sectors and in all regions of the country. The preparatory work, which I would like to describe today, is categorized under several headings: the mandate of the Department; the program structure; the organization which has been set up and the priorities which have been established.

As Your Honour knows, early last year the Prime Minister (Mr. Trudeau) announced the reorganization of Economic Development Departments and the Economic Development Cabinet Committee. As a result of that announcement, the regional programs of the Department of Regional Economic Expansion were amalgamated with the domestic industry, small business and tourism components of the Department of Industry, Trade and Commerce. The integration of those two organizations has now been completed right across the country.

• (1115)

The mandate that has been struck for the Department is to stimulate national economic growth and help reduce regional disparities through leverage of investment and promotion of industrial development and trade.

Simply stated, the mandate of the new Department of DRIE will be to facilitate and support industrial development and adjustment in order to reduce economic disparities among regions and increase the prosperity of Canadians in all areas.

This will be done by stimulating the innovation of productivity improvement, encouraging the establishment, expansion and modernization of production facilities, promoting development of domestic sourcing to realize Canadian and international market opportunities, supporting industrial renewal, achieving industrial benefits from resource projects and supporting job creation and entrepreneurship.

Our Government remains firmly committed to regional development. Since the creation of DREE in 1969, the basic approach has remained essentially unaltered despite changed economic conditions due in no small measure to the substantial contribution DREE has made to building the basic economic infrastructure. We believe it is now time to adopt new approaches to achieve the same basic objective, reducing economic disparity.

We have had to examine the range of existing programs to see how well suited they are to achieving these aims. While the new Department inherited some programs from DREE and ITC that are well suited to the new mandate, it is a fact that over the years a broad range of programs has evolved serving various purposes, with some duplication and overlap and a great deal of variety in program instruments, program criteria, delivery system and decision mechanisms. Also, program gaps

have been identified as, for example, in the areas of encouragement of innovation, productivity improvement, and marketing, areas of highest priority for the federal Government, as the Minister of Finance stated in his budget speech.

I am today announcing a new program, the Industrial and Regional Development Program, to be my Department's major instrument to achieve these goals. The program will be available to Canadian industry in all regions of Canada. Through the Industrial and Regional Development Program, the Department will actively assist the private sector as we move to strengthen our industrial base.

The new Industrial and Regional Development Program will offer industrial development support across the country. There will be four ranges of support. These will be graduated according to economic need, with the neediest regions eligible for the highest levels of support.

The basic level of support will be available to firms anywhere in Canada. More generous incentives will be available at the second and third levels, based on economic need. A fourth tier, comprising the most disadvantaged 5 per cent of Canada's population, would automatically receive the maximum level of assistance for eligible projects.

In order to develop which areas are at which level, I will propose to Parliament a development index. We have searched to find an index which is fair, equitable and objective. The index will take three major factors into account; level of unemployment, disposable income and the fiscal capacity of the Province. Obviously, we will have to weigh these factors as they are not all of equal importance. I want to thank members of the private sector from across the country with whom we have had substantial discussions in trying to develop this index.

We have carefully examined what was in place in both the Industry, Trade and Commerce and Regional Economic Expansion. With that as a starting point, we designed a Department with the best features of both. But in my view, that was not enough. The new Department of Regional Industrial Expansion goes considerably beyond simply merging these two Departments.

Our first imperative was to make the process of delivering federal assistance much simpler and more flexible. Over time we ended up with too many programs that were too complicated. As a consequence businesses, particularly small and medium-sized firms, were often confused as to what we were offering and how to obtain it. Further, it was almost impossible to deliver these programs on a regional basis because of this complexity.

Rather than the multiplicity of programs that were in ITC and DREE, the new Department of DRIE will focus on seven major programs, the principal one being the Industrial and Regional Development Program which will be flexible and efficient. It is designed to meet the needs of the private sector and to direct federal resources to where they will achieve our goal of industrial and regional development.

The program will be much simpler for the business community; it will have one set of criteria and one method of application. It will also be applicable to all stages of a firm's development and again it will be available in every region of the country.

The program has six main elements. The first is industrial infrastructure such as industrial parks. Another example would be federal support to institutions such as technology centres.

The second element is industrial innovation. I believe this to be a critical area for Canada's economic well-being. Eligible for assistance in this phase will be, among others, the development of technological capability, the development of new products and processes, and project feasibility studies.

• (1120)

Once products have completed the development stage, it is necessary, of course, to actually go into production. In some cases this requires the building of a plant and the purchase of equipment. For this reason we have made provision to assist with establishment in all areas except those in the most developed regions.

A fourth phase, one that offers significant opportunities, is modernization expansion. There are a number of elements that fit within this category, but one to be stressed is the building of new technologies into our existing products and processes to increase our competitiveness. This will be achieved by acquiring the most advanced machinery, equipment and plants. As I am sure we all agree, we must do more than develop new products to compete in the world markets. It is just as critical that we adapt new technologies to our traditional industries.

This leads me to another element in the process, that of marketing. My experience as Minister of Trade made it abundantly clear that we have to devote more effort in this area if we are to hold and maintain our markets. And I must emphasize that the potential for Canadian firms to replace imports here in Canada is just as important as increasing exports.

In our examination of what was available in the Departments, I have found that marketing has not received the attention it warranted. We have not paid sufficient attention to the marketing of our products, particularly here in Canada. Programs such as a more comprehensive shop Canadian program are being developed by my officials in conjunction with the private sector.

The final phase of our program is renewal. The Government recognizes that some industries must undergo a process of restructuring. We also realize that those who suffer the most in these instances are the workers. To facilitate the process, the Government is prepared in specific instances to offer loan guarantees to assist companies in the short-term assuring, of course, that with restructuring there is a reasonable chance that the firm can become viable.

In some cases a firm's long-term viability is in doubt if it remains as it is structured. In those instances, the Government will consider repayable grants to assist the company to diversify to create alternate employment.

While we have been developing this new program, the merged Departments have also been undergoing a major restructuring. This obviously had to occur if we were to achieve our objective of faster delivery and increased regional sensitivity. We have substantially strengthened the sectoral expertise in our regional offices. We have expanded the number of locations where DRIE has offices from the combined total of the old DREE/ITC. More are planned. Under the new Department, for the first time all federal industrial programs will be available in every part of the country.

With the new Industrial and Regional Development Program as the principal instrument of direct federal assistance to industry, coupled with the streamlined delivery mechanism, the only major element missing is the establishment of the priorities on a sectoral and regional basis. This work is already under way with my other Cabinet colleagues, Members of Parliament, provincial Governments and, of course, the private sector.

I wished I had time this morning to detail how everything I have talked about today facilitates the development of an industrial strategy in Canada. Contrary to one erroneous newspaper report, which unfortunately was picked up by several respected journalists and editorialists much to my surprise, I believe we are closer to developing this strategy than ever before.

What I stated in the Finance Committee was my belief that the Government cannot effectively by itself impose industrial development strategy upon Canadian industry. I believe that our strategy has to flow from the intelligent advice of the main actors in industry, namely business management and labour.

Also, I believe that the industrial structure of Canada is such that individual strategies by sector are more effective than any single, over-all industrial strategy. Once again, I believe that in order to achieve success these sector strategies have to be based on advice from business management and labour. That is why we established sector task forces or consultative committees in key sectors to assist in development of sectoral strategies.

These groups, co-chaired by industry and labour representatives, are not Government task forces but private sector task forces. They have been asked to examine their sectors and to report those findings. Other such groups will be established in the future. This process is by far the best way available to ensure Government is aware of specific industry concerns. Using this approach, we will be able to develop sector specific development plans.

There is no question that if we are to be successful in this area, it is imperative that the private and public sectors work in harmony. Perhaps the best example of this co-operative effort was the establishment of the Export Trade Development Board two years ago.

In this regard I will also establish an Industrial and Regional Development Board that will have regional representation, labour participation and sectoral interests. This Board will advise the Government through my Department on broad policy issues and will provide considerable assistance to ensure that the Government's industrial policy is based on a broad consensus.

• (1125)

I have briefly outlined to Hon. Members today a plan for industrial development in this country. I believe it builds on the budget and confirms that Canadians should have confidence in their future. The new Department of Regional Industrial Expansion is committed to working with industry and labour to ensure that Canadian firms become more productive and are competitive in the world markets. Through this partnership we will progress, our industry will grow in all regions of Canada, and this development will mean jobs.

The Government will shortly have before the House the legislation to create the Department and its programs. I would hope for agreement from all sides of the House that the proposal to provide efficient and effective support to our industries, so that we have early passage of the legislation. We will then be able to get on with the job at hand, to put in place the second half of this major industrial recovery program.

Mr. Keeper: Mr. Speaker, I want to put a question to the Minister. When the Government put its budget before the House, including its economic papers, it talked about a new reality in terms of unemployment of 12.4 per cent today and even in the long term unemployment coming down no lower than 7 per cent or 8 per cent. Part of the justification for this new reality was the regional nature of our economy.

Given the fact that the Minister announced an Industrial and Regional Development Program today to assist business and presumably to do something about employment, does he expect that the new program will deal with regional disparities in the country in such a way as to have a real impact on employment levels, or does he really expect very little from it other than assisting the private sector? Does he expect that there will be very little in this program in terms of jobs for people?

Mr. Lumley: Mr. Speaker, I feel very strongly, after a substantial amount of time as Minister of Industry, Trade and Commerce and as Minister responsible for DREE, that the new program will address the issues the Hon. Member raised. There are two aspects of the Department's new mandate—industrial restructuring and also emphasis on reducing economic disparities across the country, which is very difficult to do over a period of time. Since 1969 the relative designations have not changed to that degree. Pockets of unemployment even in specific Provinces which do not have designation will rise from time to time. This program will address the real structural problems which exist in Canadian industry today. Much of our unemployment is caused by cyclical problems, as the Hon. Member knows, which will be rectified with not only the renewal of our own economy but the renewal of the international economy.

We need to ensure that the industry is competitive right across the country. There are not only the tax measures announced by the Minister of Finance, but based upon our

discussion with businesses there are substantial numbers of projects which business would like to undertake. Because of the debt-equity ratio and cash flow problems, they have not been able to undertake these. We think this new streamlined program which will be delivered on a regional basis will address the major program elements in the life cycle of a company as well as the product. We will be able to achieve the goals we set. My guess is that in fact we will see a far greater change in employment creation in some of the regions that have severe structural problems.

Mr. Darling: Mr. Speaker, I was most interested in the Minister's remarks. I hope he will verify that the new Department, DRIE, is not "dry" as far as a good many ridings in Ontario are concerned, including part of my own riding. The Minister will be well aware of my questions to him time and again as to when he would give serious consideration to extending some of the boundaries. I believe in his remarks he said that that would take place in certain areas of which he was aware. There is a certain section of Central Ontario which is not eligible for DRIE grants under the new set-up.

I am wondering whether the Minister will now have second thoughts in order to help the unemployment situation and speed up the possible enlargement of the area. The Minister, as a former chief magistrate of a very thriving municipality, is well aware how important are those grants. Would the Minister let me have his comments on that?

• (1130)

Mr. Lumley: Mr. Speaker, as I said in my speech, we will shortly be tabling the legislation. I know the Hon. Member has a sincere interest, having spent time in municipal and regional development, and I hope he will encourage his colleagues to give speedy passage to this legislation. Once that legislation is passed, every single area of this country will be designated. I will be coming out with more details in terms of the designation. The designation will be enriched, depending on the economic disparity in the various areas of the country. On the fundamental question the Hon. Member asked, every single area of the country will be designated for financial assistance, depending on the individual category.

Mr. Neil: Mr. Speaker, I wonder if the Minister could indicate whether this new program is a drying up or recycling of DREE. Does it replace DREE? Where does it stand in the picture? Are the two programs running on a parallel basis? How much money will be available for this Industrial and Regional Development Program? How will that money be allocated on a regional basis?

Mr. Lumley: Mr. Speaker, the money allocated, with the additional $300 million the Minister of Finance has given us for our programs next year, coupled with our existing reference levels, will represent approximately $2.5 billion over the next two years for delivery of financial assistance to companies right across the country. With the passage of Bill C-123, which has just had first reading in the House, and the passage of the legislation for the new mandate of the Department of Regional Industrial Expansion, there will no longer be a DREE Department as such.

As the Hon. Member knows, the various line Departments—Agriculture, Forestry, Transportation, for example—will be taking over the old general development sub-agreements as they pertain to their specific responsibility. The general development sub-agreements on, for example, industrial parks will come under the new mandate of DRIE. The Regional Development Incentives Program which formerly existed under DREE will now be rolled over into the new Industrial and Regional Development Program.

We have condensed a substantial number of programs into seven major programs. They will be put into a booklet which the Hon. Member can take to each and every small and medium-sized entrepreneur in his constituency. That plus the regional delivery will streamline the process. We will be able to assist small and medium-sized entrepreneurs in every part of the country in a much better way than they were addressed before.

Mr. Fretz: Mr. Speaker, I know that tourism comes under another Minister's portfolio, but with the Minister's enthusiasm for the budget today, can he tell us why the budget does not provide any incentive for the tourism industry? Many of these businesses are small, family-operated operations. Tourism is a labour-intensive industry and should have been addressed by the budget. The spinoff is tremendous. It affects building contractors, materials, furniture, appliances, food, entertainment and travel. It is a tremendous generator of taxes. It is a $16 billion industry. I wonder if the Minister would address that question.

Mr. Lumley: Mr. Speaker, I have always made it a policy not to interfere in my colleague's direct responsibilities. As a former businessman, I think the big winner in the budget of the Minister of Finance was the small and medium-sized entrepreneurs in every single sector right across this country. For the first time in many years, the Minister of Finance has addressed the fundamental balancing problems of small and medium-sized entrepreneurs. When this economic recovery program works, I cannot think of an industry that will benefit more than the tourist industry because there will be more disposable income in the hands of a few, more Canadians working, more people travelling, more people spending disposable income. The main beneficiary of that will be the tourist industry.

Mr. Blenkarn: Mr. Speaker, while the Minister is talking about disposable income, maybe he can tell us how a $5.7 billion increase in taxation helps disposable income. Can he tell us with regard to his new program called the IRDP when the applications will be available? Is it a grant program? Is it another program that everybody can get or is it subject to ministerial discretion? Who gets the money and on what criteria? We have now had another alphabet soup program announced. Perhaps the Minister can give us the details of this one.

Mr. Lumley: Mr. Speaker, I am a little surprised at the Hon. Member, who comes from the business community and who has been advocating a more streamlined approach. For example, his area will be designated for assistance for the first time that I can ever recall as a businessman. We have cut down the number of programs to seven major programs. We have a very fair, equitable, objective index now which will be updated once a year. Designation will no longer be by ministerial discretion. I thought he would have been one of the first Members in the House to strongly support the initiatives that the Government is going to take in this regard.

Mr. Orlikow: Mr. Speaker, the Minister knows the clothing and textile industries in all the industrialized countries are under tremendous pressure with competition from low wage countries because of the high labour content involved. The Government in recent years has done a number of things. It has given financial aid, loans, grants and established quotas to try and help the industry in Canada which employs about 200,000 people but despite that the industry continues to decline. Companies which have been in existence for 50 years or more are going out of business. People who have worked in the industry for 20 or 30 years are losing their jobs.

What new plans does the Government have either to help the industry maintain its present position and number of employees or to find alternative methods and fields for the people who work in the industry, many of them in one-industry towns in Ontario and Quebec? They face a disastrous situation if this decline cannot be prevented.

Mr. Lumley: Mr. Speaker, I first want to say how much I appreciate the Hon. Member's kind comments with respect to the Government's efforts in terms of helping this industry restructure, providing some assistance and putting in quotas. I hope he passes on his comments to the Hon. Member for Hamilton Mountain (Mr. Deans) who obviously did not know that.

The Hon. Member raises a very important point. That is why we have decided to keep the CIRD Program. That program will not be rolled over to the new program. It will be reviewed when the CIRD Program comes up for renewal, I think in two years. Tomorrow, for example, I will be announcing approximately $55 million in financial assistance to the textile, clothing and footwear industries. Some of those grants and repayable contributions will go to companies to help them restructure, to do some new product innovation, to purchase new equipment, to ensure they are competitive, to ensure the stability of the jobs that exist in those plants.

Other companies will be receiving assistance to help diversify the economic base of those communities in which textile, clothing and footwear industries are the major employers. We will continue our efforts in this regard. With the $267 million budget just for the textile, clothing and footwear industries, we are hopeful that when the rationalization takes place and with the modernization of the industry, we will have one of the best in the world.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, it is certainly a pleasure to speak to the budget following my good friend, the Minister of Industry, Trade and Commerce (Mr. Lumley). I should say at the outset that I in no way question the sincerity of his commitment to the private sector and indeed the market economy, the spirit of enterprise and the need for Canada to be competitive because of the importance Canada places on its exports, the fact that we rely upon exports for 30 per cent of our GNP. Therefore I appreciate his comments.

I say at the same time that I have some difficulty in extending that confidence to other Members of his Cabinet, including the Minister of Finance (Mr. Lalonde). A brief historical review will clearly indicate that he is associated with the master intervenors of all time. In many respects, they do not have faith in the private sector. They do not have faith in the market economy. They do not have faith and confidence in individual Canadians' ability to do what is in the best interests of the country.

• (1140)

It is in that context that I wish to talk about the budget. I think it is fair to say that on its surface, the budget contains some positive elements. I think the Minister of Finance has used the right buzz words and said the right things. The questions that we must pose are, does he really mean what he says, is he in a position to back up what he is saying, or is it merely a political exercise recognizing that there is now no other way to go since the Government's intervention in the last three years has really killed the spirit of enterprise in the country.

We cannot overlook some of the things that the Minister of Finance has stated over the years. For example, in the introduction to the National Energy Program, at page 20 is the following:

> For most Canadians, the only way to ensure that they do share in the wealth generated by oil, and to have a say in companies exploiting that resource, is to have more companies . . . like Petro-Canada.

Again at page 51:

> The Government believes that a larger national public sector presence in oil and gas is the only equitable way to meet quickly our goal of increased Canadian ownership.

This is the master intervenor that has literally destroyed the Canadian private sector associated with the oil industry, particularly the drilling and the supply and service sector in Canada.

Turning now to the Prime Minister (Mr. Trudeau), has he really changed? I need only quote from the October 25 edition of *Macleans's* where the Right Hon. Prime Minister's words over the years are summarized. In 1975 he said this, and I quote:

> We can't rely on the free market system any more. We need rules even if they mean that you and I end up being called Communist or Socialist.

Again in 1975, he said:

> We haven't been able to make it work, the free market system ... the government is going to have to take a larger role in running institutions. It means there is going to be not less authority in our lives but perhaps more.

In 1976 he said, and I quote again:

> We haven't been able to make even a modified free market system work in Canada to prevent the kinds of problems we are now experiencing.

In 1977 the Prime Minister said:

> If Canadians don't discipline themselves, we will discipline them.

So it is with that backdrop that we must analyze this budget. On closer examination, it is clearly revealed that this is an interventionist budget, that it will rely very heavily on political decision making, that it will rely very heavily on the bureaucracy. The whole recovery program of tax increases and future deficits starting in 1984 will mean that the Government will have a much greater voice in the economic affairs of this country.

One must ask at the outset why, since Petro-Canada's acquisition of Petrofina is now complete, are we continuing the Canadian ownership charge? This will amass a $3½ billion slush fund that will probably be used for further intervention in the energy sector and for further nationalization of the oil industry. Because of the political decision making by Cabinet Ministers or their bureaucracies that will take place, we run the risk of creating further division and criticism in the country.

The Certified General Accountants of Alberta have already stated, and I quote from a release of April 19:

> Eastern Canadians will reap most benefits from Marc Lalonde's April 19th budget—

The release goes on to say:

> The labour intensive provinces of Ontario and Quebec will enjoy a massive immediate shot in the arm from the Finance Minister's $4.8 billion Special Recovery Program ... while the effects on the west will be mainly indirect.

Whether that is true or not, that impression prevails in the West. Whenever the Government makes those decisions, it runs the risk of creating that kind of further division and disharmony.

Westerners are now asking about what has happened to the $4 billion Western Development Fund heralded in the 1980 budget. Well, it was dribbled away by transfers into other programs and has disappeared.

The Mayor of the City of Edmonton sent a wire to the President of the Treasury Board (Mr. Gray), the Minister of Public Works (Mr. LeBlanc) and the Minister of Employment and Immigration (Mr. Axworthy) with respect to the Capital Works Program. The wire reads:

> Today's announcement concerning the federal Govt's 2.4 billion dlrs capital works program made no mention of any projects in Edmonton.

That is the risk that is run when there is a heavy reliance upon the Government and its bureaucracies to make what really amounts to economic decisions.

I suppose when this budget is compared with previous budgets that were generally disastrous, one can say that it is quite likely that this budget will not make matters worse. It is questionable, however, whether it will improve things; the jury is still out on it.

Mr. Breau: It is a Conservative budget.

Mr. Mazankowski: Well, I am glad that the budget contains some elements that are Conservative. That is quite true. It contains some Conservative elements, but there still is the hand of Government that will intervene because the Government does not have faith in the private sector and does not have faith in the average Canadian.

I suppose we can assume that this budget will not do as much harm as did the two previous budgets. In 1980 we had double-tracking and today we will have fast-tracking. That is one positive thing that can be said about the budget.

Mr. Speaker, when one looks at the budget, it can clearly be seen as essentially a budget of tinkering. There are really no new innovative measures that address the real chronic and structural problems that we face today. There are very few measures directed specifically toward creating jobs and thereby generating new wealth in the private sector. The budget contains very, very few innovative measures.

The Hon. Member shakes his head, but if he looks at the budget as a businessman would, I am sure in all honesty he would say: "You may be right". The budget contains a number of initiatives in so far as the public sector is concerned but not really quite that many in so far as initiating a resurgence in the private sector. The budget does not create the kind of positive environment that will generate real new wealth.

The Hon. Member mentions the equities. Yes, I support those. For example, I think the Index Security Investment Plan is a good plan. I am glad that it has been introduced. The treatment of investment tax credits, yes, will provide some new stimulus in the Special Recovery Share-Purchase Tax Credit. Yes, I believe those are all positive measures. I would be irresponsible if I failed to mention those and I do hope they will improve the climate. Perhaps the changes in income averaging is another good measure, although it is because of the Government inflicted recession that we are in the sort of situation that makes it attractive to use that kind of facility.

It appears that the Government cannot bring itself to trust the private sector. It does not have confidence in the private sector. This lack of trust is manifested in the Minister of Finance's reply when asked why there were no tax cuts in the budget. He replied something to the effect that Canadians cannot be trusted with extra money. He said that Canadians cannot be trusted with tax breaks because they would rush out and blow the extra money on imported goodies, or worse, might even use the extra bucks to go on a holiday abroad. With that kind of confidence in the people of Canada, how can the people of Canada in turn have confidence in the Government.

Mr. Speaker, again I say the budget talks a good line about faith and about revitalization of the private sector, but on close

analysis one has to guard very carefully against praising the budget too magnanimously. There will be more programs that will involve more bureaucracy and more political decision making, and I believe we have had far too much of that.

• (1150)

I do not believe that the budget satisfactorily deals with the need to address the basic health of the economy. It has some very serious structural defects. I do not believe it addresses the issue of productivity in an effective manner, the technological impact of worker training, export development and the energy question. The Government has destroyed a good portion of the energy sector in Canada, and it needs to turn that very important and basic industry around because we have failed to turn our energy advantage into an economic advantage.

This budget is more of a publicity campaign than an economic recovery campaign. There is a lot of rhetoric in the budget and I believe it is basically designed to try to turn around the waning fortunes of the Liberal Party, which will probably continue to wane even though there is some interim, positive responses to this budget.

The fact is that we are in the worst recession in 50 years and this is largely due to the mismanagement of this Government. We have had 15 years of economic mismanagement. This Government has wasted its resources in the good years and failed to turn the very many natural advantages of this country into economic advantages. Government has failed to stimulate real growth in this country, to identify the realities of the world, the necessity to be competitive, the necessity for increased productivity and to encourage real growth. It has been redistributing wealth which has basically been borrowed, and the tinkering around in the budget is not going to improve that very much.

Our deficit is staggering. It is $31.3 billion this year and there is another $80.7 billion projected over the next three years. That is $112 billion worth of accumulated deficit over a four-year period and is absolutely irresponsible. That is on top of the $51.6 billion worth of deficit which has been accumulated since this Government was returned to office in 1980.

One has to ask, where will the money come from? We have a large level of personal savings in the country, something in excess of $30 billion. Over 80 per cent of Government's borrowing would be attributable to personal savings, and that will have the potential of raising interest rates. I say to you, sir, that it may very well lead to stalling any natural recovery which could occur. Our interest rates are far too high today. We have essentially a 6 per cent spread between the money which is paid by the banks to people who invest their money, which is at about 6.75 per cent, and their lending rate. For example, the Farm Credit Corporation is asking 12.75 per cent, which is a very reasonable rate in todays conditions. However, there is no reason for a spread of 6 per cent and that issue has not been addressed in this budget.

We must consider how we are going to pay for these horrendous deficits. They can only be paid for in two ways; either by taxing future generations or by printing more money, which will indeed cause inflation and we will find ourselves in the same old spiral we were in before. We have to look not only at the deficits of the current year and the past years, but we must look at the deficits of the future years. I share the view which was expressed by David Peterson, the Leader of the Liberal Party in Ontario. I would like to quote from the April 26 edition of *The Globe and Mail*. Mr. Peterson said, and I quote:

> Instead of building for the future, we have been stealing from it.

He points out that Canadians are running down the resources which belong to future generations through massive public borrowing and failure to invest in productive enterprise. I share that view. That is precisely what this Government has done. Mr. Peterson goes on to say, and I quote:

> We are no longer redistributing wealth from the rich to the poor. We are transferring it from the next generation to our own.

I say to you, sir, that that is indeed a sad legacy. Notwithstanding the huge borrowings and the huge accumulated deficit, we are predicting growth on an average of 4.5 per cent. We are looking at a deficit which is going to drop by maybe $2 billion a year. We are going to have deficits in excess of $25 billion over the foreseeable future.

The 4.5 per cent real growth will require large cash borrowings from the private sector, and with the Government calling on the massive amounts of money it requires to meet its spending programs, the private sector, with its real job-creating potential, will be hampered. We just cannot continue to run these enormous deficits.

The cost alone of servicing the debt this year is tremendous. For every three revenue dollars, one dollar goes to service the debt. By 1986, notwithstanding the so-called improvement and recovery which is suggested in this budget, we will still be paying $1 out of every $4 to service the debt. That is revenue dollars.

Therefore the Government must address this critical problem. It is not only a problem for today, it is a more serious problem for tomorrow. Government must bring its expenditures back into line, reduce the Government's share of the economy, and tranfer those resources to the private sector so they can be used to create long-term productive employment and long-term productive wealth. The Government, I submit, is not a generator of wealth. We particularly see that today, where all levels of Government are taking almost 50 per cent of the Gross National Product. The projections for the federal Government range from 20 per cent to 23 per cent over the next four-year period.

With respect to employment, Mr. Speaker, the main thrust of the budget was to provide jobs for those who cannot find work. Here again, the fact is that this budget will do very little to improve the employment fortunes of many Canadians, by the Government's own projections, which are 12.4 per cent this year, 11.4 per cent next year, and the unemployment rate will stay at 10 per cent until 1986. I should point out that by 1984 there will be 55,000 fewer jobs than there were in 1981.

If we look at the economic record of this Government, we know that since November, 1981 this economy has lost a total of 408,000 jobs, that over-all unemployment increased by 750,000, and by 1987 we will still have 1.1 million people unemployed. That is not very optimistic, Mr. Speaker. That is a very sad indictment for the future of Canada. We believe that this country could do better. We believe the budget could have been better in addressing the needs of Canadians and providing jobs. It has failed miserably in stimulating the small business sector, for example, which provides some two-thirds of all new jobs created on the North American continent.

I am sorry that time does not permit me to continue to outline some of the things which I would have liked to have seen in the budget as far as small business is concerned. The fact is that this Government has failed to consider the repeal of the 12.5 per cent corporate distribution tax. It failed to deal with the capital cost allowance. If it were genuinely interested in improving the employment prospects of our citizens, it could have provided for employment tax credits. It may have even considered a tax holiday for small business, perhaps on the first $100,000 worth of profit. There are many things which could have been done which would have helped that very important sector.

There could have been a number of new initiatives undertaken in the energy sector as well. For example, there could have been measures to stimulate once again the conventional oil sector, which is the most job productive sector in the whole energy area. That sector is hurting very badly. Out of 400 drilling rigs, only 50 to 60 are currently working. This Government has failed to turn our natural advantages into economic advantages: therefore the Canadian people are suffering; therefore we are going to continue to have massive and unwarranted unemployment.

• (1200)

Mr. Breau: Mr. Speaker, I commend the Hon. Member for the way he puts forward his position and philosophy. In fact, over the years I have found that few Members can put forward so nicely and effectively a bad case. When he talks about economic philosophy, he has omitted one important question. In a time of recession, when it comes time for Governments to react, does he take a monetarist view, or the view that the Government should react-from the point of view of fiscal policy?

Mr. Mazankowski: Well, I think one has to handle the budgetary affairs of the nation not unlike one would handle one's own private affairs. To put it in layman's language, in the good years you have to put a little away for a rainy day. This particular Government has only had one balanced budget in its 15 years and that is a very sad record.

Mr. Breau: Answer the question.

Mr. Mazankowski: I am answering the question. The fact of the matter is that this Government has failed to save in the good times or contain Government expenditures in the good times so that now, when we need that stimulus to revitalize the economy and provide jobs, we are forced to borrow much more heavily than we were in the past. It seems to me that the Keynesian philosophy is that you can spend your way out of recession assuming that you are going to exercise good fiscal and monetary practices in good times. This Government has not done that.

Mr. Fisher: Mr. Speaker, the Hon. Member repeated a distortion which people in his Party seem to enjoy. I would like to exercise my right to make a very brief comment to correct that distortion. The Hon. Member for Vancouver Centre (Miss Carney) on April 26, said, as did the Hon. Member for Vegreville (Mr. Mazankowski) today, that the Government does not trust ordinary people, that we did not create incentives for consumers because of that mistrust on our part. The Prime Minister's (Mr. Trudeau) answer to that question was most apt and I refer the Hon. Member to that answer in this House, as reported at page 24858 of *Hansard*:

> I never used the words, "the consumer cannot be trusted". I enunciated the very simple economic proposition that I am sure that the Hon. Member would agree with, that when you stimulate consumer spending directly, some of that consumer spending leaks out of the country to purchase goods made in other countries. That is all I said.

I would remind the Hon. Member, when he tries to distort that statement, that the Prime Minister (Mr. Trudeau) has clarified the matter right in this House.

I also remind him that we followed the advice of the Canadian Federation of Independent Business when we followed this policy. They told us not to use a tax cut for consumers because it would be spent on foreign goods and would amount to a Canadian subsidy for foreign manufacturers. They suggested instead that we target our consumer incentives and try and help business rebuild itself. That is not the kind of statement which the Hon. Member is trying to put into our mouths.

Mr. Taylor: You tell them how to spend their own money.

Mr. Mazankowski: Mr. Speaker, I wonder if I might ask the Hon. Parliamentary Secretary to clear away a bit of a contradiction. If that was not an accurate interpretation and the Government is not so concerned about Canadians going offshore to spend their money, then why did it see fit in the budget to double the value of goods which can be brought back to Canada duty free? I am not arguing with it, but it seems to be a bit of a contradiction.

Secondly, notwithstanding what the Prime Minister says—I mean, he says many things and we are not sure when he can pass the lie detector test—I go back to the statement he made in 1977 implying that Canadians do not discipline themselves. He said if they do not, "we will discipline them". Meaning that the master Government knows what is best for Canadians.

Mr. Fisher: The Hon. Member asks me a serious question and I am happy to provide him with the answer. He asks why we increased the tourism exemption. I can tell him it is pretty much a technical matter. The last time that exemption was increased, I believe, was 1974. This keeps us in line with the

cost of living increases which have occurred since that time. If the Hon. Member takes the time to look at the budget papers he will see it is a pretty insignificant measure, costing the Government very small amounts of money this year and next year. As perhaps some of my colleagues have pointed out, it is further proof that the Government does trust Canadians and we are trying to pass this small benefit on to them.

Mr. Mazankowski: You cannot have it both ways.

Mr. Keeper: Mr. Speaker, I want to remind the House that over four years this budget gives some $4 billion to the private sector, the business community, through tax breaks and other incentives. At the same time it increases personal income taxes. My question to the Hon. Member for Vegreville (Mr. Mazankowski) is, how does that differ from his call for tax breaks to the private sector? Is this budget not in fact a supply side budget giving incentives to the private sector, and is essentially a Conservative budget, as mentioned by one of the Liberal Members?

Mr. Mazankowski: Mr. Speaker, it is basically a difference in philosophy. The Hon. Member would like the federal Government to take over the whole economy. As a matter of fact, their economic policy would see the total Canadian economy run like a massive National Energy Program. I do not share that view, Mr. Speaker. I share the view that the private sector can provide real, meaningful, long-term wealth and generate jobs. I do not believe the Government is most suited to do that. It is really a difference in philosophy.

Mr. Breau: Mr. Speaker, the Hon. Member makes the case for depoliticization of the economy. He talks about trusting the private sector. I suggest to him that begs the question. The question is, who has the responsibility, politically and morally, for the affairs of the economy? It seems to me there is a need for both. Would he not agree that it is a question of political accountability and that judgment cannot be absolute as to when you trust the private sector more or trust the public sector more?

Secondly, Mr. Speaker, it may be compelling and interesting to talk about greater depoliticization of the economy, but the Hon. Member is a very practical politician. He issued on behalf of his caucus a statement some ten days ago which asks for greater politicization of the economy. How can he square his philosophy with the philosophy of the Lougheed Government, which has had the very good philosophy, in my view, of putting aside money for the future heritage of Alberta? That is clearly a great politicization of the economy which is unparalleled in this country, and I agree with it. So how can he square his philosophy as a Conservative from that Province with the philosophy of the Lougheed Government, which has been for greater politicization of the Alberta economy?

Mr. Mazankowski: Well, first of all, I thank the Hon. Member for his question. I think it is a good question and I hope I can respond to it effectively. Essentially what I am saying, and what I think our Party is saying, is that we opt for a system of incentives rather than grants. Grants require that sort of discretionary power, whereas incentives can be applied in a more across the board fashion. I do not want to be simplistic, but essentially that is the way we view it.

With respect to the Heritage Trust Fund, I think upon reflection, if the Hon. Member would examine the accounts of that fund, he would see that a good portion of those dollars has indeed been invested in hospitals, schools, housing, and in really filling the public need, which would in most Provinces be filled through the normal budgetary process. In this particular case, we identify the resource revenue and ensure that future generations recognize the money was not squandered, that it was used to improve our lifestyle. I do not see it as politicization to look after the needs of senior citizens, to look after the sick and disabled, to improve education. I do not think that that is political. That is meeting a need.

• (1210)

Mr. Breau: It is not the private sector.

Mr. Mazankowski: The private sector is clearly involved to some extent. However, what I am saying is that that is quite different from generating real growth. I should also say that the Heritage Trust Fund does provide funding for agriculture and small business. There is nothing political about that. It is handled in the same manner as the Farm Credit Corporation.

Is the Hon. Member suggesting that the Farm Credit Corporation is a political organization? Is he suggesting that the Federal Business Development Bank makes its decisions on the basis of politics and not sound economic—

Mr. Breau: Yes.

Mr. Mazankowski: Oh, he says "Yes".

Some Hon. Members: Shame.

Mr. Mazankowski: I find that to be very abhorrent, because I do not believe the Farm Credit Corporation—

Mr. Breau: I rise on a point of order, Mr. Speaker. I think the Hon. Member and I were involved in an intelligent dialogue. The way the Hon. Member is using the word "politicization" is not the same way I was using it. It may be because of my background, or the translation from the French language. What the term means today, when I use the word "political" in debate, is the greater interest on the part of the public sector in the affairs of the nation or a Province. It does not imply partisan, political judgments. It means that a political act is on behalf of the public interest. That is all that it means. The real meaning of the word "political", from the Greek culture, is "caring for people".

Mr. Mazankowski: I appreciate the Hon. Member's remarks. I do not think that he and I really differ much concerning this issue except that I differentiate between the social need and the economic need. I have not criticized in my speech today, nor I have ever criticized, the Government for further advancing the facilities to meet the social needs, the

needs of senior citizens, the disabled and those who are unable to care for themselves.

Mr. Breau: That's politicization.

Mr. Mazankowski: I do not see that as being politicization. I see that as serving a need. I guess that the Hon. Member and I have some differences, and perhaps it is a matter of interpretation, involving my belief that the Government should not intervene to the same extent in meeting economic needs. When I see the Heritage Trust Fund providing funds to a facility which we have in Alberta, known as the Alberta Opportunity Fund, which provides lower interest rates to small business and for the development of the economic infrastructure, when I see the Agricultural Development Program funds providing for new farmers, I see that as being done on a commercial basis, not on a political basis. One does not have to be a Progressive Conservative or live in a Progressive Conservative riding to receive such a loan.

Mr. Breau: That's not what politicization means.

Mr. Mazankowski: I see that in the budget and in previous programs which have been sponsored by this Government there has been much discretionary power placed in the hands of the Minister and his bureaucrats to determine who the losers and who the winners shall be. I would rather see tax incentives and measures applied more across the board than the kind of grants and grant programs we have which really require that sort of discretionary political decision making.

Mr. Breau: I wish we had more time.

The Acting Speaker (Mr. Blaker): Debate.

[*Translation*]

Mr. Louis Duclos (Montmorency-Orléans): Mr. Speaker, the Budget, which is the subject of debate today, has responded so satisfactorily to the concerns of the Canadian people that the Opposition was taken by surprise and is now running out of arguments against the Budget. In fact, that explains why they tried to create a diversion the same evening the Budget was brought down and the next day, by trying to obtain a debate on the leak that allegedly occured. After spending last weekend in my riding, I must tell my Opposition colleagues that in trying to force a debate on this issue, they liberally made fools of themselves. In any case, I fail to see why they are trying to make such a big thing of what happened, because it had absolutely no impact on the tax system and there could have been no benefit to anyone at all as a result of this unfortunate occurrence. They just tried to make a mountain out of a molehill and they failed miserably.

Mr. Speaker, I think Opposition members who, like my friend from Vegreville (Mr. Mazankowski), are claiming that our policy with respect to small-and medium-sized businesses is a failure, were taught a devastating lesson on the day following the budget, and several days after, when the stock market reacted very positively. In Toronto, for instance, there was an increase of 43 points the very next day.

Mr. Speaker, I would now like to respond to certain criticisms that were made. It has been said, for instance, that the Budget has nothing for consumers, and I remember a headline in *La Presse* which implied that the Government was giving to business what it was taking from the consumer.

Mr. Speaker, would it have made sense, at a time when consumers are saving 13 per cent of their personal disposable income, to increase those savings even more by granting income tax cuts across the board? I do not think so, Mr. Speaker. We must be realistic if we are to approach these problems seriously and responsibly. What is needed is to create confidence in the economy, and that is why we have emphasized tax cuts for businesses which will help create the jobs that will create confidence and encourage people to spend the money they have been saving in recent years and months.

Mr. Speaker, if we take a look at personal income tax for the year 1983-84, we see a drop of $75 million. This is partly due to the fact that the employment expense deduction will be increased from 3 per cent to 20 per cent of employment income, meaning a tax savings for working Canadians of $150 million. This measure will benefit four million taxpayers, of whom more than 80 per cent have an annual income of less than $16,700. We have also doubled the child care expense deduction, which will result in a tax savings of $50 million next year. Mr. Speaker, $355 million have been earmarked for our housing policy. Now, I am sure that the people who stand to benefit from this measure are consumers. The Government will be spending $120 million under the Canada Home Renovation Plan and $40 million on the RRAP program. Taxpayers will be saving $125 million as a result of changes in the Registered Home Ownership Savings Plan, and there is also $30 million for the Canadian Home Ownership Stimulation Plan. Are the people who will benefit from these programs consumers or are they not?

Over the next two financial years, this $355 million alone will balance the increase of $290 million in personal income tax. There is a drop of $75 million this year, but there will be an increase of $365 million in 1984-85, which means a net increase of $290, which is more than compensated for by our housing policy.

I would also like to point out, Mr. Speaker, that the Indexed Securities Investment Plan and the Special Recovery Share-Purchase Tax Credit are policies that will benefit consumers. The stock market is not just for people in the upper income brackets. There are also people with more modest means who invest their savings in capital shares, and I think these tax measures will provide considerable benefits for small investors, who are also consumers. Mr. Speaker, it has also been our concern to make sure that any tax increases would be paid by Canadians who are in the best position to do so. For instance, we have changed the federal tax reduction. And how did we do this? Next year, as a result of this change, the Government

will be receiving $455 million more in tax revenue. In 1984, the federal tax reduction will be maintained at $200 but will be phased out altogether for individuals earning more than $40,000. The federal tax reduction will be cut to $100 in 1985 and to $50 in 1986. That, Mr. Speaker, shows that this Government is concerned about social justice.

• (1220)

Mr. Speaker, this budget admirably combines both fiscal stimulation and fiscal responsibility. This year, because we know we must support economic recovery, we are accepting a deficit of more than $30 billion, which we intend to reduce next year as part of our fiscal responsibility, because while supporting economic recovery, we must also demonstrate that as far as the future is concerned, we intend to take advantage of that recovery and of additional tax revenues to gradually reduce the deficit. That is why the deficit will be $2.6 billion less next year, dropping from $31.3 to $28.7 billion.

Mr. Speaker, of course we realize it will be necessary to raise taxes to pay for our job creation programs, and I was surprised to hear my colleague from Vegreville, who said earlier, after condemning the Government because of its deficit, that we should have granted even bigger tax reductions to small- and medium-sized businesses. Mr. Speaker, over the next two years, we shall be granting $1.1 billion in tax reductions to small-, medium-sized and large businesses, part of which will be paid for by the special recovery tax, that is, by a 1 per cent increase in the federal sales tax, which next year will raise $300 million. I think that once economic recovery is well under way, and our economy is prosperous once more, Canadians will understand and agree to make this contribution towards reducing the deficit, because if we do not take such measures, we may set off another inflationary spiral.

Speaking of the deficit, Mr. Speaker, there has been some concern about the extent of the deficit, and I must say I was surprised at some comments made by the Quebec Minister of Finance, Mr. Parizeau, the day after the Budget speech. The Minister of Finance, a friend of our colleague, the Member for Joliette (Mr. La Salle), expressed his surprise and said that he was concerned about the extent of the deficit. He said that the Budget was not bad but that the deficit was too high. Mr. Speaker, this is the same Quebec Minister of Finance who, during negotiations on fiscal agreements, accused the Federal Government of strangling Quebec financially, and who, as far as equalization was concerned, would have preferred to keep on using the Canadian average as a criterion, which would have resulted in an additional expenditure of nearly $6 billion in 1982-83, and even more this year, $6 billion more than the Government would have paid to the provinces, including more than $2.5 billion to the Province of Ontario, which would have been eligible. The same Minister of Finance is saying today that he is worried about the extent of our deficit and that what we are doing now, is what he would have done last year, and in fact what he asked us to do last year.

Mr. Speaker, conditions have changed and that is why our policy this year is far more stimulative than it was last year. Last year, we had an inflation rate of nearly 12 per cent, and a policy of stimulation such as we are now proposing would certainly have pushed inflation up to 15, 18 or 20 per cent. But since we expect inflation to drop to about 5 per cent next year, we can implement such a policy without any problem.

Mr. Speaker, because of the policy implemented by the Government, we have gone through difficult times politically, as the polls show, but I believe that the Canadian people will understand that we acted in their best interests, that what we did, we had to do, and that we did not make the same mistake as the Socialist Government in France which resorted to political means to create employment after being elected in May 1981. That is all very well except that France is not any better off today. Unemployment in France is on the rise, while Canada is looking forward to economic recovery. The situation in France is now worse that it was in May 1981. The French Government now has to implement unprecedented restraint policies. I am certain that the Canadian people will understand that we acted in their best interests, even though it was not very pleasant. We often hear people say that we created unemployment voluntarily, but I can assure them that it also hurt us. Members on this side of the House do not find it any more pleasant than Members opposite to have an unemployed worker come to their office and feel powerless because of the economic situation.

Mr. Speaker, it has also been said that, in spite of these economic incentives, unemployment will decrease very little, namely from 12.4 to 11.4 per cent. What must be kept in mind is that these figures can be misleading. What is important is to know that there will be 600,000 new jobs created in Canada during the next two years. If the unemployment rate as such does not drop any further, it will be because the labour force participation rate will increase as people who had left the labour market will re-enter it. That is why the rate of unemployment itself will not drop as much as we would like.

I would like to say a word about the contents of the budget speech. Out of the $2.4 billion allotted to Special Recovery Capital Projects, 70 per cent will be spent between now and the end of 1984. It is important for the public sector to intervene because in spite of the tax incentives provided for businesses in the form of investment tax credits and various tax measures to promote investment by the private sector, we are well aware that there will be some delay, which means that the public sector must intervene, and it will do so through these Special Recovery Capital Projects. In this regard, I want to remind the Minister of Finance (Mr. Lalonde) and the Minister of Transport (Mr. Pepin) to include among these Special Recovery Capital Projects the construction of the intermodal station in Quebec City. Since 1975, we have had a temporary

station in the suburb of Sainte-Foy, and I believe that it is time the railway service returned to the core area and a station worthy of the capital of Quebec was built.

Mr. Speaker, on the long term, I believe that the most beneficial proposals of this budget will probably be the Indexed Securities Investment Plan and the Special Recovery Share Purchase Tax Credit. Why, Mr. Speaker? Because our businesses generally have a deficient financial structure with a much too high debt-equity ratio. I would like to give a few figures to show what I mean. For instance, in 1978, 82 per cent of the investments of large industrial companies were financed by their own assets; in 1982, this percentage had dropped to only 38 per cent. As for the interest charges paid by these companies, they increased 32 per cent in 1980, 58 per cent in 1981 and 23 per cent in 1982.

Let me now refer to another interesting figure, namely the long term debt as a source of commercial investment. It amounted to $7.1 billion in 1978 as compared with $12.1 billion in 1982, and that, Mr. Speaker, is a significant increase.

As to stocks issued by businesses to raise new funds, they reached $5.9 billion in 1980 and only $4.4 billion two years later in 1982. Mr. Speaker, that points to the need to revamp the corporate financial structure because a company which has a lot of assets can pull through more easily. The worst thing that can happen is that it may be unable to declare dividends, whereas another one which relies heavily on its debt has to meet its contractual commitments, otherwise it might be forced into bankruptcy.

I therefore think that those measures may well be most important and most fundamental. We must also keep in mind our answer to those who would have the people believe that we are unduly partial to the corporate sector to the detriment of individual Canadians: the private sector will necessarily be the focus of the economic recovery and that is where new jobs will be created. It must be pointed out that, contrary to the views expressed by many people, corporate profits have declined sharply. Corporate profits in 1979 accounted for 13.2 per cent of Canada's gross national product, whereas three years later, in 1982, they had gone down by more than 50 per cent, which was only 6.2 per cent of the GNP. We must be wary of and keep an eye on those who claim that we as a Government have a tendency to favour big business, the wealthy and corporate owners at the expense of the helpless in our society.

Finally, Mr. Speaker, I should like to end my remarks by highlighting some of our job creation programs. A moment ago, I referred briefly to our special recovery projects, and I mentioned as well the $2.4 billion tax incentives for businesses over the next four years. And then of course we have direct job creation programs for which an additional amount of $710 million was earmarked in the budget. All told, $1.5 billion will be spent for direct job creation this year, including $180 million more under the NEED Program, $100 million more under the provisions of Unemployment Insurance Act Section 38, special job creation measures of $150 million for labour intensive industries, and an extra $280 million so that young Canadians will find work rather than simply keep hoping. There will be $40 million available for Katimavik and $70 million more for Summer Canada. In addition, the Department of National Defence has set $75 million aside to recruit young people and, finally, companies will receive $95 million in salary grants to hire young Canadians and enable them to gain some experience on the labour market.

Mr. Speaker, I will conclude my remarks by saying this: in the April 26 issue of *La Presse*, not very long ago then, one could read the following headlines: "World Economic Recovery Well On Its Way Canada Ahead With Strongest Recovery" 1739

And the reporter went on to say:

> The strength of Canada's economic recovery puts us first among the seven major industrialized nations.
>
> Although all countries are out of the recession, Canada ranks first for its dynamism.

Mr. Speaker, that is not the conclusion of a fancy analysis by an unknown economist, it is based on a study made public the day before, April 25, by the New York Conference Board.

We have therefore precious little to learn from Members opposite. They should not gloat over the results of the latest polls, for we all know that in horse racing the horse which is running seventh or eighth often waits until the last quarter mile to pull ahead and reach the wire first. I would invite the Hon. Member for Joliette (Mr. LaSalle) in particular to watch the race as of now, especially when we expect to see a leader elected by kids who unfortunately will not be eligible for the $280 million employment programs because they will be too young at 8 or 9. We have in mind youngsters from age 15 or 16. The others are too young. So we hope they will be kept in school.

Mr. Speaker, I will conclude by stating that Canadians must work shoulder to shoulder and that with mutual trust, if we can forget the far-fetched and ludicrous suggestions heard from the Opposition benches, we as Canadians will all manage to live through these difficulties and enjoy once again the good life of yesteryear.

• (1230)

[*English*]

Mr. Orlikow: Mr. Speaker, I have to say to the Hon. Member for Montmorency-Orléans (Mr. Duclos) that I am surprised by his speech. I have always thought of him as being on the left-wing of the Liberal Party, but he sounded today like a real Conservative. The Hon. Member did some pretty judicious summarizing of the Conference Board report. This morning's *The Globe and Mail* reports the Conference Board as follows:

The Canadian economy should show steady improvement this year but there will be no major success in battling unemployment over the short term—

The article goes on to state that unemployment is now 12.8 per cent, that it will come down to 12.3 per cent this year and to 11.5 per cent next year. Why is it with unemployment over 12.5 per cent and with very high unemployment in his Province of Quebec—I suppose the highest of any Province in Canada except Newfoundland—that his Government will spend $1 billion a month to keep the Unemployment Insurance Fund solvent but can find less that $2 billion for job creation? Where is the sense in paying 1.5 million Canadian workers to sit at home doing nothing rather than putting them to work doing the kinds of useful things which the Hon. Member talked about?

[*Translation*]

Mr. Duclos: This is the kind of language we have been used to, coming regularly as it does from people who know that they never will be in power. This is all so easy for people who can get 20, 30 or 12 Members elected at each general election and who have no sense of responsibilities. I explained why—maybe my hon. colleague was not listening, was sleeping, or whatever. But I explained that unemployment statistics are misleading since it is clear that with this economic recovery, there will be an increase in the labour force, and this means that instead of having 58 or 59 per cent—please correct me if I am wrong—but I know that in metropolitan Quebec City, there is possibly 58 per cent of all people between the ages of 15 and 64 on the labour market, whereas a normal rate might be 64 or 65 per cent. Clearly, Mr. Speaker, if you have people joining the labour force, at the unemployment statistics level, statistics that are based on the labour force, a reduction in the unemployment rate as such will not be as dramatic, as if the labour force were stable.

Now as concerns unemployment insurance, my view is that people drawing benefits are most respectable in the first place; they want to work but unfortunately the international situation is restricting this Government's room for manoeuvre, as in the case with every other Government, especially in the industrialized world.

Therefore, Mr. Speaker, I feel those points are not too easy to make, and I would invite my hon. colleague to visit us in Quebec during the next election. He will have a chance to express his views, and we will have a chance to answer, because it has been shown that Quebecers do trust the Liberal Party, and my belief is they will continue to do so, whatever the Hon. Member may say.

Mr. Keeper: Mr. Speaker, this budget's first priority is to help the private sector. Job creation and helping the consumer are not this budget's first priority. My question to the Member for Montmorency-Orléans (Mr. Duclos) is as follows: How can the Hon. Member support this budget, considering the large number of unemployed workers in this country, especially in the Province of Quebec?

Mr. Duclos: Mr. Speaker, I am tempted to make the same preliminary remarks I made when answering the question put by the Member for Winnipeg-North (Mr. Orlikow). I fail to understand . . . Perhaps the Hon. Member is not living in the same country or on the same planet. How can anyone see job creation and helping small- and medium-sized businesses as two opposing factors? I remember that some time ago at a meeting organized by a union local in Quebec City, I met a group of unemployed workers, and I remember entering a hall, and feeling the hostility. After talking to these people, I said: Let me say one thing. Maybe you will shout me down, but wait thirty seconds after I tell you what I am going to say now: The workers' best friend is a company that makes profits. I hope my hon. colleague agrees with me on that. Personally, I do not know any entrepreneurs or businessmen who would stay in business if they kept losing money, just to keep people working.

What I mean is that these are complementary measures, and that we have decided to create jobs across Canada by stimulating the private sector, by helping it to invest more readily, by creating favourable conditions, by creating a climate of confidence. That is certainly not contrary to a job creation policy. If my hon. colleague thinks that with a deficit of $40 or $45 billion and a Government that would take 70 or 75 per cent of the gross national product, we could perhaps do more, well, I wish he would look at what is happening in socialist countries, which I suppose he has had a chance to visit. He will see that State control of the entire economy and of all production factors does not bring prosperity.

• (1240)

[*English*]

Mr. Orlikow: Mr. Speaker, the Hon. Member knows that in countries which have or have had social democratic Governments, such as Sweden, Norway and West Germany—

Mr. Fisher: And France.

Mr. Orlikow: —and France, the rates of unemployment are much lower than that of Canada. In fact, Canada has the third highest rate of unemployment of all industrialized countries.

Does the Hon. Member not realize that the reason we have a large deficit is that such a high percentage of our labour force is unemployed? Does he not realize that when they are working they pay income taxes and have money to purchase goods on which the federal and provincial Governments receive sales tax and that companies make profits and pay corporation taxes? The Government has done nothing about unemployment. Since the Prime Minister (Mr. Trudeau) took office it has increased every year. If we got the country working and people were employed, does the Hon. Member not agree that the large deficit would disappear?

[*Translation*]

Mr. Duclos: Mr. Speaker, I am absolutely astonished at the Hon. Member's remarks. His examples are odd, to say the

least. He mentions the Social Democratic government in the Federal Republic of Germany. Germany, like other industrialized countries, also happens to be in a recession, and I would like to put the following question to the Hon. Member. Did Germany not have elections not long ago? Did the Christian Democrats not win that election? Was the Social Democratic Party not defeated? And is that how German voters showed their appreciation of Mr. Schmidt's social democratic government? The Hon. Member's example is somewhat inappropriate and, by the way, I referred briefly to this in my speech. We have the example of the economically disastrous policy of the French Socialist Government since May 1981. Canada is looking forward to an interesting, major and lasting economic recovery, while France is in a deep recession. No later than yesterday, there were demonstrations in Paris and demonstrations by farmers in the provinces. We have to be serious. To reply more specifically to the question asked by the Hon. Member, I shall simply tell him that we are doing exactly what he said to reduce the deficit, because with fiscal incentives to promote investment by the private sector, we shall be able to create jobs, which will mean more Canadians being employed, more tax revenue for the Federal Government and a gradual reduction of the deficit.

Hon. Roch La Salle (Joliette): Mr. Speaker, like many others before me, I would like to make a few comments on the budget speech delivered a few days ago. I was somewhat surprised to hear the Hon. Member for Montmorency-Orléans (Mr. Duclos) endorse so vigorously the administration of his Government. Like many others, I am convinced that he is very disappointed at what has been accomplished during the last fifteen years, and more particularly the last five years. The Hon. Member for Montmorency-Orléans is joking when he says that the youth employment incentive programs are not aimed at children of seven or eight, but I should remind him that his own Government is responsible for the mortgage of nearly $2,000 being imposed on every newborn child by our national debt. The Hon. Member forgot to mention it.

In any case, Mr. Speaker, I must recognize that the budget is an extremely important exercise in the administration of this country. It is difficult as well to give currency to the projections of the current Minister of Finance (Mr. Lalonde) because over the past 15 years, since I first won a seat in the House, his predecessors have made umpteen projections which were all way off the mark. On the strength of projections based on unbelievably misleading factors and in light of the fact that for 15 years now the Government has been telling us that it will spur the economy and set the country back on the road to prosperity through increased spending, we have no choice but to admit that it has been quite the opposite. We ought to be very concerned indeed that history might repeat itself.

The Hon. Member for Montmorency-Orléans spoke about the catastrophic situation in certain countries of the world. I would suggest that Canadians are now in a catastrophic situation for which this Government must assume full responsibility. It has taken the wrong decisions, it has failed to take action at the right time in vulnerable sectors and, therefore, it must bear the blame and the responsibility. For a number of years now we have been urging the Government to steer its economic policies so as to encourage the private sector to show economic leadership because it is much better at it than the Government. Someone said earlier that it was a matter of confidence. Of course it is a matter of confidence, and from confidence flows credibility.

Does the Minister of Finance now have the necessary credibility to inspire confidence in investors, businessmen and Canadians generally? We say no. We say no because he has demonstrated unparalleled hypocrisy when he took action and then afterwards heeded pleas from this side of the House to listen to the private sector and promote private investment. That same Minister, when he held the energy, mines and ressources portfolio, drove private industries right out of a leading sector in Canada, and that same Minister, the Minister of Finance, was responsible for Canada's loss of $30 to $40 billion in investments and about 150,000 to 250,000 direct and indirect jobs, particularly in that area. That Minister of Finance carries a lot of weight in Cabinet, a lot more than the Hon. Member for Montmorency-Orléans, we know that. Not so long ago, the Minister of Finance took a bit of a beating in the Gillespie affair, and he made a major blunder when he partly disclosed his budget, an issue on which the lid has been clamped. But still this was a tremendous blunder on the part of a senior minister. How can this same Minister of Finance, with so large a smile on budget night, have the credibility needed to lead the country to the prosperity he referred to in his budget or in his comments? No way, Mr. Speaker! In forsaking that trust, he lost the credibility needed to give Canadians the confidence that is so needed. And on top of that, we see, the Prime Minister (Mr. Trudeau) rushing in to cover him up on two incidents that called for an immediate resignation, if honour had had its way.

Those are the rules by which we are governed today. For those reasons, Mr. Speaker, I must recognize that the Government's current attempt to call upon the private sector, after having competed and fought with it, points first to unprecedented hypocrisy as I said, and, second, proves that we were right in enticing the private sector to do a better job than the state, which it can do. The Liberals are only now beginning to understand that.

• (1250)

How is it possible for us, Mr. Speaker, to accept the Government's invitation to put our trust in them in order to save the country? As we have seen these past 15 years, the more they are granted additional supplies, the bigger their deficits are getting. And the bigger the deficits, the heavier the cost of our

national debt and the higher the unemployment rate. Certainly, the truth must be told in this House. I was literally shocked when I heard the Hon. Member for Montmorency-Orleans (Mr. Duclos) earlier today trying to defend this Government's unprecedented failure and incompetence. Such is the situation now, Mr. Speaker. Of course, they would not want us to say that in 1968, when I first came here, at the same time perhaps as the Hon. Member for Montmorency-Orléans, there were 358,000 unemployed, and the budget stood at a $12 billion. But in 1982, what a sad performance, Mr. Speaker, that is embarrassing for Liberal members and is reflected in this morning's Gallup polls. Of course, Mr. Speaker, the Liberals would rather not hear about it. They will tell the public at large that the race is not yet over. Indeed it is not, but Canadians are in an awful hurry to get this opportunity to say what they think of a Government that has been hurting them for too long. And I hope the message gets across: there were 358,000 unemployed in 1968, whereas we now have close to two millions. With a $12 billion budget! That is something Canadians understand. Now it is $100 billion. So they tell us: "We need money. We are going to straighten out the economy within the next 15 years." The budget has increased from $12 to $100 billion, the deficit has increased from $491 million in 1968 to $31 billion this year. The Minister of Finance with his usual big smile has told us in his budget that we are going to have $25 billion deficits over the next four years.

Despite a sad economic situation, those people are asking us to put our confidence in them although they are responsible for this country's unprecedented failure. That is the kind of administration we have, and now this is the kind of administration that we should condemn with all our energies just as we are now doing. Is there one businessman in this country who would have retained managers of that ilk in his business for more than six months? I do not think so, Mr. Speaker. Should Canadians also know that the national debt which amounted to $32 billion in 1968 has reached $160 billion this year? With such a record, the Government is seeking, with the investments which are provided for in this budget, and with the assurance that our economy is on the threshold of recovery—

Mr. Speaker, the Government is not telling the truth when it says that our economy is on the threshold of recovery, and when the Minister of Finance claims that unemployment will be maintained at its current level. Of course, our friends opposite will argue that newcomers will arrive on the labour market. But that was to be expected. If current statistics are good for the goose, they ought to be good for the gander too. The Government should have foreseen this, for they say that to govern is to foresee. The Government lacked both foresight and compassion in connection with the unemployment problem it had created. It was dishonest with the Canadian electorate by creating prosperity artificially, especially by going deeply into debt over the past 15 years. And it succeeded during the last election campaign in convincing a majority of Canadians that things were not so bad, since it was able to spend huge amounts of money and create social programs. Unfortunately, it started to compete with the private sector, the major provider of jobs, and now it is seeking its forgiveness.

We cannot forgive the Government for its poor performance. We cannot forgive the Government for wanting to compete on a daily basis with the provinces and the private sector, by setting unilateral guidelines. It is unthinkable. Good times are over for this Government. It has never felt the need to sit down with the business sector, the unions or the provinces and to behave as a good federalist should, respectful of the provinces, its partners, and to discuss national issues with them. That is the kind of administration we have had for the past 15 years. And it is not seeking the people's confidence. I suggest it is going too far, Mr. Speaker. It has waited too long. It will be judged on its actions. It is responsible for an impossible situation. Earlier, I heard an Hon. Member refer to the great strides made by the housing industry towards recovery. This Government is responsible, Mr. Speaker, because its lack of housing policy during the past three years, for the loss of 500,000 jobs in the construction industry. Today, I support the $3,000 grant for the purchase of a new home, but the Minister is not even in a position to state a specific date and this is disturbing and I think that the Government Members will realize the importance of the matter. The Minister said in his budget speech that the grant could be extended until the end of May. You can see what will happen, Mr. Speaker. Applications will be filed, but because the funds will have already been expended, the applicants will not be entitled to their $3,000. What is the exact date? The Minister of Finance (Mr. Lalonde) said that the $3,000 grants could be extended until the end of May. However, the Minister of Consumer and Corporate Affairs (Mr. Ouellet) is not convinced. Let us look at the budget. The Minister of Consumer and Corporate Affairs (Mr. Ouellet) is not really sure of that. Then let us imagine for a moment what people will . . . Surely that—

Mr. Ouellet: You did say 500,000 jobs!

Mr. La Salle: The Minister of Consumer and Corporate Affairs is not sure that 500,000 jobs will be lost but there are now some two million unemployed so I think that he should also check his statistics again.

Therefore, Mr. Speaker, I think that such an irresponsible Minister is wrong when he does not provide for the termination date for the $3,000 grants. I urge the Minister of Finance to tell Canadians that they will be entitled to the grants up to a specific date and if it is May 31, that will be fine, but any application filed within that period should be accepted. If the Minister of Finance fears that the Government cannot promise to pay that $3,000 grant to new owners, he should be brave and honest enough to say so. I ask him to give us a specific date, to set a specific time.

Mr. Speaker, I should end now considering the time allotted to me but before doing so I should like to mention that this Government has lost public confidence as is evidenced by public opinion polls. This Government is responsible for the problems which Canadians are now experiencing and is asking us to support proposals which it never made. However, through the force of circumstances, because it was forced to act, because we demanded that the private sector be used in a certain way, it does no longer deserve our support and should be dumped as quickly as possible.

The Acting Speaker (Mr. Blaker): Order please. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

THE BUDGET

MEASURE TO STIMULATE PURCHASES OF DURABLE GOODS

Mr. Gaston Gourde (Lévis): Madam Speaker, there is a provision in the budget speech of April 19 which has not yet received all the attention it really deserves, for it will benefit Canadian families. Indeed, under that provision, Canadian taxpayers will be permitted to withdraw tax free part or all of their accumulated savings in RHOSP's, that is Registered Homeownership Savings Plans, provided such funds are used to purchase home furnishings and appliances before the end of 1983. They will not be required to close the plan for such withdrawals. Qualifying new home furnishings must generally be purchased between the date of the budget and December 31, 1983. That measure should stimulate consumer expenditures on durable goods. Thus, young couples will participate in the economic recovery. Through the purchase of furniture, refrigerators, washing machines or carpeting, they will contribute to inventory reduction and production of the manufacturing industry. Furthermore I think that mention should be made of that measure and, at the same time, those responsible for it, should be praised.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

COVERAGE OF FARM WORKERS—EFFECT ON EMPLOYERS

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, I am extremely concerned about the revocation of Regulation 16 of the Unemployment Insurance Act. Not only are farmers being burdened with the additional difficulties encountered with the administrative obligation, coupled with high turnover and mobility of agricultural workers, but now, to add insult to injury, the federal Government, with its bureaucratic red tape and usual slowness, has not even made available the proper forms which it is forcing our farmers to use.

In my constituency the farmers of Haldimand-Norfolk will need at least 50,000 forms by June 10 when the 1983 strawberry harvest begins. That is less than eight weeks away. One farmer alone will need at least 2,000 forms by that date. The present forms, as I am sure the Minister knows, are only valid until April 30. That means the only forms available will be out of date for this season.

The new program requires filling out a daily form for each individual worker, complete with Social Insurance Number and other pertinent detailed information. This is a horrendous, time consuming, impossible task for farmers to perform at the eight of the season, especially when dealing with crops such as strawberries. Many farmers employ up to 400 seasonal workers per day.

I understand the Minister is reconsidering this stand and is meeting with the horticultural society this week. I urge the Minister to listen carefully to this group and to take immediate steps to offer some sort of relief to our frustrated farmers.

Some Hon. Members: Hear, hear!

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AGRICULTURE

WESTERN GRAIN STABILIZATION FUND

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, it is no secret that agriculture as an industry is suffering along with many other sectors of Canada's economy. An Act that the Government could use to alleviate somewhat the problems in agriculture, particularly western agriculture, is the Western Grain Stabilization Act. That Act has been in place since 1976, and in the seven years since its inception has had a pay out twice, once in 1977 and once in 1978. Currently the fund has in excess of $600 million, and at the present rate of contribution there will be in excess of $800 million in the fund at the end of this year.

The Act is jointly funded by the producers and the federal Government on the basis of $2 of contribution by the federal Government for every $1 of contribution by producers. The producers' contribution is collected on the basis of 2 per cent of eligible grain sales.

S.O. 21

The Act is designed to stabilize net farm income over a period of five years. If the Government chose to do so, it could amend the Act so that it would stabilize income over a three-year period rather than a five-year period. If that amendment were made, there would be a payment triggered immediately of something approximating $150 million. That money would be injected into the western farm economy. It would be good for the economy and would not increase the deficit one bit. It would be a step that the Government could take to assist the agricultural industry at a time when it needs help, without increasing the Government's deficit.

* * *

THE JUDICIARY

APPOINTMENT OF WOMEN JUDGES

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, the appointment of Madam Justice Constance Glube as Chief Justice of the Nova Scotia Supreme Court Trial Division is welcome news, though perhaps not for our friends in labour, as it is the elevation of a distinguished member of the Nova Scotia bench and she is the first woman to be appointed as a Chief Justice in Canada.

The appointment of women to the bench is of ever greater importance now that we have an entrenched Charter of Rights and Freedoms. Because of the Charter the judiciary will influence our lives much more than it has in the past.

Strong representation of women on the bench, indeed equal representation, was a demand of Canadian women's organizations in the Charter debate. Yet the proportion of women appointed to the bench over the last three years has been only 8.9 per cent, the very same as the proportion of women appointed to the bench in the United States by President Reagan, one whose leadership in the feminist cause is hardly to be emulated.

Some extremely bad decisions of the Supreme Court of Canada recently underscored the need to appoint men and women with sensitivity to women's issues. The Leatherdale case of last year repeats some of the horrors of the Murdoch case of ten years ago. Only yesterday a decision was announced which would put the victim of rape on trial for conduct after the offence, a possibility that would never be considered for victims of any other offence. It is time that sensitivity and competence on women's issues become criteria for the selection of members of the bench in Canada.

Some Hon. Members: Hear, hear!

TRADE

CALL FOR ESTABLISHMENT OF NON-DIPLOMATIC PRESENCE IN TAIWAN

Mr. Otto Jelinek (Halton): Madam Speaker, unemployment is our number one problem today and international trade plays an important part in that problem. For every $1 billion spent on trade, approximately 25,000 new Canadian jobs are created.

Unlike most other countries, however, Canada has not reached its full potential in this regard. For example, one of the fastest growing economies in the world is Taiwan, and although not recognized diplomatically by many nations, virtually all non-communist countries have established some form of bilateral non-diplomatic presence with Taiwan for the sake of promoting trade.

I am pleased to announce today that members of the Canada-Taiwan Parliamentary Friendship Committee, consisting of some 50 Members of Parliament from both sides of the House, have received assurances in writing from the Minster of Foreign Affairs in Taiwan that serious consideration is being given to sending a procurement mission to Canada in the near future in order to buy Canadian goods and services. This, we believe, is only a small step toward utilizing the full trade potential between Canada and Taiwan, a potential that would create tens of thousands of jobs in Canada forthwith.

To this end we urge the Government to join virtually all other non-communist industrialized nations in establishing a non-diplomatic presence in Taiwan in order to take full advantage of the tremendous trade potential for the benefit of all Canadians.

Some Hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

EL SALVADOR—NEED FOR MEDICAL SUPPLIES

Mr. Bob Ogle (Saskatoon East): Madam Speaker, yesterday President Reagan addressed the combined Houses of the Senate and the Congress of the United States. He asked for more arms for the struggles in Central America. On the same day, Dr. Alfred Gelhorn of the Harvard School of Public Health, and three other U.S. professionals, tabled a report about their visit to El Salvador in recent months. They wrote:

> The rate of endemic diseases is rising drastically as social programs are sacrificed so that funds can be allocated to the military.

They went on to say:

> U.S. foreign aid must make abundant provisions for such essentials as food, medicine, vaccines, medical equipment, teaching materials for students, and other forms of economic assistance.

Furthermore, they said:

> Wherever we turned we found the chilling effects of the ever-widening devastation to health and health care that has been caused by the breakdown in

education, the slashing of budgets for national health programs and the repression of human beings by the systematic use of terror.

The doctors went on to say that they had visited a hospital. Ten days after their visit, a doctor had been taken from that clinic by armed men and has not been seen again.

I would ask the Senators and Congressmen of the United States to check their facts carefully. They must realize that the United States was founded in 1776 by a group of people who were able to identify oppression. I believe that if George Washington and Benjamin Franklin were alive today, they would be on the side of the revolutionaries.

Some Hon. Members: Hear, hear!

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FIFTIETH ANNIVERSARY OF 4-H CLUBS

TRIBUTE TO ACCOMPLISHMENTS

Mr. Gordon Taylor (Bow River): Madam Speaker, the 4-H organization has made Canada a better country. The first meetings of 4-H were held some 70 years ago. In 1933, under the Dominion Companies Act, 4-H was incorporated as a non-profit youth organization. Canada now has more than 5,500 clubs, with some 75,000 members who complete about 80,000 projects every year.

Every 4-H-er pledges the head for clearer thinking, the heart for greater loyalty and understanding, the hands for larger service, and health for a better and more worth-while life. Members learn to do by doing under the guidance of volunteer leaders who encourage special interests in agriculture and in living and in identifying leadership ability in the members of the club and in themselves.

• (1410)

The basic objective of this educational movement for young people is to provide a well balanced training in citizenship and to encourage the adoption of improved methods in farming and in homemaking. Fifty golden years of service, plus 20 years before incorporation in Canada, together with youth and leaders in some 80 countries of the world, building character by the four "H's", the "Head", "Heart", "Hand" and "Health", have had a tremendous impact for good throughout the world. I am sure every Hon. Member of this House will join with me in saying "Congratulations" and thanks to the 4-H Movement.

Some Hon. Members: Hear, hear!

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TEXTILES AND CLOTHING

CALL FOR SUPPORT OF CANADIAN INDUSTRY

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Madam Speaker, Canadians know that any economic recovery in this country will be led by the business community. The textile industry, which employs 13 per cent of the people in the manufacturing sector, continually finds that it must struggle with unfair foreign competition, and if this is allowed to continue it will seriously jeopardize the textile industry's more than 80,000 employees and add to the already two million Canadians who are out of work.

On behalf of the over 1,100 textile workers and their families who live in the federal constituency of Hastings-Frontenac-Lennox and Addington, as well as the other thousands of Canadians and their families who are currently employed in the textile industry, I ask that the responsible Minister and his Government support the Canadian domestic market. Canada cannot be allowed to sink gradually deeper and deeper into foreign control of our domestic market.

Canadians must provide for Canadians so that we are in the driver's seat for our future, and the Government must help us drive forward, not backward. I ask the Government to show the understanding and co-operation which will support and encourage industry to grow for the future, and thus prevent loss of jobs in Canada.

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PETRO-CANADA

SELLING TIRES IN COMPETITION WITH INDEPENDENT DEALERS

Mr. Mel Gass (Malpeque): Madam Speaker, I would like to raise a matter which has been brought to my attention by the Atlantic Provinces Tire Dealers and Retreaders Association which represents approximately 30 tire dealers in the Atlantic Provinces. These dealers employ over 1,000 people and have built up their businesses over a number of years with private funds. They are deeply concerned over the fact that Petro-Canada Tire Centres are offering ridiculously low tire prices which make for extremely tough competition.

These privately owned businesses would like to question the Government's responsibility to the public when it has gotten into the business of selling tires as a Crown Corporation in competition with tax-paying businesses which have built up reputations in their local communities. The Government also pays out large sums of money to advertise special prices for huge sales of tires in full-page $1,000 advertisements, using taxpayers' money.

It is extremely difficult for business people to stay in business and make a profit in today's harsh economy, let alone compete with a company using subsidized tax dollars. I, on behalf of the Atlantic Provinces Tire Dealers and Retreaders Association, urge that an immediate halt to such business methods, at the cost of over-burdened taxpayers across the country, take place, and that the Government be held responsible for the detrimental effect this practice is having on our business sector.

Oral Questions

HEALTH

FUNDING FOR MEDICAL RESEARCH

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, the House will be aware that as a result of the application of the six and five program to the funding for the Medical Research Council, only 12 per cent of the new applications for research funding which were made this year to the Medical Research Council were approved. This is the result of this cutback in funding.

The concern is that we may be sending the wrong message to young people who are studying in our universities in order to do important research. We may, perhaps, be sending them the message that they would have been better to go into land speculation because the Government does not have the right sense of priorities if it applies the six and five program to medical research. Government will create a sort of lost generation of young people for work in scientific research if it does not smarten up pretty soon and start making medical research a priority, instead of relying on devious and dubious means like the proposed sports pool for the funding of health research.

ORAL QUESTION PERIOD

[*English*]

SPECIAL RECOVERY PROGRAM

INQUIRY RESPECTING ALLOCATION OF FUNDS TO BRITISH COLUMBIA

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is directed to the Minister responsible for the Special Recovery Program, and it relates to the disbursement of funds under this Program to the various regions of Canada. Bearing in mind that the unemployment rate in British Columbia has reached an all-time high, and one of the highest in Canada, will the Minister confirm for this House that some $400 million of funding under the Special Recovery Program is being allocated to British Columbia? And is he prepared now to designate those projects, those important public projects, which will qualify for portions of this funding?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, as I indicated yesterday in response to a question which should be directed to the Minister of Regional Economic Expansion, who has responsibility for this project, the $4.8 billion in the Special Recovery Program was split into two parts, one a $2.4 billion program designed to assist in the construction of capital works projects right across the country, which would create jobs immediately. The majority of that funding will be in place in the next six months. The second part, Madam Speaker, was the $2.4 billion which is tax related, connected with the Income Tax Act, and directed toward stimulation of the private sector.

I assume the Hon. Member is referring to the capital projects part of the Special Recovery Fund. I indicated yesterday that the Minister responsible will be making those announcements, or Ministers on his behalf, in the next few weeks. There are over 100 of such projects right across the country. The amount of money allocated to each project on a provincial basis or on a regional basis, Madam Speaker, will be apparent as the announcements are made.

SELECTION OF PROJECTS TO BE FUNDED

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, referring to the budget speech of last week, it is interesting to note that the Minister of Finance said, "More than 100 projects have been selected." I cannot, for the life of me, understand why the need for secrecy here. This is potentially the biggest patronage fund in Canadian history.

Will the Minister confirm that important public projects in British Columbia, such as the pipeline to Vancouver Island, the need for funding for important expanded post-secondary and technological training facilities, and other projects, will be funded to a degree proportional to British Columbia's population share of this major patronage fund?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, in addition to the 100 projects to which the Minister referred on budget evening, we know that an additional $200 million was allocated toward projects which fall into the category of capital works funds projects. The Hon. Member said, "have been selected". I responded by saying, yes, a lot of preliminary work was done prior to the budget, but actual approval for those projects had not been given prior to the budget.

I would like to assure Hon. Members that the announcements which have been made thus far, for example, the purchase of water bombers, were not made on a regional basis or on a political basis. Indeed, an announcement which will be made in Metropolitan Toronto tomorrow will be made in a riding which is not held by the Liberal Party. Therefore, Hon. Members, I argue, Madam Speaker, are going against the facts when there is an implication that these announcements apply to a particular part of the country, or to people of a particular political stripe.

Mr. Siddon: Madam Speaker, the Minister continues to hedge and stonewall. The budget said very clearly, "100 projects have been selected", and there is no need for secrecy in this matter.

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SUPPLY AND SERVICES

ACQUISITION OF COAST GUARD VESSELS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I would like to ask the Minister, or someone else who is qualified to answer, as the Minister of Transport is not in

the House, why a major contribution has been made to building large off-shore Coast Guard vessels when the Cross Report on Coast Guard revisions requires that small high speed pursuit vessels be acquired, and in fact those vessels are already being purchased from Britain? I would like to know why it is that the Minister, in allocating some of this special recovery funding to the building of large sea-going Coast Guard vessels, is completely contradicting and overlooking the recommendations of the interdepartmental report on search and rescue?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, if the Hon. Member is speaking of a report relating to search and rescue, I have not seen that report. I would be pleased to review its contents. However, I would call the attention of my hon. friend to the announcements we made on Monday relating to the Coast Guard acquisitions we are going to make. I indicated quite clearly that the allocation of the contracts would be sensitive to regional distribution. The Hon. Member's region is on the West Coast and we are sensitive to his interests concerning the alloaction of work under the Program to the West Coast. I am sure he will follow that very closely and I would be pleased, privately or otherwise, to provide him with any additional information I can freely give him.

* * *

• (1420)

AIR CANADA

ANNOUNCED LAYING OFF OF MECHANICS IN WINNIPEG

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Acting Prime Minister. Air Canada has announced it is going to be laying off 420 workers on September 1 unless unions accept cost-savings agreements. There will be 120 mechanics laid off in the Winnipeg area. It is unfortunate that Air Canada does not practise what it preaches. I would like to ask the Minister if he will use the authority of the Government to have Air Canada stop its ridiculous $30 million move to elaborate new corporate headquarters, a move under investigation by the RCMP, and use that money to keep those 420 employees working in Air Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member has made representations to the Government. I will draw these to the attention of the Minister of Transport.

REQUEST THAT LAY-OFFS BE HALTED

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, perhaps the Acting Prime Minister can bring this to the attention of the Minister of Labour. By law the airline is required to give four months' notice of a lay-off to the Department of Labour. I would like to point out to the Minister that many of these mechanics being laid off had to pay their own travel expenses from Dorval to Winnipeg recently, and were guaranteed employment. Will the Acting Prime Minister see that Air Canada is not allowed to lay off these employees, and will he use his influence to stop its unnecessary $30 million move to elaborate new headquarters?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member stated that Air Canada has violated the law, or that there was a law that ought to induce Air Canada to behave in a certain way. I believe that, if there is such a law, then Air Canada should obey it, like all other corporate bodies or persons in the country. I will also draw that matter to the attention of the Minister, in this case the Minister of Labour.

* * *

LABOUR CONDITIONS

ACHIEVEMENT OF FULL EMPLOYMENT—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Employment. Yesterday in Committee the Minister accepted the view that we are going to continue to have high unemployment even in boom times. This follows the Minister of Finance's rather bizarre notion, as expressed last week, that 8 per cent or 9 per cent unemployment should really constitute full employment. Instead of dealing with the problem, the Government is really redefining the issue.

Considering that an all-Party Committee of this House, following the last election, recommended to the Government that it accept a level no higher than 4 per cent as the definition of full employment, why does the Government not accept this definition and then set targets to achieve it?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as I pointed out in Committee yesterday, and it is unfortunate that the Hon. Leader of the New Democratic Party did not attend that meeting—

Some Hon. Members: Oh, oh!

Mr. Axworthy: He says he is interested in the issue of employment, and this would have been an ideal opportunity to have exchanged points of view.

Miss MacDonald: Tell him to come tonight.

Mr. Axworthy: I invite him to attend this evening, if he is free. If he does not have a social engagement he would be free to come tonight and talk about these issues.

What we pointed out during that discussion, Madam Speaker, was that we are very much committed to job creation. The budget was designed specifically to achieve that objective. But at the same time as we begin to create more jobs, and we have now had three consecutive months of increased job creation in the country, it also has the result of bringing more

people into the labour market. So statistically you do not see the improvement because the participation rates continue to improve; going up at the same time and run in a simultaneous fashion.

It is certainly our intention, and it was very clearly stated by the Minister of Finance, because of the measures introduced in the budget to stimulate action in the private sector—supplemented by the major effort we are making in direct job creation—we will be in a position of creating about 600,000 jobs over the next two years, which will be a very high average in that period of time and will put a lot of people back to work.

Mr. Broadbent: Madam Speaker, the Minister gets more banal every day. What he has just said is that the unemployment statistics continue to go up because the participation rate increases. What that amounts to saying is that unemployment continues to go up because men and women are looking for jobs. How ridiculous can the Minister get!

REQUEST THAT UNEMPLOYMENT TARGET LEVEL BE ESTABLISHED

Hon. Edward Broadbent (Oshawa): Madam Speaker, considering that certain countries in the world today have unemployment of 4 per cent or less—Austria, Sweden, and Japan, to name three—and considering that is because they have had political leadership which set that level as a target, why will the Minister not now answer the question I put to him in the first place and accept as a minimum target a level of unemployment of 4 per cent for this country?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it is interesting that the Hon. Leader of the New Democratic Party points to countries such as Austria and Japan as examples. I would point out that those two countries have adopted programs such as work sharing, which Members of his own caucus have spoken negatively about and have opposed. So I suggest that, if he is interested in achieving the results of some of those countries, Members of his caucus should get on side and support some of the initiatives we have taken, instead of always being critical.

Mr. Broadbent: Madam Speaker, for a second time the Minister has refused to answer the question put to him. I simply say to him that the programs introduced in the countries he has alluded to were made more equitable in the first place, and they work. They make sense there, whereas the ones he has put into place here are not equitable and they do not work. That is why we oppose them.

YOUTH UNEMPLOYMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, for the third time I would like the Minister to deal with my question. Why does he not set 4 per cent as a target to work toward? If the Government refuses to do that, will he acknowledge that what the Government is really saying to young men and women, although not to them alone, is that they have to give up looking for a job, they have to lower their expectations or do what the Prime Minister suggested a few years ago, leave our country in order to get a job? How despicable!

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it is an unfortunate tendency on the part of the Leader of the New Democratic Party and certain Members of his caucus always to think what is devised or developed in a foreign country is somehow preferable to what is happening in Canada. It seems to me it would be much more helpful to the Canadian public if he looked at what was happening in Canada rather than always looking at what is happening in Sweden, Japan or Austria.

Mr. Broadbent: We are looking at what is happening here.

Mr. Axworthy: They should be concerned about what is happening here. I would point out that, if he was prepared to do that, he would look at the report we tabled during the budget debate where we set out a very clear strategy to deal with the changing job market in Canada. In that document we have pointed out how, at the present time, training programs of this Government are helping over 120,000 young Canadians.

Mr. Broadbent: Now answer the question.

Mr. Axworthy: We are spending over $2.5 million per day for young Canadians. We have introduced a new youth employment program for young Canadians.

Mr. Kempling: With a million and a half unemployed.

Mr. Axworthy: It is about time that the Leader of the New Democratic Party started looking at what is happening in Canada rather than always looking abroad.

* * *

ROYAL CANADIAN MOUNTED POLICE

VISIT BY INVESTIGATORS TO TORONTO NEWSPAPER OFFICE

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. On Tuesday RCMP investigators visited the offices of *The Toronto Star* in what appears to be an effort on the part of the Minister to plug leaks in his Department, as referred to in Frank Howard's column in *The Ottawa Citizen* this week. Apparently the RCMP were interested in questioning Mr. David Vienneau with respect to a report he had possession of, as a result of the questioning on the floor of the House of Commons concerning the Coalgate or Alastair Gillespie affair.

Why does the Minister feel it is necessary to bring in the RCMP and involve himself in this program of harrassment of the press and media of Canada, and also for the purpose of intimidating his own departmental employees with respect to items and information which should be available under the Freedom of Information Act which has been passed by this Parliament?

• (1430)

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I did not call the RCMP at all. I think there is some internal procedure in every Department to deal with people who give information which should not be given outside. There are some rules presently in the regulations which were there when the Hon. Member was Minister of Energy, Mines and Resources. The regulations have not been changed. If there is an inquiry, it is through the normal process of the Department, and I have not even been consulted about it.

RESPONSIBILITY FOR RCMP INVESTIGATIONS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my supplementary question is directed to the Solicitor General, who has responsibility in the House for the RCMP. The Minister of Energy, Mines and Resources has now said that he did not instruct the RCMP or engage the RCMP to investigate leaks with respect to the Coalgate or Alistair Gillespie affair in this House.

There is a record by the Government of using the RCMP in order to cause investigations and raids to take place whenever there is a politically embarrassing situation which arises. I refer to the raid on the Toronto *Sun* in the Peter Worthington matter, under the provisions of the Official Secrets Act. I want to know whether the Solicitor General will direct the RCMP not to become involved in investigations the only purpose of which would be to save the political hide of the Government.

Hon. Bob Kaplan (Solicitor General of Canada): I think the suggestion is totally unworthy of the Hon. Member. It is certainly unworthy of the RCMP. They are not directed by the Government in criminal investigation matters, and they do not require direction of the Government to investigate criminal matters. They have the code, the rules, their own traditions, and they are self-starting. The Minister may call on the police, or any citizen may call on them, when wrongdoing is suspected, but the suggestion that they are being used by the Government is totally unjustified.

* * *

AIR CANADA

INVESTIGATION CONDUCTED BY ROYAL CANADIAN MOUNTED POLICE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question was to be directed to the Minister of Transport, but in his absence, which is a little unexpected, I would like to ask the Solicitor General a question. Since yesterday, he and the Minister of Transport and the Minister of Justice have had 24 hours to consider the implications of my question. Could the Solicitor General please tell the House when the criminal investigation into the Air Canada matter started, and when it is to conclude?

Hon. Bob Kaplan (Solicitor General of Canada): Again, Madam Speaker, I do not think that question should be answered, and I have no intention of answering it. I am surprised that the Hon. Member is asking questions and making allegations which might prevent a fair trial from taking place in the event that a decision to lay charges is reached by the RCMP. I would ask him to respect the well-established tradition of allowing the investigations to proceed on their own, without the direction or allegation or suggestions or improvisations of the Hon. Member.

Mr. Nowlan: Madam Speaker, I will start to respect traditions when the Government starts to respect any type or tradition of political morality.

Some Hon. Members: Hear, hear!

CHAIRMAN OF THE BOARD

Mr. Pat Nowlan (Annapolis Valley-Hants): My supplementary question, in the absence of the Minister of Transport, is unfortunately directed to the Deputy Prime Minister. Separate and apart from the criminal investigation, would the Deputy Prime Minister check with his colleague, the Minister of Transport, to see whether the Minister of Transport is aware of and is investigating a series of serious abuses of the office of the Chairman of the Board of Air Canada which, if true, would require the immediate dismissal of the Chairman?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, the Hon. Member is polluting the atmosphere with these allegations which may or may not be valid, but in a way which may eventually prevent an individual from having a fair trial, and prevent a trial from taking place. I urge him not to lend the authority of his position as a Member of Parliament and spokesman for his Party to allegations which are nothing more than allegations at this point. An investigation is proceeding. That has been confirmed. I think he is entitled to ask about that. He has received his answer concerning that. Surely he can leave it at that, knowing that the RCMP are perfectly capable of conducting investigations without his input.

* * *

THE ECONOMY

EFFECT OF BUDGET PROVISIONS—CONFERENCE BOARD FORECAST

Miss Pat Carney (Vancouver Centre): Madam Speaker, in the absence of the Minister of Finance my question is directed to the Minister of State for Finance. Yesterday, in a radio interview, Tom Maxwell, chief economist of the Conference Board of Canada, confirmed the Conservative Party's view that the high interest rates and tax increases generated by the Liberal budget in the future will abort the economic recovery under way.

Some Hon. Members: Oh, oh!

Miss Carney: In our official response we said that the budget measures could derail the economy by increasing interest rates and imposing massive taxes as the recovery is gathering steam. Now the Conference Board states that these measures will bring the economy to a screeching halt in the next two years.

Since the budget admits that the Government cannot cope with unemployment, how does the Minister respond to the Conference Board forecast that the budget will put the brakes on the economy?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I have not had an opportunity of reading the report to which the Hon. Member has referred. She has indicated that she, herself, heard a news report by Mr. Maxwell. I similarly heard reports, and we must have heard different radio reports because the one which I heard, on the contrary, did not at all confirm the protestations of the Hon. Member.

The report of the Conference Board is at best neutral concerning the design of the budget, which is to add a stimulus to an economy which is presently growing and showing some strength, with a plan to support the economy immediately, through the next year and some months, and then to recoup those moneys added as a stimulus by way of taxation at a later date when it could be afforded by the private sector. That basic premise was not the subject of the report of the Conference Board. Indeed, if it had been, it would have been a prerelease of the budget which the Minister introduced Tuesday last.

Therefore, in reply to the Hon. Member's affirmation that the Conference Board criticized the strategy of the Minister of Finance, of adding stimulus at this time, but in a responsible way, putting a plan forward which would call for a reduction of the deficit at a time when the economy was strengthened, I suggest that that statement was not criticized by the Conference report, and the Hon. Member is distorting that report at best.

CONFERENCE BOARD ASSESSMENTS—GOVERNMENT POSITION

Miss Pat Carney (Vancouver Centre): Madam Speaker, it is yet to be seen whether the Government is acting in a responsible way or just adding more mad money to the pork barrel. I will send the Minister the transcript of the radio interview in which Mr. Maxwell made his assessment. I would like to point out that those in the Official Opposition are not the only people making this assessment of the Liberal budget. Mr. Maxwell stated in his interview, "I think we are very much in line with what most people are saying". Do these assessments disturb the Minister? Is the Goverment having sober second thoughts?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Not at all, Madam Speaker. We believe, for example, that the stock market has responded favourably to the strategy of the Government, of the Minister of Finance, that is, of moderate stimulus at this time. However, with the concern about a reduction in the long-term deficit, we think that that is why there has been an improvement on the stock market. We think that is why the budget has been well received on the international financial markets and why the Canadian dollar has strengthened. We believe that the strategy has been supported by the majority of writers, critics and economists who have studied it. Yes, of course, there are differences of opinion. There always will be. However, they are in a minority, just as is the Hon. Member.

* * *

• (1440)

[*Translation*]

NATIONAL DEFENCE

F-18 FIGHTER AIRCRAFT CONTRACT—GOVERNMENT PROMISE OF BENEFITS AND PLANT FOR QUEBEC

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Minister of National Defence. Three years ago, during the referendum campaign in Quebec, the Federal Government promised $225 million in economic spin-offs, in the form of a production plant for the F-18 in Quebec. It appears that yesterday, a contract worth only $3 million was signed by McDonnell Douglas and UDT. My question, Madam Speaker, is as follows: Is this one more promise the Liberal Party has broken?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I do not quite understand the question. I think the contract signed Tuesday by UDT and McDonnell Douglas is one that was signed by two independent companies. The Government had no involvement in this matter as far as deciding who would get the contract or how it was to be signed. McDonnell Douglas decided which company best served their purpose, and it selected UDT.

Mr. Nystrom: Madam Speaker, I have a supplementary. According to the newspaper *La Presse*, the Minister said, and I quote:

> It is not the first time politicians state figures they are later unable to support.

My question is as follows: Could the Minister give the House the assurance that in the near future, further contracts will be signed to make the total economic spin-offs for Quebec amount to $225 million, as promised by the Liberal Party three years ago?

Mr. Lamontagne: Madam Speaker, I think the question is related to a conclusion that was reached when some journalists reported that the economic spin-offs of the contract were estimated at about $225 million. When I was asked whether these figures were accurate, I answered, and I was correctly quoted in the press, that these were obviously projections.

When projections are made, and this applies to all contracts, the economic spin-offs may increase or decrease, depending on the contracts given to the company. And that was more or less what I answered.

As for the economic spin-offs in connection with the F-18, our concern is to see to it that Canada derives maximum benefits from the economic spin-offs of the F-18 purchase, and that both provinces, Quebec and Ontario, get their fair share of those spin-offs, and that is what we are going to do.

Mr. La Salle: Madam Speaker, I have a supplementary. I heard the Minister of National Defence dissociating himself from his Government's commitment during the referendum campaign. Can the Minister inform the House that he intends to meet the commitments made by his Government three years ago during the referendum campaign? To win over Quebecers, it was agreed that Quebec would benefit from this F-18 contract. I think the people of Quebec ought to know what the Minister's intentions are today.

Mr. Lamontagne: Madam Speaker, I think Quebecers know perfectly well what the Government's attitude is toward Quebec, that is, the Government is exploring all avenues to promote employment and economic spin-offs for the Province of Quebec. It is quite obvious that the friends of the Member for Joliette are using the F-18 issue to make political gains. I think it is important to ensure that Quebec's position in the aviation industry is preserved and that is what we are doing, with great diligence.

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[*English*]

TRUST COMPANIES

WITHDRAWAL OF DEPOSITS FROM SEAWAY AND GREYMAC CORPORATIONS

Mr. Ray Chénier (Timmins-Chapleau): Madam Speaker, my question is directed to the Minister of State for Finance. I received a number of phone calls from Greymac and Seaway depositors who have $20,000 in mature GICs. These individuals were concerned about their inability to withdraw the accumulated interest. Following Royal Assent of the Bill concerning the new insurance limit, will they now be allowed to make such withdrawals?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Yes, Madam Speaker, I can confirm that these depositors with Seaway and Greymac will indeed be permitted withdrawal to the $60,000 limit as a result of the passage of that legislation yesterday. I would stress that there must be maturity of those instruments in order that they quality. I would point out as well that the waivers that have been requested thus far at the $20,000 limit will apply as well for those people who are now applying for the $60,000 limit.

I would also say that I think that the legislation's speedy passage by Parliament demonstrates that the Government and Opposition in Parliament working together can respond to the economic conditions in the country if they really want to.

* * *

EDUCATION

STUDENT LOANS PROGRAM—USE OF REPAYMENT COLLECTION PROCEDURES

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, in the absence of the Minister of Finance and the Secretary of State on parliamentary business, I will direct my question to the Acting Prime Minister. I am sorry that I could not give him notice, but I sent it to the Minister of Finance.

The Secretary of State and the Minister of Finance have recently announced measures to ease repayment of student loans for unemployed graduating students who are in financial difficulty. In the meantime many unemployed graduates are being relentlessly pressed with collection procedures used by the Government of Canada and its agencies. Will the Government cancel collection procedures until the new program is in place?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs) Madam Speaker, my experience is that there usually is not a relentless pursuit of these students who may be faced with financial difficulties. We have always taken a sympathetic attitude toward these students, and we will do the same in this particular instance.

Mr. Howie: I thank the Deputy Prime Minister for his answer and the sympathetic approach to students which he has mentioned. There are apparently incidents of which the hon. gentleman may not be aware and of which I will advise him.

REQUEST THAT GOVERNMENT SUSPEND COLLECTIONS

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, the pursuit has been relatively aggressive by some collection agencies. I would ask the Deputy Prime Minister, in keeping with the sympathetic policy he has announced, if he would consider suspending collections until the Secretary of State and the Minister of Finance have had an opportunity to place before Parliament what are, on the surface at least, some good measures?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): No, Madam Speaker, I could not undertake to suspend these procedures but I will draw the Hon. Member's representations to the attention of both Ministers.

Oral Questions

PETRO-CANADA

RESULTS OF POLL

Mr. Ron Stewart (Simcoe South): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Canada's special ownership charge on oil was ostensibly placed to pay for the purchase of Petrofina. It has not been rescinded in the recent budget. The Gallup Poll shows that some 69 per cent of Canadians make absolutely no effort to buy their gasoline at Petro-Canada stations and 45 per cent think that the Crown corporation should be sold. Will the Minister tell the House that the Government is now willing to accept the fact that this is a costly and obviously unpopular burden to the taxpayer?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I have to disagree with the Hon. Member because the difference between the Gallup Poll and the reality is that the reality is that, last year, Petro-Canada increased its share of the Canadian market while the private sector lost a share of the Canadian market. It is a good opportunity to show the Hon. Member that he should not pay too much attention to Gallup Polls.

Some Hon. Members: Hear, hear!

Mr. Stewart: There is one particular Gallup Poll which Members opposite should look at. It says that 52 per cent of Canadians want the Conservative Party to form the next Government.

Some Hon. Members: Hear, hear!

ADVERTISING SLOGAN

Mr. Ron Stewart (Simcoe South): Madam Speaker, if the biggest fraud that is now being perpetrated is not the claim of Petro-Canada advertising "its ours", then I would like to know what is. If it is ours, will the Minister tell the House and the Canadian people when he will be issuing the shares and/or dividends to the Canadian people so that it is theirs?

[*Translation*]

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think the Hon. Member would do well to take a closer look at Petro-Canada's activities. It is one of the companies that are most active in developing oil exploration both in the Canadian North and on the Atlantic coast, and it is also involved in retail sales. As I said earlier, last year Petro-Canada considerably increased its retail sales while other companies saw their share of the market diminish. In fact, Canadian taxpayers have really benefited from the establishment of this company, since by buying gas from Petro-Canada, they demonstrate their preference for buying from Petro-Canada rather than from the multinationals established in Canada.

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT AMONG WOMEN

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, my question is directed to the Minister of Employment and Immigration who has been arguing lately that if we had the same kind of participation in the labour force as in the 1960s, the unemployment rate would be down to only 5 per cent. I presume that the Minister is aware that we are in fact in the 1980s and not the 1960s. Would the Minister tell us what he proposes to do? Would he like to see women leave the labour force and go back home at a time when we have no pensions for homemakers, for example? Or does the Minister have any concrete proposals to meet the conditions of the 1980s when there are large numbers of women and young people wanting to have jobs?

• (1450)

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, once again I would invite the Hon. Member to attend the discussions we have been having on my Departmental Estimates where we have had the opportunity to open up these discussions in a much broader way.

Mr. Parker: Do something.

Mr. Axworthy: If she had attended those meetings she would know that what we have done is put forward—

Mr. Broadbent: Bring it in the House.

Mr. Axworthy: —for the interest and, in some cases, the education of Members of the House, a document on employment in the 1980s in which we have set out not only the reality which Hon. Members over there refuse to face, but also a strategy designed to open up access to employment for all groups in our society. In this document we have put forward very specific proposals relating to new training programs, new job creation programs, new employment service programs and new job adjustment programs. I would recommend very highly that the Hon. Member read this document, and then we will have an exchange about it.

Ms. McDonald: Madam Speaker, some of my colleagues have attended those meetings, and I do not think that has helped very much.

UNEMPLOYMENT LEVELS IN EUROPEAN COUNTRIES

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, we do have evidence from other countries. Reference was made earlier to Sweden, to Austria, to West Germany and to a number of European countries where unemployment is at the 2 per cent 4 per cent and 5 per cent levels. Women in those countries have a long history of labour force participation. Since the Minister pooh-poohs using any of these countries as a model country for a great deal more economic planning, would he consider the fact that there are other countries which

do combine low rates of unemployment with high levels of participation by young people and women in the labour force?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, that was an interesting statement. I am not sure what the question was.

Mr. Broadbent: You wouldn't answer it anyway.

Mr. Axworthy: In fact, I am not sure there was a question at all. Perhaps we cannot hear the question because the Leader of the New Democratic Party is bellowing so loudly.

Some Hon. Members: Oh, oh!

Mr. Axworthy: But what we have tried to do in the "Perspectives on Employment" is outline the reality in Canada in our own country, based upon the kinds of projections that we have and the fact that the policies of this Government have gone a long way to encourage substantially the growth of women in the labour force, and the recognition that we have devoted a number of new programs to ensure that women get access to the new skills they will need to meet new jobs.

Mr. Parker: Give us some hope.

Mr. Axworthy: I would suggest again to the Hon. Member that there are some very important issues that must be faced, but we will not face them simply by hiding our heads in the sand or always looking elsewhere. We must look at our own country first.

* * *

[*Translation*]

LABOUR RELATIONS

EASTERN PROVINCIAL AIRWAYS PILOTS' STRIKE—ISSUE OF JOINT AIR FARES

Mr. Maurice Harquail (Restigouche): Madam Speaker, my question is directed to the Minister of Labour and concerns a strike that has been going on for five months and is affecting all Canadians living in the Atlantic Provinces. Madam Speaker, the purpose of my question is to find out what the situation is with respect to negotiations with the CTC, and also with EPA and CP Air, regarding the issue of joint air fares, and other negotiations that are going on with the president, manager and administration of EPA and senior officials of CP Air.

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, the Hon. Member for Restigouche has raised a matter that is of great interest to us all, and I would like to inform the House that the Chairman of the Labour Relations Board had many meetings last week to discuss the strike and has started preparing a decision that is expected to be submitted in the near future.

[*English*]

WESTERN GRAIN STABILIZATION ACT

REQUEST FOR AMENDMENT

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I had a question for the Minister of Transport or the Minister of Agriculture, but since they are not here perhaps I could ask the Minister of Employment and Immigration, the Minister for Western Canada, a question having to do with the Western Grain Stabilization Act. This Act was designed to stabilize farm income over a period of five years. Would he be prepared to make representations to the Minister of Transport on behalf of western farmers to see that that Act is changed so that the stabilization period would be three years instead of five? In doing so, it would immediately trigger a pay out of approximately $150,000—

Madam Speaker: I am sorry, but that question should be addressed to another Minister, not to the Minister of Employment and Immigration.

Mr. McDermid: He is the only Minister from the West.

* * *

FORESTRY

APPOINTMENT OF ADVISORY GROUP

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is for the Minister of Forestry. It has to do with the announcement made by his colleague, the Minister of Industry, last week of the establishment of another task force and permanent study group to advise that particular Minister and the Government on the difficulties, and on the opportunities available to the forest industry and sector. What is it that the Government is confused about?

Mr. Nielsen: Everything.

Mr. Oberle: Why can that Minister not rely on the excellent advice the Minister of Forestry is already getting from the forest sector advisory committee and, indeed, the Council of Environment and Forest Ministers of the Provinces?

Madam Speaker: There is not a Minister of Forestry in the House as far as I know. That is the Minister of the Environment.

Hon. John Roberts (Minister of the Environment): Madam Speaker, if I may be permitted to answer the question, I think that if there is any confusion it exists in the mind of the Hon. Member, not on this side of the House. It is well known, and I think the Hon. Member knows it because we discussed it in the parliamentary committee, that a very important aspect of issues relating to the forest industry falls within the purview of the Minister of Industry, Trade and Commerce, that is on the marketing and the industrial support side. The Minister has, I

think quite wisely, established this committee which we think will be a great help in advising the Government on improvements in policies in that area.

There is an overlap between that committee and the Canadian Forest Advisory Committee which relates to me as the Minister responsible for the Canadian Forestry Service. The two committees are working together. We have, in fact, a co-ordinated approach. We have taken several recent decisions, of which I hope the Hon. Member is aware, which will have dramatic impact in supporting the forest industry.

What we have done is put together a system of streamlined committees which advise the Government to co-ordinate better the activities of a variety of Departments as they focus on our forestry problems. We have done that with extraordinary success, and I hope the Hon. Member recognizes that.

DEPARTMENTAL ORGANIZATION

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I would prefer it if the results and the evidence could prove on the forest floor how successful this cold war between Industry and Commerce and the Canadian Forestry Service has been. The reason the forest industry is in the dilemma it is, and the reason it is running out of feedstock for our mills is precisely because there are too many bureaucrats fighting among themselves in different Departments of Government.

Does the Minister not agree that what has been done now is the rekindling of the cold war that has been going on, at least since 1965, between his Department and the Department of Industry, Trade and Commerce? When will this Minister responsible for forestry assume his responsibility and restore the Canadian Forestry Service to its rightful place and, in so doing, restore our inventory?

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of the Environment): Madam Speaker, that is really a most extraordinary statement coming from a Member of Parliament who, I know, actually does know something about what is happening in forestry. It is a most extraordinary statement. He knows that we have increased the funding for human development on the forestry side by over $15 million. He knows we have upgraded the status of the Canadian Forestry Service. He knows that we have announced we are signing reforestation agreements with the Provinces which will lead to expenditures of something close to $130 million by 1985-1986, over virtually nothing.

Mr. Paproski: Do you know?

Mr. Roberts: He knows we have just announced that we are going to purchase, through a $147 million commitment, something like 20 planes to fight forest fires. He knows that we are going to make further announcements in the next couple of weeks which will emphasize the strengthening of the forestry research facilities. Virtually everything the Hon. Member has asked us to do we have done, and he does not have the simple grace to stand up and say thank you.

Some Hon. Members: Hear, hear!

AIRPORTS

MIRABEL—USE AND DISPOSAL OF SURPLUS LANDS

Mr. Scott Fennell (Ontario): Madam Speaker, my question once again is for the Minister of Public Works. I have asked a number of questions in this House regarding Mirabel, and I hope he has some answers. First, has the Minister checked the number of subdivisions of farms in the Mirabel property? Second, can the Minister give me the number of properties that were sold to civil servants and resold before the closing? Third, is the Minister going to sell the additional 50,000 acres that is surplus to the airport property?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I have learned by experience that, when the Hon. Member asks a question, I not only have to check for the answer but I have to check the assertions in the question. For example, he said something about dividing land in Mirabel, indicating that we had allowed a greater subdivision. The reality is that we have fostered and encouraged land assembly. If he were to look at the agricultural profile of Mirabel he would see real signs of improvement. On his question as to whether or not houses were bought and sold by public servants, I know some were and they were very carefully controlled. I will check the second allegation to see whether there is any validity to it, but I really must say that it is my experience that the Hon. Member is receiving his information from a very narrow and very limited spectrum of the information.

• (1500)

Mr. Clark: The people who have been expropriated.

Mr. Fennell: On a supplementary—

Madam Speaker: The Hon. Member asked three questions in one, so I guess that is it.

* * *

[*Translation*]

PETITION

MR. TAYLOR—RECONSIDERATION OF BILL C-85

Madam Speaker: I have the honour to inform the House that the Petition presented by the Hon. Member for Bow River (Mr. Taylor) on Wednesday, April 27, 1983, meets the Standing Orders as to form.

* * *

[*English*]

PRIVILEGE

MR. NIELSEN—ALLEGED UNAUTHORISED INTRUSION INTO OFFICES OF LEADER OF THE OPPOSITION—RULING BY MADAM SPEAKER

Madam Speaker: I would like today to rule on the question of privilege raised by the Hon. Leader of the Opposition (Mr.

Nielsen) concerning the removal from his office of certain carvings. The Hon. Leader of the Opposition was good enough to write to me on April 22 and draw my attention to a ruling given by Speaker Lamoureux on September 4, 1973 in relation to another case, as he did allude to it in the course of his presentation.

I have made an investigation, as I promised, into the matter and ascertained that the carvings were in fact removed by officials of the Department of Public Works from the conference room of the Leader of the Opposition just next to his office. They were removed in order that certain work which had been authorized could be carried out. Nevertheless, the Department should have contacted the Sergeant-at-Arms to seek his permission before doing so. The fact that they did not do so is regrettable, and I apologize to the Hon. Leader of the Opposition. But I am satisfied that it was an honest oversight and was not done with any questionable intention. No break-in occurred and the employees were accompanied by a security guard when the carvings were removed.

The purpose of removing the carvings was to comply with our bilingualism policy—

Some Hon. Members: Oh, oh!

Madam Speaker: Members are not in favour of that? The purpose was to translate the postings and inscriptions so that they should appear in both languages. However, upon examination of that particular case it became obvious to me that it would not be proper to attempt a translation of these particular inscriptions which turn out to be part of our anecdotal history. They should be left as they are. I have ordered that the carvings be replaced in the conference room. They were removed on a Monday; the matter was raised on a Thursday, and they are now in place as of yesterday morning at eight o'clock, I might add with the full permission of the Hon. Leader of the Opposition.

There is no doubt that unauthorized entry into the office of a Member of Parliament can constitute a breach of privilege and a break-in would certainly do so. There are precedents to this effect. However, the precedent quoted by the Hon. Leader of the Opposition in his letter to me and in his presentation did not really involve unauthorized entry. In that case police officers entered a Member's office and questioned her staff without having first sought permission from the Speaker to do so. The offence lay in the actual interrogation of the staff, not in the entry into the Member's office. This was ruled by my predecessor to be "an apparent breach of a Member's privilege", even though no actual break-in was involved.

On the matter of entering Members' offices, it is important to distinguish between unauthorized entry for a nefarious purpose and entry for a legitimate reason. I refer Hon. Members to the fact that if a fire broke out in a Member's office, someone would obviously have to enter it. Cleaning personnel and security enter Members' offices, but of course these two particular instances are understood and accepted.

In the case of which the Hon. Leader of the Opposition complained there was no break-in, although it is acknowledged that the officials concerned should first have sought the permission of the Hon. Leader of the Opposition before removing the carvings. The circumstances of the entry were not consistent with anything which could constitute a contempt of Parliament or a breach of the Hon. Member's privilege. Therefore I rule that there is no question of privilege, but I thank the Hon. Member for having raised the matter.

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, I regret my absence over the last couple of days, thus delaying the explanation which you had undertaken to bring down. Upon entering the office this afternoon I noted that the carvings had been returned to their original place and for that I thank the Chair, if indeed it was the Chair that gave those instructions.

However, I am concerned about the fact that this could have happened at all. The Chair has stated that the offices were entered for the purpose of performing work which had been authorized. It has not yet been explained to Hon. Members of the House, particularly myself, who was the authority that authorized the work. The purpose has been laid out by the Chair. The concern I have now is—and this would apply, for instance, to the French words on the coat of arms above the door to my personal office, "Dieu est mon roi"—that it would be ravaging the historical nature of this building to attempt to add the English translation to those words on that inscription.

Some Hon. Members: Hear, hear!

Mr. Nielsen: I am as concerned as the Minister of Public Works (Mr. LeBlanc) will be, whose responsibility it is for the maintenance of these buildings, about changes which are occurring without the knowledge of Hon. Members. I do not think Members realize that there is some authority for bringing about these changes. If changes are to be made to the historical or heritage nature of these buildings, surely there should be an all-Party Committee of the House which could be consulted before they are carried out.

I have read various accounts in the media. Whether or not they are accurate I do not propose to say. Apparently there may exist some committee of bureaucrats—and I use that term in the kindest possible sense—that is making these decisions. Surely these decisions should be made in consultation with Members of the House, because alterations to these buildings or premises are the direct concern of all Hon. Members of the House. All Members have a right to be consulted before any such changes are made.

I would like to have the assurance of the Chair that it will examine the feasibility of requesting the House leaders to consult their caucuses in regard to setting up such an all-Party committee for the purpose of consultation and to work with whatever other machinery may be in place so that we achieve not only the letter but the spirit of the law of the Official Languages Act and at the same time keep within the determination to preserve the heritage nature of these buildings.

Some Hon. Members: Hear, hear!

Mr. Pinard: Madam Speaker, I am just wondering whether the Hon. Member rose on a point of order or on a new question of privilege.

Some Hon. Members: Oh, oh!

Madam Speaker: The Hon. Member just rose, I guess; he was asking a question which I am pleased to answer. I reassure the Hon. Leader of the Opposition that some of the inscriptions, such as the one he just mentioned, "Dieu le veut", "Honour the King" and others should not be translated and cannot be translated in any circumstance. In this particular case there was a divergence of opinion among committee members who had to deal with the matter and somehow instructions were given to deal with the inscriptions in the conference room. Having myself examined them, as I said in my ruling I feel the particular expressions should not be translated.

• (1510)

As for the broader matter of who gave the instructions, the initiative to have the law on bilingualism apply to the House of Commons is, of course, left to the Speaker. Obviously the Department of Public Works, which looks after the physical aspects of the House of Commons buildings, would not act except on instructions or a request from the Speaker. That is exactly the procedure which was followed. Advice was sought from experts such as architects in all cases where it was thought the postings should be bilingual. I think this was done, if I may express an opinion, in the best of taste because we did require the advice of those who are knowledgeable in these matters.

As for the matter of consultations which the Hon. Member touched upon, I must say that it is very difficult for the Speaker to administer the budget of the House of Commons, which is quite considerable, $141 million, through constant consultations. At some point the Speaker consults because the Speaker feels there is a controversial matter that will in some way disturb some Members. Therefore the Speaker does have consultations. In general, that is my approach.

Sometimes I do proceed without informing a committee or consulting caucus because I interpret it as being my responsibility and administrative duty to proceed. There was a committee set up, not of Members of all Parties, but all of those who have a responsibility for the physical buildings in which we carry out our function. It is a matter of choice as to when to form a committee and when not to proceed in that fashion. Hon. Members must understand that I cannot constantly be forming committees to proceed with most of the administrative decisions that I have to make. I am vested with certain authority and I exercise that authority, I hope, to the satisfaction of Hon. Members.

Mr. Nielsen: Madam Speaker, I do not intend to take up further time of the House with this matter. I intend to write to you formally, Madam Speaker, on behalf of my Party requesting in a formal way, not to be consulted on everything concerning the discharge of your proper responsibilities, but certainly to be consulted in an all-Party sense when it comes to changing the heritage nature of these buildings.

That is going to be extremely important 100 years from now, just as it is important 50 years from the time these buildings were completed and those carvings, incidentally, were placed on those walls. It is just as important from the point of view of all sides of the House as it is for both English and French-speaking Members that those heritage features of these buildings be retained. We have a responsibility as Members.

I am sure you will, Madam Speaker, be willing to consult and advise members of that committee as to what the next steps are going to be if any further changes are contemplated. I will expand on those views in a personal letter to you, Madam Speaker.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Lewis: Madam Speaker, this being Thursday, I would like to ask the Government House Leader if he can give us some idea as to the business for the next week. Since we did not have the opportunity for a meeting, I remind the Government House Leader that last week, in referring to the property rights amendment, the Prime Minister said: "If we can have the agreement of the Conservative Party to introduce an amendment on property rights and pass it in 24 hours, I will undertake to do this".

After caucus discussion, the Leader of my Party indicated to the Government House Leader that the agreement was there, that the only agreement required was the agreement of the Conservative Party to a debate. As far as we were concerned, the agreement was completed. I would ask the Government House Leader when it will be possible to deal with that very important amendment to the Constitution on a one-day debate as agreed.

Mr. Pinard: Madam Speaker, as far as the last question is concerned, I answered this last week. In so far as House business is concerned, tomorrow is an Opposition Day.

[*Translation*]

Next week Monday we shall resume and complete debate on the Budget, Monday being the fifth appointed day for this debate. Tuesday will be the sixth and last day of debate on the Budget, and the proceedings will therefore be interrupted at 5:45 p.m., pursuant to Standing Orders, for the final vote on the Budget. Next Wednesday will be Private Members' day, and Thursday we shall either proceed with debate on second reading of a Bill that will be tabled within the next few days, enabling the Government to borrow certain sums of money, or it will be designated as an Opposition day. I shall be in a position to confirm our decision to the House Leaders of the two Opposition Parties at the beginning of next week. That

will be the business of the House for next week, Madam Speaker.

[*English*]

Mr. Lewis: With all respect to the Government House Leader, is this an indication of a change of heart on the part of the Government with respect to the property rights amendment? We undertook to give it a one-day debate. That is all the Prime Minister required. It was discussed in our caucus. We feel very strongly that we met our terms of the agreement as laid down by the Prime Minister. We very much want that amendment to the Constitution and the Prime Minister indicated that the Government did as well. We understand from the media that the NDP have dealt with it. Perhaps next Thursday, May 5, we could deal with it early in the day.

Mr. Pinard: Madam Speaker, the answer to the question is no. I do not like to repeat myself. The same question was put to me last week; I have given a full answer. The answer to the Hon. Member's question is no, we have not changed our mind.

Mr. Robinson (Burnaby): Madam Speaker, I have a question relating to Government business. As the Government House Leader will know, the legislation respecting access to information has passed both Houses and is awaiting proclamation. The Government House Leader has indicated that a resolution appointing the information commissioner and the privacy commissioner is to be an important item of business, but that for some reason this is apparently to be the last item of business of this session.

Why is he refusing to bring this important resolution before Parliament immediately in view of the fact that at least this Party is prepared to give immediate consent to that resolution? There have been consultations with both Parties. We are prepared to give immediate consent without debate to the resolution appointing the two commissioners in question. As I understand it, proclamation of the Bill is to follow passage of that resolution. Why is the Government House Leader apparently holding the House up to ransom and blackmail, suggesting that not until the last day of this session will this resolution be brought forward?

Mr. Pinard: Madam Speaker, I am surprised that the Hon. Member is asking that question. He is rather late in expressing his concern on this very interesting subject. I must tell him that this matter was raised on the floor of the House many weeks ago by the Hon. Member for Nepean-Carleton and by our own caucus. Also, it was raised at the House Leaders' level a few weeks ago. I indicated to the Hon. Member's House Leader and to the House Leader of the Conservative Party that this resolution will be introduced in the House as early as possible after the debate on the budget is completed. The Hon. Member should talk to his colleagues and not waste the time of the House asking questions that were asked here a month ago.

Mr. Robinson (Burnaby): Madam Speaker, questions may have been asked and discussions may have been had, but certainly the position that my House Leader took was that we were prepared to have this resolution introduced immediately and not await the budget debate. Once again, if this Government is serious about openness in Government, I hope it would introduce the resolution immediately.

Mr. Pinard: Madam Speaker, if the Hon. Member has talked to his House Leader, maybe he can indicate whether his Party is that keen to proceed with including property rights in the Constitution.

* * *

• (1520)

PRIVILEGE

MR. DOMM—ALLEGED UNPARLIAMENTARY LANGUAGE OF MR. LAPIERRE

Mr. Bill Domm (Peterborough): Madam Speaker, I would like to draw your attention and the attention of the House to a comment made on page 24889 of *Hansard* by the Parliamentary Secretary to the Deputy Prime Minister and Secretary of State for External Affairs (Mr. Lapierre). Immediately following my discussion dealing with the important question of bilingualism, the Parliamentary Secretary had the audacity to refer to me as "frog basher" and accuses me personally of "francophobia" as well as "rancœur" as applied to bilingualism.

This scurrilous remark by a Member of Parliament is not only disgraceful, it is a malicious act quite unbecoming a Member of Parliament, and if far from the truth of the reported record in *Hansard*. The Parliamentary Secretary's statement is in itself an unwarranted and contemptuous act. It smacks of prejudice, discrimination, and very much of bias. It is quite demeaning and disgraceful not only with respect to me personally but to all French Canadians as well.

In fact, the Parliamentary Secretary's slanderous comments seriously damage the reputation of this entire institution and, as such, I would like to draw your attention to a recent case involving the Hon. Member for Lincoln (Mr. Mackasey) who stated on page 23834 of *Hansard:*

> Madam Speaker, these false and slanderous accusations ... tarnished my reputation and, if left unchallenged, could even blemish the reputation of this institution and those who serve in it; for as I noted just two weeks ago in debate, the reputation of the House reflects the individual and collective integrity of its Members.

As the Hon. Member for Lincoln also stated:

> The privileges of this House, of its Members, are privileges which have been accumulated through the centuries, privileges which we guard jealously in this House.

As such, we share a common obligation to avoid committing an offence which would question the reputation of this institution. As Madam Speaker accurately stated on page 24028 of *Hansard:*

> The Member enjoys his privileges on behalf of those he represents, not for his personal advantage. Defamation of a Member of Parliament certainly falls within the ambit of privilege.

I therefore believe, as the Member of Parliament for Peterborough, that the remarks attributed to me by the Parliamentary Secretary firmly constitute a breach of privilege as defined on page 11 of Beauchesne's Parliamentary Rules and Forms of the House of Commons of Canada:

> Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their functions and which exceed those possessed by other bodies or individuals. Thus privilege, though part of the law of the land, is to a certain extent an exemption from the ordinary law.

It goes on to state:

> The privileges of Parliament are rights which are—

Madam Speaker: Order. The Chair is quite aware of what the privileges of a Member are. It is not necessary to remind the Chair of those privileges; I know them backwards. So it would be helpful if the Hon. Member would please simply argue his point.

Mr. Domm: Madam Speaker, in accordance with the rules established in Beauchesne, I would indulge this House to consider the precedent-setting case of John Macdonnell versus L.S. Huntingdon. I will not read the case to you as you may refer to page 18 of Beauchesne.

Madam Speaker, I submit that within the context of the discussion during the late night adjournment debate of Tuesday, April 26, 1983, the references to myself as a frog basher and accusations of francophobia and the French word "rancœur" are equally as damaging as those in the above-mentioned cases.

I must therefore agree with what Erskine May states on page 11 of Beauchesne. If you would prefer me not to read it, as you may refer to it, I will dispense with it.

I therefore respectfully ask, in light of the facts that I have presented and the historical precedents that I have cited, that I be afforded the right attributed to all members of the House.

In order to fulfil effectively my obligations as a representative of the constituency of Peterborough and an elected Member of the House of Commons, I ask that Madam Speaker consider this a breach of privilege. In fact, connotations derived from these derogatory comments such as "frog basher" have already received public scrutiny by not only being recorded in *Hansard* but also by appearing in a major Canadian newspaper. The unsavoury remarks portray me in a most uncomplimentary and negative manner with respect to bilingualism. I said none of those things in that debate. Publication in a daily newspaper recorded as a result of the Parliamentary Secretary's statements present an image of "hating bilingualism", to use the media's words. This image is not evident from any of my remarks on the night in question or any other references made by me with respect to this policy.

I might point out that while I was Warden of Peterborough County in 1979, I was instrumental in the establishment of full French immersion not only in Peterborough County but in the City of Peterborough separate and public school systems.

So that I may dispel this blemish on my reputation as well as its detrimental effect on the House of Commons, I ask that the Parliamentary Secretary be called to the Bar whereby he is obligated to submit a formal apology. One of the citations I referred you to, Madam Speaker, deals specifically with such a situation.

In conclusion, I would like to point out in answer to a Member of the Government side that the tactic of using this kind of an attack against a Member of Parliament, regardless of what political Party that Member of Parliament represents, does a disservice to this House and is a discredit to the person that speaks it. It would be far better to somehow bring importance to this kind of slander.

Using as an example the statement of Madam Speaker on page 24906 of *Hansard:*

> —a question of privilege may be raised without notice if it deals with the proceedings of that day.

I regret that I was unable to do so that day because of the French translation. I determined from a dictionary of French to English that the translation of the French word "rancœur" is "rancour". I then went to the Oxford Dictionary and looked up the meaning of the English word "rancour". There is an entirely different word used in *Hansard* than in the English translation of *Hansard* as recorded. *Hansard* translation reports that I said "an aversion to bilingualism". This was never substantiated but I was accused of an aversion to bilingualism. I have proven that I do not have that aversion.

Mr. Fisher: Where?

Mr. Domm: Where? By involvement in our school system.

Madam Speaker: Order. Surely the Hon. Member is conscious that he is now debating this issue. I would like him to conclude in just one minute because I think the Chair now has a good idea of what his question of privilege is all about.

Mr. Domm: Madam Speaker, I must continue with the definition of rancour because that is the case. The case rests on frog bashing, rancœur, and my attitude toward bilingualism. These are untruths. They are slanderous to my reputation. The press is covering these remarks as being the truth.

I would ask for a correction in either the English translation of *Hansard* or the French translation of *Hansard*, both of which are wrong and do not report what I said on the same page in the debate. I am trying to make the point that this kind of action needs the attention of this whole House in order that the people of Canada may retain respect for this institution.

Some Hon. Members: Hear, hear!

Madam Speaker: I am sure the Hon. Member recognizes that he is dealing with a point of order, though he did raise it on a question of privilege through proper notice given my office. I have heard him because I know that he has not been in a position to raise that question in any other manner. So I

will deal with it referring to it sometimes as a point of order and some other times as a question of privilege.

• (1530)

I do not know whether I will be able to square that exactly, but I hope we can solve this particular matter in the House today. What I would like to point out to the Hon. Member first is that the expression in French, "mangeur des Canadiens", translated as "frog basher", that translation results in a much stronger word in the English language than "mange-Canadiens" is in the French language. I am not in any way suggesting that that translation was bad because I do not believe there is any equivalent expression to it in English, and "frog basher" is possibly the closest translation that one could possibly get. It remains, however, that it comes out as a much stronger expression than it is in French, and since the Hon. Member had to refer to many dictionaries in order to tell us what all of these expressions meant, I can assure him that, being French speaking, what I am saying is exact, that is to say, that "frog basher" is much stronger in English than it is in French. That is to begin with, if I can help the Hon. Member to feel better.

As for the other expressions, I believe account has to be taken of the kind of debate which takes place in the House. The only way in which a Speaker can restrain an Hon. Member in his language is if he is using unparliamentary expressions, and the unparliamentary expressions are listed in Beauchesne's. Some expressions are pretty strong and they are not listed in Beauchesne's, and I have often been tempted to take the initiative to determine that certain expressions are unparliamentary, and I might do that some day because I do feel that it is in the interest of the House to conduct a debate in a manner which is certainly acceptable to us.

I do want to tell the House, however, and the people who watch the proceedings, that some of our debates are very vigorous, and although people might not understand why we address each other in such vigorous terms on certain occasions, I do want to tell them that this is not at all outside of parliamentary tradition.

The freedom of speech, which I must protect, and which is only limited by the kind of expressions which are listed as unparliamentary, expresses itself in a well couched speech, but it also expresses itself in the passion with which certain Members choose to express themselves. That is part of parliamentary tradition. However, what I believe should not be part of parliamentary tradition is name calling. I personally do not approve of that.

I am unable to declare that those particular expressions which were used by the Parliamentary Secretary are unparliamentary. They are not as far as our list is concerned. Therefore, I have to say that the Hon. Member does not have a question of privilege, although, in saying that, I want to add, for the benefit of all Hon. Members, that Hon. Members should restrain themselves and refrain from name calling and they should demonstrate good manners when debating in the House.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. FRIESEN—PREVENTION OF PROFITING FROM CRIME

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, about a year ago a man by the name of Mr. Shoesmith, from Sarnia, presented to me a petition which he wanted to have presented in the House in order to sensitize this House about the injustice he feels is being perpetrated on Canadians when a criminal benefits from his crime. The specific case is that of Mr. Clifford Olson whose family was given $100,000. Mr. Shoesmith presented to me a petition at that time. He has since then presented me with another petition which I would like to present at this time.

MR. TAYLOR—CALL FOR EXECUTION OF CLIFFORD OLSON

Mr. Gordon Taylor (Bow River): Madam Speaker, I have great pleasure in presenting this petition on behalf of another 503 persons, bringing the total to date to 2,919 Canadians from many parts of Canada who pray that the Members of this House will vote in favour of having Clifford Robert Olson executed for the terrible crimes which he has committed. Without cause or reason he murdered at least 11 young people who had their whole lives ahead of them and he now talks of "his rights". This man lost his rights when he destroyed the rights of the young Canadians he killed and he should now receive the penalty of death.

MR. ROBINSON (BURNABY)—CALL FOR IMPLEMENTATION OF MINORITY REPORT ON SECURITY AND DISARMAMENT

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I have the honour to present a petition on behalf of over 2,000 residents of Burnaby, British Columbia, who point out that the human race is confronted with a choice between halting the arms race and agreeing to disarmament or facing nuclear annihilation. They call upon the Government to implement the four key elements of the minority report on Security and Disarmament, including a refusal of the testing of the Cruise missile in Canada. I strongly support this petition and I would hope the Governmnent would implement the recommendations contained therein.

MR. MALONE—CROWSNEST PASS FREIGHT RATES

Mr. Arnold Malone (Crowfoot): Madam Speaker, I am duty bound to present today a petition on behalf of a number of farm persons in the communities of Munson, Morrin and Delia, Alberta, with respect to what is referred to as the "Pepin" initiatives or changes to the Crow rate. What these persons have stated in their petition in essence is contained in six points or reasons why they find the initiatives unacceptable.

I submit that in effect what the petitioners are doing is suggesting that if those six points can be rectified, the proposal will then be more acceptable.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,755 and 4,808.

[*Text*]

IMPACT OF INTEREST RATES ON GOVERNMENT DEFICIT

Question No. 4,755—**Mr. Mazankowski:**

1. Is the Economic Council of Canada's econometric model capable of estimating the impact on short-term and long-term interest rates in Canada for varying levels of the Government deficit and (a) if not, for what reason (b) if so, what change in short-term and long-term interest rates from current levels does it predict if the deficit were (i) 0 (ii) $10 billion (iii) $20 billion?

2. What impact would the changes in interest rates have on the cost of servicing the national debt?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): 1. Yes. (a) Not applicable. (b) (i), (ii) and (iii) Precise changes in short-term and long-term interest rates from current levels cannot be predicted unless the way in which the deficit is to be reduced to the specified levels is also indicated by the questioner. In general, however, lower deficits would influence interest rates downward.

2. The direct effect is clearly positive; that is, changes in interest rates lead to changes in debt servicing costs, in the same direction, given no change in the Government debt portfolio.

Indirect effects of interest rate changes on national debt servicing costs can also occur. For example, rising interest rates may lead to decreased economic growth which, in the absence of policy change, would reduce Government revenues and increase Government expenditures, thereby raising the level of the stock of Government debt or changing the composition of the Government debt portfolio toward higher yield debt instruments. This would also increase the cost of servicing the debt.

A full response to the question would require consideration of the causes of changes in interest rates, over-all economic responses to these changes, and Government policy and program reaction to both the direct and indirect effects of interest rate changes.

FOREIGN INVESTMENT REVIEW AGENCY

Question No. 4,808—**Mr. Herbert:**

Can a subsidiary of a foreign-owned corporation operate in Canada as a branch business and, if so, is such a business excluded from the provisions of the Foreign Investment Review Act?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Foreign Investment Review Agency is concerned:

Yes, a foreign-owned corporation can operate in Canada either through an incorporated Canadian subsidiary or through an unincorporated Canadian branch business. The Foreign Investment Review Act applies to both incorporated and unincorporated foreign-controlled businesses. However, the acquisition of a foreign-controlled unincorporated branch business is subject to review only when there is an acquisition of the assets of the business.

[*Translation*]

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

[*English*]

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I would like to draw to the attention of the Parliamentary Secretary two questions of mine which go back to 1981. The first question is No. 3,506, which I put on the Order Paper—I wonder if I could draw the attention of the Parliamentary Secretary away from the other Minister? Question No. 3,506, which I placed on the Order Paper on December 2, had to do with the Government's policy with regard to public opinion surveys. The Minister to whom the Parliamentary Secretary was talking will remember an exchange we had before the Justice Committee in which I raised the matter of public opinion surveys which were commissioned by the Canadian Unity Information Office. Yet, Madam Speaker, information as to the contents of the surveys, and even the number which were commissioned, is still being withheld from Parliament.

I would like also to draw to the attention of the Parliamentary Secretary, Question No. 2,672 which was placed on the Order Paper on June 23, 1981, which again asked for information with regard to the numbers and types of public opinion surveys conducted at public expense. Will the Parliamentary Secretary indicate for what reason Parliament is denied this information? Is the reason that he has not followed up on these questions, or is it that a deliberate attempt is being made not to answer parliamentary questions about public opinion surveys which are paid for out of tax dollars?

Mr. Smith: No, Madam Speaker, it is not because I have not followed up on these questions. I follow up on all requests. The office which co-ordinates the responses to these questions automatically follows up on all questions filed. The reason is we have not yet received the answers from the Ministers concerned, and I will be happy to bring the Hon. Member's representations to their attention.

• (1540)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government; and the amendment of Miss Carney (page 24689).

The Acting Speaker (Mr. Blaker): The House is in the situation where questions, answers and comments might be addressed with respect to the remarks of the Hon. Member for Joliette (Mr. La Salle). I might point out that his absence does not prohibit Hon. Members from making comments if they see fit. If there are none, I recognize the Hon. Minister of Labour (Mr. Caccia).

Hon. Chas. L. Caccia (Minister of Labour): Mr. Speaker, at the outset I would like to express my pleasure in participating in this budget debate. More important than that, I would like to congratulate the Minister of Finance (Mr. Lalonde) for producing a budget document which focuses primarily on the creation of jobs and the reduction in unemployment.

It is becoming increasingly clear, Mr. Speaker, that in order to meet the competition in the 1980s and beyond, Canadians are questioning actively whether we need to reorganize ourselves. We feel, unless we improve our competitive position, that Canada could slide into third rate power status and our standard of living drop.

To respond to this challenge the Government has a responsibility to set the tone and to foster a climate of co-operation with business and labour in a way acceptable to both Parties and consistent with the national interest.

This is one of the reasons why, prior to bringing down the budget, the Minister of Finance and other Cabinet Ministers embarked upon an intensive round of discussions with so many people. Mr. Speaker, I want to focus most of my remarks on the labour discussions. We listened carefully to labour's concerns and responded to their suggestions with initiatives designed to improve labour's role. Let me give you some examples.

Labour called for stimulative spending, encouragement of economic growth, extended Unemployment Insurance and increases in public investment. The budget did not and, under the current circumstances of restraint, could not deliver all that labour, or indeed any other group wanted. But the $4.8 billion recovery program announced in the budget goes a long way to meeting their concerns. Let us look at what the Government has done in reply.

Labour proposed long-term low interest loans for home ownership. They argued that individuals should be permitted to withdraw up to $2,000 tax free from their RHOSPs, and recommended a broad reduction of taxes for low and middle income earners.

Recognizing the recent fall in interest rates that has rendered less pressing labour's demand for lower interest rates, the Government focused its efforts on specific stimulation. Five existing housing programs were expanded and extended by the addition of $120 million to the Canadian Home Renovation Plan, $40 million to the Residential Rehabilitation Assistance Program, $40 million for Indian-on-Reserve Housing, and $30 million to the Canadian Home Ownership Stimulation Plan. The 1983 allocation for social housing units was established at the original level of 25,000 units. The Registered Home Ownership Savings Plan has been strengthened so as to allow withdrawals to purchase furnishings, appliances, and new homes. Until the end of 1984, individuals can deduct from taxable income, in one lump sum, up to $10,000 for the purchase of a new home.

Labour recommended a broad reduction of taxes. Low and middle income earners will benefit from several tax concessions. In addition to the RHOSP amendments, the restructured child benefit package doubles the child care expense deduction from $1,000 to $2,000 per child and from $4,000 to $8,000 per family. Low income earners also benefit from more generous employment expense deductions which have been increased from 3 per cent to 20 per cent of employment income up to $500 per employee.

Labour made a number of recommendations for the encouragement of economic growth including, for example, the expansion of research and development and measures to improve productivity.

The Special Recovery Program expands budgets for research and development, and encourages the application and use of high technology. Specifically, $290 million will be spent on research facilities, $180 million is allocated for high technology procurement, $100 million has been earmarked for new technology initiatives, and as well, proposed tax incentives worth $185 million are contained in the budget paper, "Tax Policies for R and D". These are responses to labour's suggestions.

Labour groups in the pre-budget consultations argued for measures to ease some of the impacts of the recession. Some of these recommendations included the continuation of benefits to those who have exhausted their Unemployed Insurance, a moratorium on foreclosures and a stabilization of mortgage rates, the improvement of retirement income, and a continuation of the work-sharing program. In reply, the Government will expand the NEED Program and Section 38 of the Unemployment Insurance Act. In addition, $2.4 billion will be spent on the new Capital Projects Program. These programs, coupled with the construction incentives, should create jobs and ease the level of unemployment. New tax treatment of business losses and increased access to investment tax credits and the refundable investment tax credit should go a long way in assisting farmers and small business out of their financial difficulties. All of these measures will help to create more jobs.

Many specific initiatives that labour proposed are addressed by the $2.4 billion Special Recovery Capital Projects. The new projects will include transportation as one of six key areas and could include assets needed for resource development, including expanded reforestation efforts. The Special Recovery Capital Project Board announced in the budget will seek the co-operation of management, labour and the Provinces in implementing such projects.

Why this examination, you may ask, of what labour has proposed and what has been included in the budget? Why this comparison between what has been suggested and what has been accepted? Because it is important for labour to know that it has been listened to, that it has had an influence on the shaping of the budget. Many of the major items proposed by labour have won the recognition of the Government. Why is it important to establish this fact? At a time when mistrust and cynicism seem to prevail in society, trust is needed more than ever. Trust it like cement. It bonds lasting relationships. Without trust, a society is doomed to fall apart. With trust, it can face difficulties with confidence and build the institutions it needs for a better future.

In the April, 1983 budget the Government has responded positively to the proposals received from labour. The essence of the labour proposals is threaded through the budget with its focus on economic recovery. There is abundant evidence for labour to conclude that the Government, because of its budget performance, can be trusted. We hope that this trust will lay the grounds for a new coalition of interests which will search energetically for solutions to our industrial problems.

For workers and their organizations, the stakes are high. As new technologies take hold, unions risk becoming participants in a struggle between present workers seeking to retain a shrinking number of jobs in existing companies and the employment expectations of younger applicants seeking a first job.

Recently unions in Canada and the United States have begun, consciously, to adapt themselves to the kind of future I have tried to describe. The report from the communication workers of America's Committee on the Future is a calm, tough-minded and remarkably lucid proposal for a union which faces both changes and opportunities in a newly deregulated industry. In appealing to the union's members, the committee asked:

> Are we going to let ourselves be overtaken by explosive social and technological change? Are we going to let ourselves be stuck with obsolete skills, competing against younger workers who are better trained for new-era jobs? Are we going to let ourselves just be swept along with the information age tide?

It would be easy for any organization to give pro forma and ritual answers to these questions. It will be hard to address real changes in collective and individual attitudes.

• (1550)

For all the difficulties, I am unrepentantly confident that we can make those changes in business, in labour and in Government. We cannot congratulate ourselves on the state of labour management relations in Canada, nor can we bury past experience, without which we would be children indeed. Fortunately, we are not compelled forever to wage old battles. It is in the future we are fated to live. We alone will be responsible for its shape. We designed a budget with these considerations in mind. It is intended to set a course for improved and extended co-operation between labour and management and all Canadians.

The budget contains a proposal to establish a national centre to focus on the areas of employment growth, technology and productivity. This follows up on one of the main recommendations contained in the Labour Canada task report on microelectronics and employment, entitled "In The Chips: Opportunities, People and Partnerships". It was released last November.

When we speak of a centre for employment growth, technology and productivity, we speak of an institution which requires trust in order to get off the ground, an institution which could provide a vehicle for consultation and co-operation, one which could provide practical advice and direction on managing technological change, one which could help to educate business, labour and other interested parties about these problems, and one which could find ways to increase jobs and improve the human aspects of employment.

Furthermore, we speak of an institution which may, for instance, assist workers and management to develop and implement new methods of co-operative management in their place of work, one which may acquire and disseminate information on technological change, productivity improvements, co-operative management methods, training methods and related methods, and one which may sponsor training courses for workers and managers related to the centre's objectives. We speak of an institution from which labour could derive immense benefits.

Labour has a major role to play in shaping Canada's technological future, a role it already plays by participating in Hamilton at the Canadian Centre for Occupational Health and Safety, and in Ottawa, at the Labour Adjustment Benefits Board, at the Textile Advisory Board and at the Export Development Board.

We know that for the national centre for technology, productivity and employment growth to get off the ground, it will require consultations with all the partners together, to establish terms of reference, structure and mandate. Therefore, the Minister of Industry, Trade and Commerce (Mr. Lumley) and I will begin consultations to seek common ground on the makeup and mission of such a centre.

The success of these consultations is crucial. Workers often fear, from experience, that they could be excluded from key decisions and they might be expected to bear the bitter costs of job displacement and outmoding of hard-earned skills learned over the years and employment-related stress. As consumers, working Canadians will be the beneficiaries of change, but as workers, they see themselves, more often than not, as victims. Microelectronic innovations are seen to liberate workers, not

just from drudgery but also from their jobs. Electronic monitoring can offer the employer a fool-proof check on individual performance and productivity. In an adversarial system, innovation can become the ally of one side and the enemy of the other. The inevitable outcome is a struggle which workers cannot win and Canada cannot afford.

Every example from our experience shows that Canadians are a future-minded, adaptive people, yet we are also a humane people with a profound sense of justice. Among our saving virtues is a commitment to social solidarity and an equal rejection of the devil-take-the-hindmost philosophy or the equally repelling notion of class warfare. The Government believes that the fruits of improved productivity must be distributed fairly and must not be won at the expense of workers but, rather, in co-operation with them.

Because of the history of their development, neither business nor labour in Canada have developed structures or traditions which make consultation easy. At the plant and shop level, it is true that the bargaining unit gives Canadian workers a basis for industrial democracy which is largely missing from the European structure. In some industries, there is a matching of labour and employer organizations, which has helped make our sectoral task forces a preliminary model for the kind of effective co-operation we are seeking.

What we are proposing now is a further evolution in our means of securing an effective degree of co-operation among all sectors. This is why we have proposed a centre for the practical consideration of employment growth and of technological and productivity issues. If all the potential partners in this venture have the determination to tackle, with open minds, the difficult problems facing us, we will be equal to the task of ensuring Canadians a future they can manage.

Mr. Keeper: Mr. Speaker, my question to the Minister relates to his remark that in the budget his Government had responded positively to labour. The Minister must know, along with other Canadians, that the budget is in fact a supply side document, which means that the financial elbow room which the Government has had has been turned over to the private sector in the hope that jobs will eventually result. However, when we are in the middle of the recession, there is no way that that will result in increased jobs. In fact, labour has called for immediate stimulus of consumer spending and for direct job creation by way of public works. What I am wondering is how the Minister can say that the Government has responded positively in the budget to labour when, in fact, he has adopted a supply side economic budget rather than one which stimulates the economy and consumer spending.

Mr. Caccia: Mr. Speaker, I cannot blame the Hon. Member, perhaps, for not having listened carefully to what I had said. I had to move quickly because of the limitation of time. However, it is very regrettable that he has not taken the trouble to read the budget. Otherwise, he would not be asking such a question.

He should know that in the budget there is a provision of $2.4 billion in the Special Recovery Capital Projects. Perhaps he does not realize that. Perhaps he does not realize that in the budget there is a provision for $120 million for the Canadian Home Renovation Program. There is a provision of $40 million for residential rehabilitation assistance programs, provision of $40 million for housing for Indians on reserves, and $30 million for the Canadian Home Ownership Stimulation Plan.

The measures which are embodied in the Registered Home Ownership Savings Plan, those which come into effect between now and the end of the year, and the other measure coming into effect between now and the end of 1984, are stimulative measures. Therefore, I find it unbelievable that the Hon. Member would ask such a question, revealing such ignorance about the content of the budget, which he evidently has not taken the trouble to read, to study and to analyse. If he had done so, he would not have asked such a question.

Mr. Keeper: Mr. Speaker, I would like to point out to the Minister that the budget increases personal income tax and therefore takes money out of the pockets of Canadians.

Mr. Fisher: When does it do that?

Mr. Keeper: It is therefore a brake on the economy rather than a stimulative budget. At the same time it turns over these same dollars to the private corporations in the country. This budget is a brake on the economy rather than a stimulus. I wish that the Minister himself would take a look at the budget.

• (1600)

Mr. Caccia: Mr. Speaker, evidently the Hon. Member does not want to hear what is really in the budget. He would like to have people believe what he thinks is in the budget which is quite different from the reality.

As I explained to him, there are a number of stimulative measures in the budget, such as those that relate to personal income tax as it relates to daycare and personal exemptions that relate to work expenditures. It is clear that the Government has put together a budget with $4.8 billion of stimulus in a variety of ways. Perhaps the Hon. Member does not agree with how that stimulus is divided among a variety of sectors. The Hon. Member does not seem prepared to admit that there is $4.8 billion worth of measures in the budget aimed at the creation of jobs. That is the bottom line.

Mr. Orlikow: Mr. Speaker, the Minister claims that Members of our Party have not read the budget, and he will not admit that it is a stimulative budget. The fact is that almost every commentator, whether one looks at the comments made by economic research organizations, business columnists or anyone else who has analysed the budget, has said that it is not really a stimulative budget but a stand pat one.

In the last few years we have seen a constant and serious decline in the number of people working in our manufacturing industries. Some of those industries have been almost completely eliminated while many are facing a continuing erosion.

This matter has been raised repeatedly by representatives of the unions concerned and others. Supposedly there have been attempts to deal with the problems which are continuing and accelerating through the so-called sectoral committees which

brought together representatives of labour, management and Government. To a large extent, certainly in the view of labour representatives, the proposals made by the sectoral committees have been virtually ignored.

Since the Minister's Department is supposedly concerned with the needs and interests of working people in the country, what will it do to help the country face up to the necessity of changing and modernizing our traditional manufacturing industries in order to bring them itno the era of the 1980s and provide work for millions of people who have always worked in the manufacturing industry and are now being faced with lay-offs in the next few years?

Mr. Caccia: Mr. Speaker, I thank the Hon. Member for his question. If he had been here this morning he would have heard the answer to his question from the Minister of Industry, Trade and Commerce. He outlined in broad terms not just what Labour Canada would do but what the entire Government has to do in order to address itself to the necessity of switching to the upcoming industries and modernizing the existing industries in this country at the same time.

With respect to the claim made by the Hon. Member that the sectoral task force's report has been ignored, I would at least draw his attention to the fact that as far as the shoe, textile, clothing and tannery industries are concerned, some of those recommendations found their way to being expressed and implemented in the policy represented by the Industrial Labour Adjustment Program which came into effect in 1981. Its aim is to do exactly what the Hon. Member is proposing, that is, providing for a transition and early retirement for workers aged 54 and over in those four industries. We may also perhaps draw from the particular experience the conclusions that are necessary for a long-term plan that may apply to other industries as well.

Returning to the original question asked by the Hon. Member, with respect to fear, I find it amusing that Members of the NDP would become upset at hearing an interpretation of the budget which does, in essence, take into account and implement a number of the submissions made by labour. Evidently, this is something that the Members of the NDP do not like or want to hear. Evidently they are afraid of something and do not like the possibility of our reaching out and developing not only a dialogue with labour but a constructive form of co-operation as well. I can detect this and perhaps understand well the fact that the Members of the NDP are feeling so edgy about it and are finding it necessary to ask questions about this very aspect, namely, the interpretation of the budget.

Mr. Fisher: Mr. Speaker, I just want to make a point to supplement what we have heard in an excellent form from the Minister. I want to remind the Members of the NDP, who chose to distort an important point, that the tax measures that are coming on-stream will do so late in 1984 when every forecast indicates that we will be well into a recovery and when our economy can afford it.

I would refer the Members to the Minister's own comment when he presented the budget, as found on page 24670 of *Hansard*. They would be well advised to read the budget statement for the first time in order to understand that we are stimulating the economy now and collecting the taxes later.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome this opportunity to speak on the budget as introduced to the House on April 19 by the Minister of Finance (Mr. Lalonde). It is not my intention at this time to debate the rights or wrongs as they apply to the method that was used by the Minister of Finance when introducing his budget. However, from discussions which I have held personally with my constituents following the budget's two presentations—one on television on Monday and the other in the House on Tuesday—I could not help but notice that the average citizen believes that the Minister broke his oath of secrecy by allowing television cameras to photograph his budget before its presentation. This was, unfortunately, another example of the contempt shown by this administration for the House of Commons.

Those who support the Government will have their work cut out for them in order to prove otherwise. They are the ones who have to answer for the additional $200 million added to our debts as a result of the leak.

This budget is filled with clichés, promises and high-sounding rhetoric. However, we have a saying on the South Shore of Nova Scotia that action speaks louder than words. It will be interesting to see in the months ahead whether this budget is all sham and shadow or whether it is one of substance. The jury is still out and a decision has not yet been made.

Since all Canadians will be helping to pay their share of what the Minister calls his Special Recovery Program in the amount of $4.6 billion, it will be interesting to note whether those Canadians most in need in some areas of Canada will be recognized, or whether this entire program will be an extension of pork barrelling in ridings that are held by Government supporters. Unfortunately this is what has happened in the past.

The Government would be amazed if it left its Ottawa ivory tower and met with rank and file Canadians who resent and abhor present Government spending priorities. One thing of which all Canadians are certain is the amount by which our national debt will increase as a result of this budget. The fiscal plan is a four-year projection of Ottawa revenues and expenditures that show the federal Government heading deeper and deeper into debt. It predicts a deficit of $31.3 billion in 1983-84, of $28.7 billion in 1984-85, of $26.6 billion deficit in 1985-86, and of $25.6 billion in 1986-87. These predicted deficits total $112 billion over four years, which will bring Ottawa's net accumulated debt to $232 billion, which is a 1000 per cent increase over the $22.6 billion in federal debt in 1969 shortly after the Prime Minister (Mr. Trudeau) and his Government took office. These are the predictions, but unfortunately the performance never keeps in step with the promise, and final deficits are always higher than the estimated deficits.

• (1610)

The Federal Deficit In Perspective is a 78-page report that is intended to be an explanation, a defence of our massive debts and mounting deficits. In fact, however, it provides evidence of the gross mismanagement that has typified federal fiscal policy since 1974. You might well ask what happened, Mr. Speaker. The key discretionary tax measure, it turns out, was indexation of personal income taxes. This was an immensely popular vote-getting measure in 1974 but as a result, the annual federal budgetary deficits began to mount. By 1979 our total debt had doubled to $44 billion. At no time from 1974 to the present time did the Government ever attempt to bring its spending Estimates in line with Government revenues. The result is the budget of the present Minister of Finance which predicts a massive increase in taxation over the next four years. All told, the proposed new tax measures will net more than $6 billion in personal and corporate taxes through to the end of 1987. In other taxes, the federal sales tax to be increased next year will take another $2.2 billion out of our economy while the extension of the Canadian ownership special charge on gasoline to pay for Petrofina, the BP oil takeover and any other socialistic measures which the Government plans, will add another $3.3 billion.

This is really the bottom line. What the Government has done in this budget is what the present Liberal Government has been doing irresponsibly for almost a decade, namely, spending now and passing the burden on to our children and our children's children; a burden that we do not have the courage to face today. This type of action is creating fear and uncertainty among young and old alike.

This is why the grass roots voters have already made up their minds to change the Government at the next federal election, as indicated by recent Gallup polls. It is easy to understand the voters' concerns. Let us face it. This Government is composed of 37 Ministers, 27 Parliamentary Secretaries, and the largest number of advisers to a Prime Minister in Canada's history. To support that Government, Canadians are helping to pay for the largest number of Deputy Ministers and supporting bureaucracy since Canada became a nation. Yet, with all these advisers the Right Hon. Member for Mount Royal established a third level of Government, the Donald Macdonald Commission composed of 12 members, almost one-third of this massive cabinet, along with an unknown number of supporting staff with a three-year mandate to which, in simple terms, the Prime Minister said, "Please, Mr. Macdonald, tell the Liberals what to do. Tell us where to go".

I say to the Government through you, Sir, that Canadians right now would like to tell the present Liberal Government where to go, but in order to do so they would have to use the language of the Right Hon. Member for Mount Royal, and this is sometimes offensive.

This third tier of Government has already spent $1 million for Mr. Macdonald and his eleven commissioners. They are not exactly your ordinary deckhands or farmhands. At $925 a day they are building up quite a bill for the taxpayer to pay, and the supporting staff for this Commission do not come cheap either.

This is where some of the present horrendous deficit is being spent as "Big Mac" meanders throughout the nation. It is this type of policy that is literally creating a crisis in Canada, a crisis of confidence in this Government and in the present system.

Confidence is an intangible thing. Without confidence no one would ever enter an automobile, a railway car or an airplane. You must have confidence that you have a chance of arriving safely at your destination or you would not even depart on your journey. This Government has lost the confidence of the Canadian public. I seriously doubt whether the present group is capable or is able to restore that confidence.

There are a number of statements in this budget that are conflicting and confusing, especially if you have been studying the Ottawa scene. For example, on page 3 of the budget, under the heading "Special Recovery Program", I read:

> The program will provide equal support for private and public investment, but all initiatives are designed ultimately to improve the financial position, growth prospects and job creation capacity of the private sector.

This is like Alice in Wonderland talking to the Mad Hatter. If the private investor is nimble on his feet, he may get some of this $4.6 billion before the public sector gets it, but he will have to act fast. Up to this point private industry has been practically ignored while assets have been milked dry by excessive tax rates, ruinous inflation and high interest rates. While this has been happening and Canadians have faced the largest number of business failures on a monthly basis in the history of this nation, this Government, through a series of Orders in Council, rather than by Acts of Parliament in the House where I and all other elected Members have a say, what has the Government been doing? The Government has been passing Orders in Council that have enabled Senator Jack Austin to build up a massive business empire under the umbrella of the Canadian Investment Development Corporation. To date, this Government has been following an ad hoc strategy of reinforcing business failures rather than supporting business successes. This leads me to ask what is the true guiding philosophy of this Government as it applies to business development in Canada? I have read the budget from cover to cover. Certainly the budget, in my estimation, is very ambiguous on this particular point.

In Atlantic Canada the fishing industry is facing troubled times, and in spite of the $1 million spent on the Kirby Royal Commission report in its investigations of the industry, the Minister of Finance seems oblivious of our problems since he scarcely mentioned the fishing industry in his budget statement.

The major issues for change, in fact the raw material, if I may use that term, had been pointed out by Mr. Kirby, issues such as fleet restructuring, quality improvements, marketing structures and advanced technologies. The problems that might prevent the rebuilding of this dynamic growth industry based on a traditional, renewable resource, can and must be overcome. However, this Ministry needs more than fine words, it needs immediate action. For all too long this industry has

been denied even the rudimentary assistance it requires to make it viable. Here I refer to the rebuilding of breakwaters and wharves, and to the dredging of harbours and skidways used by the fishermen. In my riding alone, the ports of Lunenburg, Bridgewater, Liverpool, Lockeport, Shelburne, Sandy Point, Ingomar and Clark's Harbour, just to name a few, are all in need of one or the other of the facilities I have just mentioned. Ever since 1980 Liverpool has been seeking new and extensive harbour dredging to accommodate the larger ships being used by Mersey Seafoods Limited, Steel and Engine Products Ltd. and Bowater Mersey Paper Company Limited. To date their pleas have fallen on deaf ears.

The budget stated that the Government is committing $2.2 billion for Special Recovery Capital Projects. Due to the leak, that has been amended to $2.4 billion, so we cannot ever be quite certain of the figures given to us even here in the House. The Government is committing $2.4 billion for Special Recovery Capital Projects selected and designed to build, expand or improve public facilities which directly support private sector expansion and the steady improvement of our economic performance essential for recovery. In the words of the Minister, "There will be no red tape and no delays. All projects are being put on fast track to ensure that they start on time, progress as planned and are completed as quickly as possible". That is a commendable objective, but I say that it is high-sounding rhetoric. But we as Members of Parliament must accept the Minister's statement. We must accept his word and hope that he backs it up with performance.

• (1620)

Therefore, I wish to place on the record this afternoon only some of the many requests I have received from my constituency which definitely meet the criteria laid down by the Minister. For example, the citizens of Liverpool have requested the right to meet with the Hon. Minister of Transport (Mr. Pepin) and the Hon. Minister of Fisheries and Oceans (Mr. De Bané) at their earliest convenience to present documentation outlining the great need for dredging in Liverpool Bay and harbour, together with repairs to and extension of the breakwater located at Brooklyn, Herring Cove, in Liverpool Bay.

The representatives of Bowater Mersey Paper Company, Steel and Engine Products Ltd. and Mersey Seafoods Ltd. have stated in their brief on April 21—and I might say that the brief has been presented to both Ministers—that dredging is required for the continued development of the town of Liverpool and to maintain the three major industries in the Port. These industries are important stabilizing influences in the economy of Queens County.

I will explain to the House how the lack of dredging, breakwaters and wharves is affecting the town, its industries and its people. Steel and Engine Products Ltd. have upgraded and enlarged its ship repair facilities to a degree where it is now capable of handling very large ships. However, such opportunities are denied them simply because when they successfully bid, masters of larger vessels, whether they be commercial vessels or the Government of Canada refuse to bring their ships into the Port of Liverpool due to restrictive silting in the harbour.

Mersey Seafoods Ltd. have ships today which can come to its wharves only at high tide, that is about three or four hours out of every 24, and then only if the weather is favourable and if the tide is high enough to enable them to get over the bar. Without ships landing in that Port, there is no shore employment or jobs for those of the area.

Bowater Mersey Paper must accept larger ships in order to expand in the export market. Because of the expansion in the American newsprint industry, Bowater is being forced to seek offshore markets, and to export they need even larger vessels which require a greater depth of water and an improved breakwater to protect them.

In all these three industries employment opportunities are now threatened due to Government inaction. The Government cannot say that it was not informed. There are lists upon lists in my office of submissions and presentations to the Government going back to 1980.

My home town of Lunenburg desperately needs repairs to the existing Government wharf, plus an extension, plus harbour dredging, if this Port is to continue to serve the large offshore fleet. At present half the existing wharf is unstable and requires lateral bracing. The restrictions on the use of this wharf cause an emergency situation as far as the repair and maintenance of the National Sea Products Nova Scotian fleet is concerned. It should be possible to design reinforcement bracing into the existing wharf, and if it were extended an additional 15 metres, then the entire structure would be more rigid and helpful to the fishing industry. In addition, the harbour master of that Port has drawn up a plan for a marginal wharf leading from Battery Point toward Rouse Brook, the place where the settlers first landed in 1753. This, if constructed, would enable some 15 or 20 large ships to tie up in the harbour. It would service the offshore development which is occurring in gas and oil off the coast of Nova Scotia.

Moving farther down the coast, we find that the Port of Shelburne could also use additional docking space and dredging, for it too is one of Canada's finest harbours which at present is underutilized because of the depth of water and Government inaction.

The mayor of Lockeport has also made a special plea to me on behalf of the town, pointing out that additional dredging is required immediately opposite the new National Sea Products plant in the town. Some of this is to be done, but when they made the assessment they forgot completely about the fish plant adjoining the one of National Sea Products which is owned by Pierce Fisheries Ltd. and where dredging is also required.

In conclusion, there are many other smaller harbours which need upgrading. I would be only too happy to supply the Government with details of make-work programs which will provide jobs immediately, will stabilize existing industries and improve the infrastructure of Nova Scotia. I mentioned these

projects to show that it is unnecessary to lend money in the amount of $2.4 billion, as mentioned in the budget for the Export Financing Fund. We have many areas requiring attention and development right here in Canada. I have mentioned some. I hope the Government will give serious consideration to the proposals I have made and amend its spending priorities so that the projects carried out will in the end be of benefit to Canadians who must eventually pay their cost through increased taxes. Since billions of dollars are to be spent within the next year, I beg the Government to review and re-examine its spending priorities in the interest of building a better Canada.

The Acting Speaker (Mr. Blaker): Questions. Answers. Comments. Debate.

Mr. Robert Bockstael (St. Boniface): Mr. Speaker, I am pleased to take part in the budget debate. Since the budget was delivered by the Hon. Minister of Finance (Mr. Lalonde) on April 19 in the House, it has been received and perceived as a boost for Canadian people. It has given them a lift and a buoyant feeling of hope because it is a "people budget". It is a budget for the people of Canada. It is positive, objective and appropriate for the times.

Some Hon. Members: Hear, hear!

Mr. Bockstael: The budget presents a balanced approach in that an equitable amount of money is being used to stimulate the economy and to create jobs within the range of a manageable deficit that we have to face.

Over the past few days in the House we have heard Members of the Opposition state, on the one hand, that we should not increase the deficit. On the other hand they state that we are not putting enough money in the budget to stimulate the economy. Those statements are contradictory. They cannot have it both ways. I suggest that the Minister of Finance has found a good balance between those two situations.

I realize that the population at large must be very happy to note that at this time the inflation rate is at its lowest point in three years. Similarly, interest rates, the cost of borrowing money for housing projects and everything we need, are at their lowest level in the last three years.

Some may say that there are many reasons for this situation. Among other factors the federal six and five program is working, is on target and is meeting the objective it was set up to meet. There is an observation made by Canadians that the public sector and people who draw from Government programs have been guaranteed an increase of 6 per cent this year and an increase of 5 per cent next year. That is more than we can say for the private sector. In the private sector professional people who are on their own or who work as representatives of manufacturing companies have often faced a freeze of their salaries. Some have had to take pay cuts. Other workers have had to submit to work-sharing programs. People who work four days a week and draw benefits under work-sharing programs can thank the Government for making it possible and for helping them get over the rough spots.

• (1630)

As soon as a budget is delivered, it is typical of an Opposition to criticize and try to shoot holes in it. I dare say that because the Opposition could not find much fault with the content of this budget, they have criticized the process. On Monday last, as reported at page 24835 of *Hansard*, the Hon. Member for Bow River (Mr. Taylor) said:

> While I am in favour of some of the budgetary measures, those that encourage people to work and get us out of this mess, some of its other measures are bad.

Again I say that the role of the Opposition is to criticize the budget. As a Member of the Government, I see a great deal of good in this budget. A federal budget is a natural phenomenon. Some people are indifferent to it. There are those who think it is good and those who say it is bad. That is because they operate from the perspective of looking at the budget and saying "What is in it for me? What will it do for me?"

This budget addresses the needs of seniors, working people, their families, youth, labour, small business, and is a stimulus for investment in this country. I would rather look at it in terms of what it will do for Canada.

A senior citizen in my constituency told me he was not happy with the budget. Although he is getting a 6 per cent increase, he objects to the two things he likes, liquor and smokes, being taxed. Those are petty arguments against a budget that will put this country on the road to recovery.

In delivering his budget, the Minister of Finance said that his primary objective is to develop a sustained economic recovery for Canada and his dominant concern is to get jobs for people who need work. Therefore, $710 million over two years is going to be put into the economy for direct job-creation.

We are all aware that technological advances are rendering certain jobs obsolete. An article in the Monday, April 25 edition of The Winnipeg *Free Press* states:

> Robots will radically change the role of labour in a factory—

It states that structural employment will make certain jobs disappear for good. We have to face this fact. When I was a young lad in St. Boniface, there were three blacksmith shops. They disappeared over a period of 20 years. In this day and age, we see jobs disappear within months because of new technology. You cannot create artificial jobs. Those who are or have been involved in seasonal work realize that when the season is past, there are just no jobs in that line. I have had 33 years' experience in construction. As a building contractor I know that it was difficult, but when a contract was completed and I was not successful in tendering for another job, I had to lay off my workers. I could not create work where there was none. It is demand that creates jobs. That is why this Government has taken a two-pronged approach. One is to stimulate projects that will make work immediately, and the other is to develop our human resources. I commend the Minister of Employment and Immigration (Mr. Axworthy) for the forward look he has taken at the needs of the country. We have added $155 million to develop our human resources, bringing our input to $1.2 billion. We will provide training facilities and

retraining programs for those whose type of work is no longer required. An important fact of life is shelter. It is one of man's basic needs. It is also a basic right. I am happy to report that housing will receive an additional $355 million. Starts on new homes are up and continuing to go up because under the Canadian Home Ownership Stimulation Program whereby new housing starts receive a $3,000 grant, we are injecting $30 million more that will, hopefully, extend the program to the latter part of May. If the funds run out before the end of May, that is the end of the subsidy. If the funds last, it will continue until May 31.

We have added $120 million to the Canadian Home Renovation Program which makes available $3,000 forgivable loans. The Residential Rehabilitation Assistance Program calls for another $40 million. There are many other programs for native housing and other types of habitation that are being provided for. To stimulate the economy, the Registered Home Ownership Savings Plan has been boosted so that this can be applied to new homes and also to buy new furnishings and appliances. This will encourage consumers to create demand which the manufacturers will be expected to meet.

I would like to emphasize construction. I have long been an advocate of capital projects that have enduring value and lasting benefit. In the United States in 1935 there was a works project administration, the WPA. On a visit to Los Angeles, I saw dry concrete spillways coming down from the mountains. I wondered what they were for. Those spillways were built in 1935 to take the rush of water down from the mountains when the snow at the cap was melting in order to prevent flooding in downtown Los Angeles. Almost 50 years later these spillways are still functioning and protecting the City of Los Angeles. It is that type of capital works project we endorse.

In post-war Europe there was naturally a great deal of reconstruction required. The huge six-lane auto routes, the EU-4 and EU-b, have a lasting benefit. They were built in the post-war years of 1946-1950 and later and have been serving the public for more than 30 years.

In my home Province of Manitoba, the City of Winnipeg was subjected to annual floods. The federal Government put millions of dollars into an $81 million project, building a floodway around the city so that the city would not be flooded. That is foresight. That flood prevention project will give long and lasting benefits. Therefore, I am in favour of the Special Recovery Capital Projects proposed in this budget.

There are transport facilities that are needed. We know through projections that they are going to be required. They are inevitable. If we can bring them onstream a little earlier to the benefit of the Canadian public, I am all for it.

I said earlier that the Minister of Employment and Immigration has called for research and training facilities. Last Friday it was announced in Winnipeg that by joint agreement with the Province of Manitoba a technical vocational school will be built in South Winnipeg at a cost of $5.7 million as part of an $8 million school being provided by the federal Government. I am in favour of many more small projects. The reason I mentioned smaller projects is that, rather than seeing something like Expo that goes on for three years and hires many people but concentrates in one locale, I would prefer to see several smaller projects that employ more engineers, more architects, more designers, more contractors and allow wider distribution of the investment of the Canadian Government in such smaller projects rather than in one single massive one.

• (1640)

There are other spin-offs and benefits that flow from this budget that are too numerous to mention. Under tax legislation, family child care expenses have been doubled and a family can deduct as much as $8,000 under that program. The Child Tax Credit Program has also been increased. There are other tax changes that apply to employment expense being increased to the benefit of people who earn less than $26,000 a year.

The Government's proposal in its April 19 budget will go a long way to instil confidence in our economy. This morning on television and on radio we saw and heard that officials of the Royal Bank of Canada and top investment consultants are saying that Canada is on its way to recovery, that we are on the right track and are doing what is necessary to bring that about as quickly as possible. This budget will instil confidence in investors, in business people, both large and small. It will restore consumer confidence and encourage Canadians to put some of their savings back into circulation in order to start the wheels of industry humming again. We are on the road to recovery and we are on the right track. It is thanks to the Minister of Finance and the Liberal Government that we are now able to see the light at the end of the tunnel.

Mr. Dan Heap (Spadina): Mr. Speaker, I wish to take this opportunity to make certain comments about the Conservative budget that the Liberals have put forward. I will not deal with every item in the budget. The Liberals and Members of the Government have already covered sufficiently some of the smaller items that they hope will distract our attention. They have pointed out some of the very small concessions made to the public and to the ordinary working people. I will not discuss the fact that the Liberals have apparently undertaken to buy, with our money, another term of office by proposing a budget that can only take effect after the latest possible date of the next election.

Mr. Speaker, I wish to emphasize that this budget is not a recovery budget, as it has been called, let alone a job creation budget, as has been suggested. It is a budget that will undertake to spend in the next four years $4.8 billion for recovery but will take in at least $6 billion of extra taxation to cover that. At the same time, it makes no serious effort to restore Canada to full employment.

The budget does not seriously consider what is the problem that causes our present record unemployment levels. Unemployment levels are at a record high for anybody who is less than 43 years old. The problem, I suggest, is that unemployment afflicts Canada regularly, first, because of the tendency for our present type of economy to boom and bust. It has a

regular pattern of boom and bust. Second, unemployment afflicts Canada now especially because of a new development which Members of the Government from the Prime Minister (Mr. Trudeau) down have declared publicly as a new fact, namely, a permanent base of unemployment.

I can remember coming out of the army at the end of the war and our being told that we would have full employment, and because, of course, there is always a turnover of jobs and a turnover of workers, we would have a new system called Unemployment Insurance which would provide a transitional income for workers moving between jobs. It was a great idea, and it worked for several years. We are told now that that system is out of date, that system which set the unemployment rate at a maximum of 3 per cent of the work force, and that moving from job to job has now been scrapped by this Government. We are told that at least 7 or 8 per cent, and probably 10 per cent, is to be the basic level of unemployment. These are not workers moving from job to job; these are unemployed workers going nowhere. That is the the minimum that the Government has offered us.

Part of the reason for this problem is that, by the Government's taxation policies, the buying power of the great majority of Canadians has been permanently reduced below the level that is necessary to produce a healthy economy. One way the Government has reduced the buying power of Canadians is to switch priorities between the revenues from corporate income tax and personal income tax. In 1950, personal income tax provided 50.7 per cent of the Government's revenue and corporate tax provided 49.2 per cent. These figures simply treat corporate and personal tax in proportion because, though they are not the only sources of income tax, they are the main sources. Of this total, personal income tax was 50.7 per cent, corporate income tax was 49.2 per cent.

In 1960, ten years later, personal income tax had gone up to 58.6 per cent and corporate income tax had gone down to 41.3 per cent. Ten years later, in 1970, personal income tax was 71.3 per cent, and corporate income tax was down to 28.6 per cent. In 1980, personal income tax accounted for over three-quarters of the total, or 76.6 per cent; corporate income tax accounted for only 23.3 per cent of the Government's revenue. In other words, the working people of Canada, not to mention farmers and pensioners and the rest, are not being allowed a disposable income large enough to maintain the buying power that is necessary for a healthy economy. Instead, through the tax system a larger and larger share is being diverted by default to the banks and the other groups who clearly have shown a pattern of not spending that money in Canada. The banks now boast that 40 per cent of their investments are made overseas, some of them in countries where they clearly will not be seen again. This is the first way the Government has injured the economy. The present budget, as I will point out later, continues that pattern.

Second, the manufacturing industries of Canada, with one exception, have been harassed. They have been burdened and injured by comparison with the mining industry, the finance industry and the oil industry, even though the manufacturing industries still have one and three-quarter million employees, whereas the mining and oil industries together have only 151,000 employees and the finance industry has only 562,000 employees. In spite of the fact that manufacturing supports a far larger section of the economy, it must pay an extortionate rate of taxation.

Over the ten years from 1969 to 1978, the mining industry paid a 19.8 per cent taxation rate, finance paid a 23.7 per cent taxation rate, oil and gas paid a 23.4 per cent taxation rate, but textiles, knitting and clothing paid a 41 per cent taxation rate. In fact, the whole manufacturing industry except for petroleum and coal products paid a 34.8 per cent taxation rate. The average rate for all industries was 38.3 per cent. So mining, finance and oil, the richest industries in this country, are being compulsorily subsidized through the Government's taxation system by the workers in manufacturing and, most particularly, by the workers in the chief manufacturing industry in the riding I represent, namely the clothing and textile industries. No wonder Canadian workers are accused by housing sales people and others of buyer resistance. Buyer resistance means empty pockets. It is the Government that has emptied the pockets of the buyers and continues to do so in the budget.

There is another policy, a matter of background, which the Government continues in the budget. The Government has been knowingly encouraging an increased importation of clothing and textiles and other manufactured goods from low wage countries. In this budget the Minister explicitly referred to a further extension of that policy of reducing the restrictions against importation from low wage countries. This is in spite of the fact that the industry most affected by that policy at the present time has already lost 50,000 jobs out of 200,000 in the last two years. A quarter of the jobs have disappeared largely because of the action of encouraging imports from countries which pay 50 cents or $1 wages. This is done in spite of the fact that the industry, contrary to the Government's statement and the statement of the former President of the Treasury Board, spent $2 billion during the 1970s in modernizing, and is still modernizing at a higher rate than most other secondary manufacturing industries. Whereas the cost of living rose by 167.5 points from 1971 to 1982, clothing only went up by 104.9 points, about two-thirds of the rate of increase. Imported clothing went up by 214 points, which is a far greater rate of interest. Therefore, the clothing industry has in fact been anti-inflationary by helping to keep down the price Canadians pay for clothing. Yet the Government insists on destroying the clothing industry by its import policy.

• (1650)

The textile industry has shown a higher rate of value added per worker than the average of the Canadian manufacturing industry, and a rate as high as the American clothing and textile industry. The textile and clothing industry in Canada receives little help from the Government in modernizing. Although it has employed about 11 per cent of the workers in manufacturing, it receives only 3 per cent of the aid. My point, Mr. Speaker, is that this Government has, in these several ways, undermined and weakened the clothing and garment

industry, not to mention some other Canadian manufacturing industries, and has then had the bad grace to taunt it with being weak.

Government first of all wounds it, injures it, then taunts it with being weak, putting out false propaganda about inefficient workers and management which does not modernize, and using that as an excuse for killing off the industry entirely in favour of imports from countries which pay very low wages, including police state countries. This is no way, Mr. Speaker, to build a high morale for recovery. Whether or not this Government feels this policy is good for Canadian investors, I can tell you, Sir, that this Government is producing great anger among hundreds of thousands of Canadian workers because it is damaging their chances of earning a living and then insulting them with accusations of inefficiency.

The Government is continuing a pattern of damaging this economy by its support of the mushrooming of interest payments. Interest payments, Mr. Speaker, as a percentage of the gross domestic product, have almost trebled in 15 years. In 1966, 6.3 per cent of the growth of the domestic product went to interest payments. By 1981 it was 15.2 per cent. That is a growth of 140 per cent in 15 years. By comparison, wages only grew 14 per cent, one-tenth of the rate of the banker's take, from 48.21 per cent in 1966 to 54.99 per cent in 1981. Yet we have had the Ministers of Finance and other Ministers of the Government stand in their places and accuse the Canadian workers of being inefficient, lazy and greedy, of taking too much money for their work, and wages and salaries being the cause of inflation. That, Mr. Speaker, is patently false and anyone who can read the Government's own figures on taxation—as I suppose the Minister can—knows that that accusation is false. It is the cancerous growth of revenues to the banks and the lending companies which has damaged our economy. Yet the Government continues in this budget to direct more money to that same place. The result of this kind of activity by the Government is that the working people of Canada chronically lack the power to buy what the employers and investors of Canada need to sell in order to stay in business.

One old pensioner said to me recently, very simply, "Mr. Heap, I'm not complaining that my pension cheque is too small. I understand that Mr. Lalonde hasn't got very much cash to give out. But I only want to say there is too much month at the end of the cash." That tells the story in one line, Mr. Speaker. There simply is not the amount of money necessary in the hands of ordinary people of Canada to keep this economy in a healthy state. Therefore, we shut down factories. Therefore, we have heavy unemployment, reminding us of the 1930s. Yes, there may be a recovery. The newspapers tell us there has been a little recovery in the last two or three months, a recovery at a higher rate of profit and at a lower rate of real wages. That is what it is all about, and that is what this Government has procured. It is also a higher rate of recovery with the now 8 per cent to 10 per cent permanent unemployment, as the Government announced this week and last week. This is, Mr. Speaker, really a conservative budget. In the increase of personal income tax, in its share over four years, we now have a budget which says there will be $3.5 billion more in personal income tax taken over the next four years, $2.5 billion taken from the same people in sales tax and $2.5 billion given back to the corporations by way of a cut in their corporate income tax. This will mean, because of this budget, less disposable income, more buyer resistance.

With respect to its treatment of the manufacturing industries, what we have is a gift of nearly $1 billion to the richest industry in the country, the oil industry, probably half of it to Dome Petroleum. In fact, the whole $2.5 billion increase in the deficit goes to profits, so that the rich corporations will become richer and the domestic market will fail to grow. As to the share of interest payments, the Government is increasing its deficit by over $2 billion, which might be all right and I might be willing to support it if it were being used productively, but it is not. The whole of that increase goes to the tax give-away programs. It goes to private capital. And there is absolutely no assurance that it will be invested in Canada. There is no assurance that it will be invested so as to create jobs in Canada. And there is no assurance that it will do anything to create buying power among the people of Canada.

As an example of this wasteful piling in of investment, which is supposed to create jobs and does not, MacMillan-Bloedel bought the factory where I used to work and, as a result, 100 people have lost their jobs. They did that with borrowed money that upped the interest rates for everyone else and created no new jobs whatsoever. More recently, John Inglis, with $4 million from the federal and the Ontario Governments took over Admiral and is now killing 250 jobs. Thanks very much for the $4 million, but 250 jobs will be wiped out as a result. We now hear that Massey-Ferguson may finally close down its Toronto operation after receiving tremendous handouts from this Government and the Ontario Government. To say that these gifts to capital produce jobs flies in the face of all our experience over the last ten years. Yet the Government will continue to borrow. We have just been told today there will be another borrowing Bill and yet we have just passed one. We have no time to discuss the Cruise missile or property rights; we have to get another borrowing Bill passed. By that means the Government will increase its inflationary share of interest payments without increasing jobs or the incomes of ordinary people.

• (1700)

My point, Mr. Speaker, is that this is a very conservative budget in the sense that the Liberals and Conservatives have teamed up, as usual, to increase the revenue of investors without any assurance that those investors will use that money to create any more jobs for Canada. We have a lot of what one Conservative Member called smoke and mirrors. We have it in Spadina, for example, where there are almost no assurances that any of the NEED projects, some of them entered four months ago, will be approved and funded. The Minister says there are 1,200 jobs approved for Spadina, but he is talking about the whole of Ontario because the Government of Ontario happens to be in Spadina. I am proud of that, but that

does not mean it makes jobs in Spadina. So we have these misleading statements by which the Government pretends to create 300,000 jobs when in fact there will probably be no more than 50,000 jobs created under this Government's programs. Furthermore, the Government will continue to pay out $1 billion every month in Unemployment Insurance to people to do nothing.

The effect of this budget, Mr. Speaker, will be to increase profits, reduce real wages after this recession as part of the recovery, and ensure that the recession will return soon and much stronger.

Mr. Fisher: Mr. Speaker, I would just like to follow up on what appears to be the Hon. Member's favourite topic, which is quotas and protectionism for the textile industry. It is interesting that he is promoting this in what he calls low wage countries. He is attacking people who come from what he calls low wage countries. He should repeat that charge in the presence of his current seatmate who is always arguing the other way.

However, I would like to ask him specifically what he considers an appropriate level of quotas in the textile industry. How would he reach that conclusion?

Mr. Heap: Mr. Speaker, first I want to disabuse anyone listening of the mistaken understanding that might be gained if they took the Hon. Member seriously. I have in no way attacked the people from low wage countries. I do publicly oppose police state governments in certain countries which the Hon. Member's Government is not willing to oppose. It is those governments which help to keep wages down. The Hon. Member's Government has not yet shown the courage and honesty to come out publicly and oppose such injustice. I am on the side of those low wage earners, but the Hon. Member has not yet shown that he is.

My point, and I am very glad to have a chance to explain it to the Hon. Member, is that Canadian workers and Canadian industry should be able to produce primarily for the Canadian workers, which is also the desire of the Philippino workers in the Philippines. This has been expressed to me by a leader of the Philippine labour movement with whom I talked a few days ago. He agrees with the policy I am advocating.

The Hon. Member wants a figure; I would suggest that imports should be reduced in a broad, global sense to 20 per cent of the Canadian market. Of course, we will buy and sell, but we do not need to live exclusively for export, have the Philippinos living exclusively for export and everyone else living exclusively for export and nobody able buying because there are no jobs.

Mr. Fisher: Mr. Speaker, I appreciated the discussion about police states and textiles and general export theory. I appreciated hearing, finally, that what the Hon. Member wants to do is to reduce imports to 20 per cent of the Canadian market. I doubt that people in my riding would agree with him on that. He also said that tax incentives will not create jobs in Canada. I wonder if he could tell us, for example, what he thinks the RHOSP incentives will do for the housing and construction industry if they do not create jobs in Canada? Whose jobs will they create?

Mr. Heap: Mr. Speaker, I agree that there are a few small items in the budget. I said at the beginning that I am not going to go over all the small items the Government is undertaking to use to garnish and disguise this conservative budget. The RHOSP provision is one of them. Yes, the houses will be built, but it is a poor way to use the Government's money. There would be a far better result if the Government would reverse its policy toward social and non-profit housing because that gives a far better result in the long run for the subsidies put into it. Housing for profit often results in very high prices to the consumer, and the Government subsidy often does the consumer no good at all. Therefore, the subsidy is not producing any general effect in the economy. It is simply making a few individuals rich. I have seen this many, may times over the last ten years in the City of Toronto, and if the Hon. Member had used his eyes around the City of Toronto he would have seen it too.

Mr. Axworthy: I would like to pose a few questions to the Hon. Member to see if he is able to correct some of the lapses in memory or information contained in his speech. He seems to make some great effort to develop the argument that the federal Government is in no way helping the textile or clothing industries. I wonder if he is aware of a program called the Canadian Industrial Renewal Board which has a budget of something like $250 million and has now provided well over $100 million in grants to a variety of textile firms to help them obtain new machinery, equipment and technology? Does he know that accompanying that Program, my own Department has been delivering retraining and upgrading programs for tens of thousands of textile workers which will allow them to develop the skills necessary to respond to the new technological age? It seems he has conveniently forgotten those facts.

In the course of his speech the Hon. Member also said that Inglis had taken over Admiral Corporation with a loss of 200 jobs. I wonder if he would like to correct that statement and recognize that the Admiral Corporation closed down, but as a result of provisions of the ILAP Program, Inglis was able to reinstitute that company and open up those factories. Is he saying they would have preferred the federal Government not provide help to a company in order to rescue close to 600 or 700 jobs for people who had previously worked for Admiral? Is he saying that that is the position of the NDP, that they would rather stand on their ideological rigidities as opposed to having people go back to work?

Mr. Heap: Mr. Speaker, I thank the Hon. Minister for those two questions. On the matter of the Canadian Industrial Renewal Board, it is true that I have been told in statements by the Minister that $100 million has been spent. We have no accounting of that. There are no textile and clothing industrialists on the Board, not one; only money lenders and one trade unionist who got on there with the assistance of pressure from

the Canadian Labour Congress. So it is not a Board likely to act in the interests of the industry. Members of the industry, employers I have talked to in Toronto, say they have never heard of any of this grant money, although they could use it.

• (1710)

As to the training, the Government was about to abolish four technical training courses at George Brown College last fall until members of the industry and the labour movement and the local Member of Parliament, myself, intervened, and a curious letter was sent saying, "You misunderstood. The word, 'terminate', does not mean it is ended. It just means that it is under review". Therefore, the Government is not speaking straight when it speaks of its training program. It is trying to phase out the clothing industry in the places where it exists, that is, in Ontario and in Quebec.

As to the John Inglis Program, as the Minister well knows, what I am referring to is the fact that whereas John Inglis claimed it would create 130 jobs if the Government provided funding in the takeover, it will now discontinue 250 jobs as part of the phasing of its takeover. That was recently announced. As well, questions were asked of the Minister of Industry, Trade and Commerce (Mr. Lumley) in the House about a month ago as to whether the Government would require John Inglis to keep its promise in return for the money, $3 million from here and $1 million from Queen's Park, and we have not yet had a serious answer from the Minister.

The Acting Speaker (Mr. Corbin): There is time for one brief question.

Mr. Axworthy: Mr. Speaker, I would like to ask one question of the Hon. Member, again partly to demonstrate that I do not think the House can necessarily take his statement at full face value, because I realize that he made some statements to the Toronto press about the NEED Program a few days ago, saying that nothing had been funded in his riding when, in fact, 74 projects, at a total cost of over $7 million and providing 1,200 jobs, had already been approved for his area.

Mr. Heap: That's false.

Mr. Axworthy: As a result, I think that the Hon. Member's ability to understand what is going on in his constituency is reasonably suspect. However, I would ask him a question in this area—

The Acting Speaker (Mr. Corbin): Order. If the Hon. Member is to be given time to respond, it should be now, because the Hon. Member—

Mr. Axworthy: I am just raising a further question about the—

The Acting Speaker (Mr. Corbin): Order. I am sorry, but I think that we should allow the Hon. Member to contribute a brief reply.

Mr. Heap: Mr. Speaker, what the Minister knows but is not telling is that a great many of the programs which he attributes to Spadina are programs under the city of Toronto, Metro Toronto, the provincial Government and the City School Board. In other words, he calls jobs in Kenora or Timmins jobs in Spadina.

Some Hon. Members: Wrong.

Mr. Heap: So much for the misleading statements of the Minister of Employment and Immigration.

Mr. Fisher: Do you know where your own riding is?

The Acting Speaker (Mr. Corbin): Order. For debate, I recognize the Hon. Member for Parry Sound-Muskoka.

Mr. Darling: Thank you very much, Mr. Speaker.

Mr. Fisher: I rise on a point of order. Would it not be in order for the Hon. Member for Montreal-Mercier (Mrs. Hervieux-Payette) to be recognized at this stage? It seems to me that she was on her feet.

The Acting Speaker (Mr. Corbin): Order. As Hon. Members know, the Chair is given considerable discretion in recognizing Hon. Members. Hon. Members, of course, must stand. I was seated in the Chair about half an hour ago and I was informed at that time that the Hon. Member for Parry Sound-Muskoka should be the Hon. Member to speak following the Hon. Member for Spadina (Mr. Heap). In any case, there will be time for the Hon. Member for Montreal-Mercier to be recognized.

Mr. De Bané: I rise on a matter of privilege, Mr. Speaker. I readily recognize that I cannot say it is a question of privilege that the Hon. Member for Spadina does not know what is going on in his own riding. But surely it is a point of privilege to say that when he alleges that an Hon. Member from this side misled the House, and that is the word he used, Your Honour should ask him to withdraw that word, even if the other one, that he does not know what is going on in his own riding, is asked seriously, but—

The Acting Speaker (Mr. Corbin): Order. I appreciate the Minister's comments, but the word "mislead" is currently used. As long as the qualification "deliberately" is not attached, to the word "mislead" it is quite acceptable in parliamentary practice.

Mr. Fisher: I rise on a point of order. Mr. Speaker, I recognize that you are working from a list. I wonder if it would be possible to supplement the list with the observation that we have heard an Hon. Member from the Opposition speaking, and now I believe it would be normal for an Hon. Member from the Government to speak, given the normal rotation of speakers, despite whatever some list may say.

Mr. Beatty: I wish to rise on a point of order.

The Acting Speaker (Mr. Corbin): I wish to respond briefly to the comment just made by the Parliamentary Secretary and, of course, time is flying by.

Mr. Taylor: It's a waste of time.

The Acting Speaker (Mr. Corbin): The Chair does not work from lists. I should make that very clear. Speakers do jot names down as a general guide, but we do not operate on the basis of lists. Parties supply to the Chair a list of Hon. Members who wish to speak so that a Speaker may be aware of the names of Hon. Members put forward by each Party when their turn comes for debate. However, strictly speaking, there is no list. In any case, I am guided by the wisdom of the previous occupant of the Chair. I was advised to recognize next the Hon. Member for Parry Sound-Muskoka.

I am prepared, if there is agreement in the House, to recognize another Hon. Member, short of making a formal motion, which I think would be quite legitimate but disruptive.

Mr. Beatty: Mr. Speaker, I think it is regrettable that this matter is being raised when there is a very limited period of time before a vote takes place.

Mr. Fisher: That's exactly the point.

Mr. Beatty: Mr. Speaker, you gave the floor to my colleague, the Hon. Member for Parry Sound-Muskoka. He legitimately has the floor. The Hon. Member for Mississauga North (Mr. Fisher) has no right to attempt to take it from him.

Mr. Roberts: I rise on the same point of order, Mr. Speaker, and I do not want to draw this matter out very long either. However, is it not the normal practice at this stage of debate to alternate between the Opposition and the Government side? It does seem to me to be the procedure which is generally followed. The Hon. Member on this side was on her feet and ready to speak, and it seems to me that Your Honour is in the unfortunate position of having come into the Chair in the last few minutes and are therefore perhaps not really quite sure of what had happened before. Should we not really follow our normal practice of alternating Hon. Members from one side to the other?

Mr. Taylor: Mr. Speaker, I think we want to be fair. We heard a Liberal speak, the Minister of Labour (Mr. Caccia), then we heard a P.C., then a Liberal, then a New Democrat.

Mr. Fisher: Now we are back over here. That's normal.

Mr. Taylor: Quite often the movement has been this way, and we have let that go on several times. I do not think the Liberals should be wasting our time now simply because the Speaker did come our way this time. The other time it was the Government's way.

Mr. Fisher: Mr. Speaker, on the same point raised by my good friend, the Hon. Member for Bow River, I would point out that if, at any time, the Speaker has moved from the NDP to the Conservative Party and back, it is because the Government has not seen fit to have one of its Members speak in between. However, we are entitled to our opportunity to speak. I know that the Hon. Member for Montreal-Mercier has put a good deal of work into preparation of her speech for this time.

Mr. Taylor: So has our man. He has been sitting here all afternoon. Your Member hasn't.

The Acting Speaker (Mr. Corbin): Order. If there was any unfortunate and, I assure Hon. Members, unintentional mix-up in the order of speakers, the Chair will assume full responsibility. However, I would like to quote from Beauchesne's Parliamentary Rules and Forms, Fourth Edition, Page 111, wherein Citation 121 states:

> There should not be a list of Speakers with an order of precedence in the House of Commons. Any Member who wishes to speak may rise and endeavour to catch the Speaker's eye.

The eye of the Speaker was caught by the Hon. Member for Parry Sound-Muskoka. I apologize to the Hon. Member for Montreal-Mercier, but we would have had time for the Hon. Member to contribute to the debate. In any case, having recognized the Hon. Member for Parry Sound-Muskoka, I must invite him to pursue his remarks.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, after wasting some ten minutes or more which I believe could have been used by the Hon. Member for Montreal-Mercier (Mrs. Hervieux-Payette), I am delighted to have the opportunity to say a few words on the budget. As has been pointed out, there are another two days in which to debate, and I am sure the Hon. Member will have an opportunity to stand and speak in the House.

• (1720)

First, let me cite some of the positive measures in this budget before I get to some that might not be quite as flattering and perhaps a little more negative. From the vantage point of hindsight, some measure of congratulations are due to the Minister for producing what is unquestionably the best budget since the restoration of "Pierre the Last". I was going to name it, after Allan Fotheringham, "The Liberal Reincarnation", but in the interest of accuracy it might be more perceptive to speak of it as their joining the ranks of the undead.

However, to say that this budget was an improvement over the efforts of the Minister's predecessor is in the same order as saying that public health statistics were showing a remarkably positive trend the summer after the Black Death. I have no doubt that that is exactly how a Liberal Government would have described it.

The budget has already been described as a "buy now, pay later" budget. Its ultimate epitaph will probably be "it could have been worse".

For the moment let us put aside the fact that the entire thrust of the document is to further postpone payment to the piper until another Government is in place to take the heat. It is a matter of a "Government on credit", and we will look at its attendant effects later. I am certain that is true because we are all aware of the polls that came out today that showed the

Progressive Conservatives in the lead with 52 per cent and the Liberal Government with 27 per cent. It is evident that they will be coming over to this side of the House at the next election.

Those of us who have been around here for any length of time recognize that there are two levels of perception at which a budget may be appraised. The first is the superficial impression created by the budget speech and the first cursory reading of the accompanying document. Generally this budget was favourably received except, of course, by the overt socialists to my left, as opposed to the crypto-socialists across the aisle who will not be happy until everyone is dependent on Government handouts, paid for exclusively by corporate taxation.

The second level of perception is the product of a slower, deeper and more careful appraisal. It is here that the subsurface flaws of the program show up.

The first thing that should be observed is that the whole operation was based, while perhaps not exactly on fraud, certainly on the old smoke and mirrors trick which has already been mentioned in the House. The budget was billed as a triumph of consultation. We were assured, prior to its presentation, that the Minister had communed with all sectors of the economy, had listened to their concerns and recommendations and had made use of their particular expertise in its preparation.

While I obviously have not had the time to examine every submission made to the Minister, I selected that of the Canadian Chamber of Commerce as probably being one of the ones of greatest value to the Minister, given the declared aims of his budget.

The first recommendation made by the Chamber was that the Minister institute a $2 billion retail sales tax cut. The result was that he increased it by one per cent. The Chamber recommended that initiatives directed at the direct stimulation of the economy be limited in scope and have an explicit termination date. The Minister gave us his Special Recovery Capital Projects totalling $2.2 billion, with a termination date some four years down the road. That is not an explicit termination date. In the present economic climate, that is open-ended never-never land.

The Chamber recommended that individuals be allowed to withdraw funds from RHOSPs to buy home furnishings, and this bit of counsel the Minister did accept. We can give him full marks for that. In this regard I might say that when they heard the budget speech, those merchants and people considering buying white goods, such as stoves, fridges and deep freezers, were elated over being allowed to purchase them tax free. But of course when this measure was studied further, it was seen that only those people with money in RHOSPs would be eligible. Certainly the glamour of the benefits of that proposal was dispelled very quickly. It was similar to having the Minister say that he will allow a certain sector of the economy to buy fridges and stoves tax free for a certain period of time—I believe October 1, 1984—but qualifying it by saying that he will only make it available to people who are 25 or 26 years of age with blue eyes. One can see what little impact that will have on that particular industry.

The Chamber urged that job creation initiatives be funded by reallocating funds from other less urgent programs, just as businesses must forgo attractive investment opportunities when funds are insufficient to finance them, or as individuals must give up consumer purchases. When wants exceed the family budget, so too the Government must give up some otherwise good programs when the country cannot afford them.

Surely this is the most sage and germane advice that could have been given. Furthermore, it is advice the truth of which must be evident to every housewife in the nation.

The Minister is the man who spent money like water when he was Minister of Health, and who singlehandedly destroyed the resource industry in western Canada when he was Minister of Energy but who is now widely known as the pro business Minister and the Minister who listens. What did our Minister do? He went on a $4.8 billion spending spree, which is eventually to be paid for largely by the taxpayers of 1984 to 1987 on a sort of "fly now, pay later" plan.

How responsible of him! How encouraging for the confidence of those upon whose confidence our ultimate recovery must be built! I sincerely hope that it is not he who manages the finances of his family, or we are about to see one more indigent dependent upon those anonymous sources who take care of down-and-out Liberals. Anyway, the score so far is one up, three down for the "Minister of Consultation".

The Chamber went on to say:

> Only serious efforts to reduce the rate of growth in Government spending will convince business and consumers that the Government is serious in its commitment to non inflationary growth, and only an improvement in confidence will lead to the spending and investment necessary to generate a recovery.

That is quite a comprehensive description of what the budget is not.

Far from a serious effort to reduce the rate of growth of Government spending, we see a Main Estimates to Main Estimates jump of 18 per cent, a projected deficit that would have financed all the Government operations only nine years ago. What must surely rank as the most classic case of fiscal insouciance since Marie Antoinette said "Let them eat cake", is the plucking of a non-existent $200 million out of thin air purely to salve the Minister's own ego after his celebrated photo opportunity. I am sure all Members would agree that this $200 million was the most expensive allotment of funds for saving one job. Perhaps, for the duration of this Government, we should amend our Commonwealth anthem from "God Save the Queen" to "God save us all".

The Chamber next pointed out that corporations, when they are confronted by a liquidity crisis, are forced to dispose of assets in order to bring things into balance. It pointed to the number of Crown corporations that languish as dependants on the public purse that might move into a profit position if they were to be sold to the private sector. Needless to say, the Minister did nothing to disturb the status quo with that particular set of Liberal NDP sacred cows.

The Chamber then refers to the preamble of their submission which states:

> It is absolutely essential that our longer term problems not be overlooked in any effort to improve the near-term outlook.

It goes on to ask for measures to help business produce and provide jobs in the long term.

We all know what the Minister's reaction was to that. For the first time in history, we see the Minister of Finance (Mr. Lalonde) throwing around short-term freebees and commiting the country's tottering economy to pay for them over the ensuing four years.

• (1730)

And finally, the Chamber listed a handful of activities that it said the Government should not undertake, such as the raising of personal taxes and the further deindexing of personal income taxes. The Minister's response was, as we all know, to do just the opposite in both cases.

That is quite a record for a Minister who made such a show of consulting with and listening to those in the private sector who, from first-hand experience, have demonstrated that they know what they are talking about. Or is it really, as so many of us have long suspected, that it has actually become part of the Liberal dogma that nobody knows more about anything than a Minister in a Liberal Government?

I would point out to the Minister that the word "consult" means more than merely allowing people to talk in his presence. It also implies a certain taking into consideration and a seeking of advice that has clearly not been among his activities since assuming the portfolio of finance, any more than it was before then.

What then would it have been reasonable to expect to find in this budget if it had been aimed at achieving an improvement in the lot of Canadians? First, while recognizing that our future prospects depend directly on our ability to contain inflation, the situation at the moment demands that he take some meaingful measures to attack the level of unemployment. And by "meaningful measures" I do not mean declaring it to be his "dominant concern" in the opening line of his speech and then dismissing it from further consideration for the rest of the exercise, which I believe took one hour and forty minutes.

The fact is that by the budget's own projections, some 262,000 fewer Canadians will be working at the end of what he presents as the first year of the recovery than were working in the fourth quarter of 1981. The fact is he calculates that it will be 1986 before unemployment drops to the level that seemed so terrible in 1982. The fact is that the sum total of jobs provided under his direct employment creation programs come to no more than 81,600; 17,000 of which are only summer jobs, and 36,000 of which under the NEED Program are so brief as to boil down to a total of only 2,000 person years all told. We are back to the smoke and mirrors deal again.

The flagship program, the "Special Recovery Capital Projects", is proudly announced as consisting of $2.2 billion in funded projects. Unfortunately, it appears on deeper inspection that only $1.5 billion of that represents new spending, and no more than $460 million of that is to be spent this fiscal year. On top of that, when we take a look at the administrative procedures involved, projects will be under way within six months of approval by some Cabinet committee that has not even been set up yet. It is pretty obvious that it will be next Spring at the earliest before there is any serious impact from this source. From over here it sounds more as though the program were directed to benefit the Liberal Party rather than the unemployed. Six hundred and twenty one thousand young people were unemployed in March. The rate of unemployment in this critical segment of the population stands at 21.3 per cent.

So let us look at the Minister's special youth initiatives. Once again it is smoke and mirrors. There will be, he tells us, an extra $70 million for summer student employment programs over last year. What he does not say is that last year funding for this program dropped from $120 million to $100 million. So his celebrated $170 million program represents an increase of only $50 million over two years. Not quite six and five, but in no way the magnificent gesture it is pretended to be. I must say that at first glance the youth internship program appears to have merit, and I extend my congratulations to the Minister on it. But at the same time, I must say that his job corps leaves me somewhat confused.

Page 17 of his budget papers tells me that this program will provide "temporary employment opportunities, personal and career assessment, counselling, training and other support services." With all due respect, it seems to me that, given a choice between "personal and career assessment, counselling" and getting a job, I think quite a few of our young Canadians would opt for the job. Or perhaps I have it all wrong and those "temporary employment opportunities" are as "personal and career assessors", or as counsellors. Now there is an idea, the sociological equivalent of perpetual motion. Little by little, all the youngsters will be hired as counsellors and assessors to counsel and assess those whose turn it is to be unemployed from their jobs as counsellors and assessors. The perfect solution!

This brings us to the Department of National Defence which is to be given $75 million over the next two years to enroll 5,000 young Canadians in the reserves. I give the Government full marks for this, and in particular the Minister of National Defence (Mr. Lamontagne). But what happens to them then? Suppose they want to stay in the military and pursue a military career, as I am quite sure many would if they find it to their liking. Are they simply told "No, your time is up, you have to go now."? If so, it will make a mockery of our once-proud military and all that it once was. But if not, does that mean that entry to the forces will be limited to those who have come through the Government's make-work program? Somebody over there had better be thinking about this sort of thing right now.

Now I want to move on to the most important issue bar none in the entire budgetary question. What should have been done to stimulate recovery? It is certainly the most important issue for the country at large, and I assume that next to the prosperity of the Government and the Liberal Party it is important to those opposite as well.

Most experts, I think, are of the opinion that any recovery is likely to be consumer led. I have argued for months now that the best way of triggering a widespread recovery is by encouraging the small-business sector, thus spreading both the likelihood of strengthening employment and of increasing consumer demand over the widest possible base. Here, surely, there was room for Government initiative because there is not likely to be much increase in private investment until consumption starts to increse. So what did the Government do?

The Acting Speaker (Mr. Corbin): Order. Questions. Comments. Debate.

The Hon. Member for Timmins-Chapleau (Mr. Chénier).

Mr. Ray Chénier (Timmins-Chapleau): Mr. Speaker, I want to commend the Minister of Finance (Mr. Lalonde) and the Cabinet for the very human budget they submitted to Parliament this time around. This is the type of budget which is a job-creation budget. It is job-creation at two levels, in direct job-creation and in permanent job creation for Canada.

If you look at my riding, I have one major centre, that of Timmins. Timmins is very prosperous, it is probably one of the most prosperous cities in Canada. But also I have many small communities, towns and hamlets, hamlets without an economic base at all. If I look at this budget and at the $280 million we have added to the NEED Program, I can see places like Biscotasing that will be able to get its dock built. If I look at Chapleau, it will have the benefit of some public works. If I look at Iroquois Falls, in the same way it will have some work done. If I look at small-business people in my community who have suffered in the last while, I see them reviving various projects. I am sure they will do more of the same when the NEED Program takes over in a month or so.

• (1740)

As I said, Timmins is a prosperous city. Its airport very badly needs a general aviation area. I hope through the fast tracking of the Special Recovery Program we will see fit to put in approximately $1.5 million to develop that general aviation area, to provide maintenance hangars and warehousing in that area of our city.

Timmins is primarily a mining community. A number of companies have been taking part in gold explorations in the area. These small companies are ready not only to continue exploration but to go into production. The Liberal Cabinet has seen fit to help them and bring them onstream. Through tax incentives the cost of exploration for these junior companies can be spread over all their revenues, instead of exploration costs being recoverable only from their mining revenues. Under the investment credits given to Canadian investors in Canadian companies, we will see the money so badly needed by these junior companies being invested in them. Then there will be additional gold mines or other basic mineral mines developed in the Timmins area. Those are the investments which will create permanent jobs in my City and in my riding.

Mr. Nickerson: Put it in your householder.

Mr. Chénier: That is what I did. The people of Canada must be made aware that the Government at this time decided to put the Canadian economy back on track. This is what the Conservatives have never been able to do. Every time they assume power they put Canada into a depression. They came to power in 1979, and things have gone wrong ever since then.

Some Hon. Members: Oh, oh!

Mr. Chénier: Finally we have been able to bring Canada back on track. Many small businesses have encountered serious losses during the past recession. The budget indicated that these losses are recoverable. By going backwards for three years and forward for seven, we see light at the end of the tunnel. These small businesses will now show a profit. They will be paying taxes again. Because of this very humane measure these companies will not have to close. They will continue their operations and keep their employees. In some cases they may even be able to expand.

In the City of Timmins we need housing. We are so short of housing that people are living in various kinds of accommodations. When I look at the additional $30 million in $3,000 grants, I see 20 to 50 houses being built in the next month which people will be able to purchase so that they can live in decent accommodations. Over the last year the Home Renovation Program and RRAP have been so popular in Chapleau that there is a list of hundreds of people awaiting moneys to do renovations to their homes in rural and depressed areas. We had not been able to give it to them, but now RRAP will be getting $40 million, and the Home Renovation Program will be getting $100 million and the people of Chapleau will receive additional moneys to repair their homes. This will put people back to work. This is what the budget is all about. When I look at the home ownership program—

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. It being 5:45 p.m., pursuant to the provisions of Standing Order 64(7), it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment.

[*English*]

The question, therefore, is on the amendment. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Corbin): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Corbin): In my opinion the yeas have it.

And more than five Members having risen:

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

The House divided on the amendment (Miss Carney), which was negatived on the following division:

(Division No. 319)

YEAS

Messrs.

Althouse
Andre
Baker (Nepean-Carleton)
Beatty
Benjamin
Blenkarn
Bosley
Bradley
Broadbent
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Dick
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Lambert
La Salle
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
MacDougall
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McDermid
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—112.

NAYS

Messrs.

Allmand
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Blais
Blaker
Bloomfield
Bockstael
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Isabelle
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Landers
Lang
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Penner
Pepin
Peterson
Pinard
Portelance
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Whelan—127.

Madam Speaker: I declare the motion lost.

Motion (Miss Carney) negatived.

Mr. Lewis: I rise on a point of order, Madam Speaker. I would like to point out that one third of the NDP caucus is away, including the Hon. Member for Skeena (Mr. Fulton), who usually brings such things to the attention of the House.

Some Hon. Members: Hear, hear!

Madam Speaker: It being past six o'clock, pursuant to Standing Order 2(1), this House stands adjourned until 11 o'clock tomorrow morning.

At 6.15 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, April 29, 1983

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

OFFICIAL LANGUAGES

REQUEST THAT PETRO-CANADA SIGNS IN QUEBEC BE REVISED

Mr. Hal Herbert (Vaudreuil): Madam Speaker, in the past few weeks, I have received a steady stream of complaints from my constituents regarding Petro-Canada and the fact that its signs in Quebec are in French only, unfortunately. My constituents are indignant about the fact that this is a Crown corporation, which is supposed to deal with all Canadians, whether they are Francophones or Anglophones. It is understandable, to a certain extent, that the people who rent the signs never stopped to think about this aspect, because of Bill 101, but it is hard to accept from Petro-Canada, which seems to be ignoring a potentially large number of anglophone customers. I agreed that the Government should urge Canadians to fill up at Petro-Canada service stations, but the Corporation could at least meet their language requirements. I therefore hope, Madam Speaker, that this unfortunate situation will be corrected.

* * *

[*English*]

AIRPORTS

MIRABEL—LITIGATION SEEKING RETURN OF EXPROPRIATED LANDS

Mr. Scott Fennell (Ontario): Madam Speaker, admittedly the Minister of Public Works (Mr. LeBlanc) is charming, but his continual attitude of *je ne sais quoi* on matters relating to the expropriated lands at Mirabel antagonizes the people of the Province of Quebec. Yesterday the Minister made an obviously defensive statement implying that my concern with Mirabel is misplaced, based, as he said, on a very narrow and very limited spectrum.

The membership of this so-called very narrow and very limited spectrum is a group of more than 500 expropriatees who are endorsed by the Liberal Opposition and the Government of the Province of Quebec. This group is issuing a writ and will confront the federal Government in Federal Court to obtain the retrocession of 50,000 surplus acres of land.

The people of Mirabel are totally exasperated with a Government which has supplied Public Works Ministers who are incapable of answering any legitimate questions. The decision to take the federal Government to court has grown out of 14 years of frustration with the Government. My vision, which is neither narrow nor limited, is supported by the majority of the people of "la belle Province".

* * *

UNEMPLOYMENT INSURANCE

BENEFITS SOUGHT FOR ADOPTIVE PARENTS

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, it is well known that our unemployment insurance legislation has a number of inequities involving maternity benefits, including the magic ten rule, Section 46, and provisions dealing with adoptive parents. Not only the New Democratic Party but also women's groups, a Government task force, and the Canadian Human Rights Commission have been calling for changes in this area.

Last night the Minister offered to legislate in this matter with a one-day debate. If the Minister was serious, rather than just playing a parliamentary put-down game, I would ask him to table this legislation in the House or, on private member's day, to pass the legislation proposed by my colleague to change this law as it affects adoptive parents.

* * *

HOUSING

BANK PENALTIES ON HOME OWNERS RENEGOTIATING MORTGAGES

Mr. Jack Burghardt (London West): Madam Speaker, recent announcements that short-term mortgage rates have fallen below the 10 per cent mark for the first time in almost ten years, actually 9.25 per cent, together with the announcement that the rates on three and five year mortgage terms are expected to fall one to two points, to the 11 per cent range, before the end of the year, are extremely encouraging. This news is of great benefit to prospective home purchasers and for home owners who are in a position to renegotiate mortgage terms. However, this very good news must be tempered with the realization that there are many home owners who are not in a position to take advantage of these developments.

S.O. 21

Just one year ago thousands of Canadian home owners were forced to negotiate mortgages at rates in the area of 20 per cent. Today these home owners find themselves locked into record-high interest rate mortgages, unable to renegotiate at today's lower rates unless they pay outrageous penalties of as much as $7,000 to $10,000. These penalties are scandalous. By applying them, the banks are effectively holding home owners hostage to interest rates which have since subsided. The banks should not be permitted to continue their draconian policies.

I urge the Minister of Finance (Mr. Lalonde) to do everything in his power to see that the banks and trust companies change their policies on mortgage renegotiation in order that all Canadian home owners will be able to benefit from today's lower mortgage rates.

* * *

AGRICULTURE

EFFECT OF BEEF MARKETING PRACTICES ON FARMERS

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, in the past several years there have been numerous studies done on beef marketing which have revealed a number of marketing concerns, some of which I have listed, as follows. First, direct sales to packing plants reduce the presence of competitive bidding. Second, there are price inequities for cattle of equal value sold by producers in the same market. Third, there is increased concentration of market power by the packing houses and retail chains. Fourth, there is a grading system for slaughter cattle which is not totally compatible with retail requirements, thus creating a multiplicity of price differentials. Fifth, there is an absence of grade identification at the retail level. Sixth, the market information system is often insufficient, often inaccurate, and fragmented. It appears that farmers have little or no marketing power.

Consumers continue to buy beef at more than reasonable prices, but at the expense of the farmers. In periods of low feed grain prices, the grain producer bears the burden. In periods of higher feed prices, the cow-calf producer bears the burden.

Beef farmers do not have market power to bargain with other sectors of the economy, leaving them at the bottom of the totem pole. Beef farmers must organize themselves if they are to stave off bankruptcy and survive.

The establishment of a national beef marketing board would go a long way toward bringing stability to the industry, with a fair profit for the producers, and fair, steady prices for the consumer. Hopefully this will become a reality in the near future.

• (1110)

RAILWAYS

CROWSNEST PASS RATE—ALTERNATIVES TO MINISTER'S PLAN FOR CHANGES

Mr. Bill Yurko (Edmonton East): Madam Speaker, the Pepin plan for changing the Crow is massively flawed. Such a plan would rattle and wound the agricultural sector in western Canada, which is the backbone of the region. The Pepin plan must be changed.

A workable solution should incorporate the following policy in cognizance of the promises made at the Western Economic Opportunities Conference. First, the Crow rate should be allowed to increase annually by the annual inflation rate. Second, as compensation for inflation indexing, the federal Government should annually deposit $250 million in a non-taxable western farmers' trust administered by a board of directors selected by various western agricultural commodity groups. This would be a farmers' heritage trust, providing assistance to farmers in unprofitable years caused by adverse weather conditions or low grain prices. It would also be used for maintaining branch lines and local country elevators and so forth.

Third, more extensive federal-provincial co-operation is vital and mandatory. The federal Government should hold extensive discussions and collaborate with the western provincial Governments in regard to upgrading and rebuilding the western grain transportation system.

Capital cost-sharing agreements with the Provinces should be negotiated. Some Provinces have already invested vast sums in freight cars and other facilities—

Madam Speaker: Order.

* * *

INDUSTRY

EFFECT OF PATENT LAW ON PHARMACEUTICAL INDUSTRY

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, in the 1960s the Canadian Government, concerned over the higher prices for drugs that Canadian consumers were paying in comparison to Consumers in other countries, attempted to ameliorate the problem. The Government amended the Patent Act in 1969 and extended compulsory licensing rights to include the right to import an invention or medicine.

While the objective of the new Section was to lower drug prices by increasing competition, it has succeeded in producing a steady decline in real growth of research and development, as well as a reduced growth rate in manufacturing, investment and employment in the pharmaceutical and associated industries in Canada.

Even though Canada offers generally suitable tax incentives and an excellent health care program for the development of the pharmaceutical industry, the 1969 amendment to our

Patent Act has created an unfavourable environment for investment by the pharmaceutical industry.

Patents are essential to protect the immense costs necessary in R and D investment in this industry. It takes an average of $80 million to $100 million, and ten to 12 years to bring a single new product from the laboratory conception to the market and to establish a market for the product.

Since a resolution of the compulsory licence issue could change the perception of the pharmaceutical industries concerning the investment climate in Canada, I suggest that the Government should strongly consider repealing Section 41 of the Patent Act.

Madam Speaker: Order.

* * *

GOVERNMENT EXPENDITURES

ANNOUNCEMENT OF PROPOSED BORROWING AUTHORITY BILL

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, one month to the day from the time that the Government passed the largest and least justified borrowing Bill in our history, we have been put on notice to expect yet another. That Bill was for $19 billion, a sum larger than the total of all Government expenditures a scant dozen years before. Of that sum, $14 billion was specific borrowing authority for the fiscal year 1983-84.

Granted that this is a period of heavy cash outflows due to income tax refunds, we are, however, informed that cash balances are up by about $2 billion over last year.

What, then, is the Government playing at? Is it merely trying to get so much borrowing authority under its belt now that, regardless of how badly it further mismanages the economy it will not have to come back to this House until after the next election? Or are our wildest fears coming true? Are the nation's finances so wildly out of control that they are beyond the managerial capabilities of the Government?

In the name of God, I say to the Government, no. It must not ask us, as the elected representatives of the people, to give it more authority until it has adequately justified that request, not in terms of its own narrow political interest, but in that of the public whom we on this side and the Government represent.

* * *

BANKS AND BANKING

CREDIT CARD USER FEES

Mr. Svend J. Robinson (Burnaby): Madam Speaker, once again Canadian banks are putting the screws on thousands of consumers who hold credit cards. They are introducing a transaction fee and an annual service charge.

While the banks refuse to release their profit figures on credit card operations, they are charging in excess of 20 per cent interest on outstanding balances already, despite the recent significant drop in interest rates. As well, they charge all merchants an average fee of 3 per cent to 5 per cent on all credit card transactions, which is absorbed by everybody, cash customers as well as credit card customers.

• (1115)

At a time when bank profits are already extraordinarily high, this additional charge for the use of credit cards is totally unfounded. The Minister of Finance (Mr. Lalonde) should insist that the Inspector General of banks require full public disclosure of all profit and loss statements of the banks before allowing this consumer rip-off to continue.

As one Canadian who has had a bank credit card for several years, I have finally had enough. I am now taking the step, which many consumers have already taken, of cutting up my credit card to show my protest against this blatant revenue grab by the fat cat Canadian banking community. Enough is enough.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Madam Speaker: May I remind the Hon. Member he is not allowed to proceed with any displays or dramatics in the House. I have pointed this out to him several times. It seems that he takes a long time to understand exactly what it means.

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

REQUEST THAT GOVERNMENT REDUCE TAX ON FARM FUELS

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, we have just witnessed another Member of the NDP cutting up in the House.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mayer: I have a question for the Minister of Agriculture which has to do with farm finances this spring, to which I hope I will get a substantive answer. The Minister will be aware that there are many farmers facing financial difficulties, particularly at this time when they are getting ready to put their crops in the ground. One of the problems is that of obtaining financing to buy fertilizer, to buy fuel, to buy seed. It is well known that a large portion of the amount of costs associated with farm fuels is federal tax. First, is the Minister of Agriculture in favour of reducing the portion of federal tax

on farm fuels? For instance, the 9 per cent federal excise tax amounts to about 20 cents a gallon on farm fuels. Is the Minister in favour of reducing that?

Second, there is a 50-cent per mcf tax on natural gas used in the production of fertilizer. If we could remove that tax it would reduce that cost of a tonne of 11-55 fertilizer by something like $15 to $20 a tonne. Is the Minister in favour of that? If he is, will he make representation to the Minister of Finance to see that those taxes are reduced to assist farmers this spring in getting their crops into the ground?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member said that a lot of members of his farming commnity are having difficulty financing their spring operations. I would like to know if he could be more specific and let me know what farmers and with what lending institutions they are having that difficulty, because no one has given their names to me at this time.

Farmers have the best repayment ability of any group of businessmen in all of Canada.

Some Hon. Members: Oh, oh!

Mr. Whelan: If the lending institutions are not allowing them to have proper financing to plant their crops, I would like to know that.

When the Hon. Member talks about whether I am in favour of lessening taxes, I would like to be able to say that we could abolish all taxes in Canada. But we have to be more realistic than that. When the Hon. Member talks about the cost of fuel and he talks about the cost of energy for farming, he knows and I know, that that cost is about 3 per cent of the cost of farming operations. It is not one of the major costs as the Hon. Member has outlined to you, Madam Speaker, at the present time.

Mr. Mayer: Madam Speaker, the Minister of Agriculture displays a great lack of awareness and ignorance of what is going on in the farming community this spring. I have sent the Minister letters on behalf of constituents of mine, in the last two weeks, who have made suggestions as to how they would like to see the situation improve. If the Minister is looking for names, all he has to do is to go to his files and he will see the names I have sent to him in the last two weeks.

COST OF REFUNDING TAX IN MANITOBA

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, my next question is also for the Minister of Agriculture. Specifically, in Manitoba's case there is a situation where the federal Government collects 7 cents a gallon on farm fuels and then refunds it. If that portion of that tax is not collected it will not have to be refunded. This would save the Government money in terms of the bureaucracy and it would mean that farmers would not have to pay 7 cents a gallon right now. Would the Minister of Agriculture be in favour of doing that, and will he see that that kind of representation is made to the Minister of National Revenue?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, on certain volume buying, et cetera, farmers do not pay tax on diesel fuel, et cetera, when they receive it. There has been representation made to me about that.

• (1120)

If the Hon. Member has written letters to me and has given me specific names, et cetera, I have not seen them as yet. I will check my files, et cetera, to make sure. I am talking about the lending institutions being named and the exact types of operations. I believe there were one or two farmers I am very much aware of in the Members' area, but the specific mention to me was about getting long-term credit in those areas with the Farm Credit Corporation or arranging financing through their own local credit unions. I cannot remember being told about not being able to get operating capital for this spring.

I have had meetings with the head of the Farm Credit Corporation. We are looking at how we can even make further amendments to the Farm Improvement Loans Act, to use that kind of a lending institution to assist farmers with capital if, say, lending institutions decide not to allow financing to this group of people who are some of the most productive people and, as I said, have one of the best repayment records of any group of business people in Canada.

Mr. Mayer: It is well known in the farm community—and the Minister could check with fertilizer dealers—that the use of fertilizers will go down this year as a direct result of producers having trouble obtaining financing.

* * *

WESTERN GRAIN STABILIZATION ACT

REQUEST FOR EARLIER PAYOUT PROVISION

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I would like to direct a further supplementary question to the Minister of Transport who is responsible for the Western Grain Stabilization Act. Would the Minister be prepared to look at amending that Act so that the stabilization period would go from five years to three years? In effect that would trigger a payout in this crop year, almost immediately, or as quickly as the arithmetic could be done, of something like $150 million. That would not put the fund in jeopardy.

The fund currently sits with in excess of $600 million in it. With the current rate of contributions, at the end of 1983 it will have approximately $800 million. This is a case where there is some farmers' money and some Government contributions. If the Government were willing to look at that Act to see if we could go from five years to three years, it would trigger a payout in western Canada of $150 million, put money in circulation, and assist—

Madam Speaker: Order, please. When is the Hon. Member going to finish his question?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as far as I am concerned he could have gone on all day.

When the Western Grain Stabilization Act was passed we witnessed a debate on the same question as the one raised today, whether it was to be three years or five years. The decision was made at that time that five years was the better base because it co-ordinated better with other pieces of legislation in the Canadian system. Obviously that debate has gone on, and obviously each time farmers run into some kind of difficulty somebody rises and asks, "Why not the three years?" The answer is the same as the one given when the bill was introduced in the first place. I am told that this, nevertheless, is an idea which is constantly reviewed by the Government and that there is a review of this issue at this particular time being undertaken by people in the Department of Agriculture.

* * *

AGRICULTURE

COST OF FUEL TO FARMERS

Hon. Jake Epp (Provencher): Madam Speaker, my question is directed to the Minister of Agriculture who likes to use the words "et cetera". I once understood et cetera meant that the speaker did not have any more knowledge, but he knew there was more he should know.

Some Hon. Members: Hear, hear!

Mr. Whelan: I was taking it for granted that you knew something.

Mr. Epp: In view of fuel prices—and the Minister says they are only 3 per cent of production costs—which impact on fertilizers, herbicides and costs of production, does the Minister of Agriculture favour the Government's position which now accepts that Canadians, specifically Canadian farmers, should pay more than 75 per cent of world price for their fuel?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member knows that we have an energy policy in Canada—I could use the words et cetera, because I know he knows that very well. He knows what it amounts to and what we are trying to do with that energy program. A year ago, before world prices changed, American farmers paid more than Canadian farmers. In fact all farmers in the rest of the world paid more. He was not asking at that time, "Will you go to more than 75 per cent of world price?" or, "What will you do?" He was not saying a thing about it at that time when farmers were receiving a benefit under the program. They are not at that much of a disadvantage at the present time when one checks out all the figures.

• (1125)

SPECIAL RECOVERY PROGRAM

IDENTIFICATION OF MANITOBAN PROJECTS

Hon. Jake Epp (Provencher): Madam Speaker, my supplementary question deals with western Canada, and specifically Manitoba. It is directed to the Acting Prime Minister. Of the hundred so-called recovery projects that are to be put on "fast-track, no-delays", is there any program specifically identified for western Manitoba?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I do not have a list here of the projects that have been under consideration. I can assure the Hon. Member that these projects will be distributed all across Canada. The program will contribute to every Province and ensure that there will be employment development in each of the Provinces. The Hon. Member will have to await specific announcements to determine whether the projects are in the particular area he has mentioned.

* * *

NUCLEAR ARMAMENTS

CRUISE MISSILE TESTING—STATEMENT BY UNITED STATES OFFICIAL

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is directed to the Minister of National Defence. A story in yesterday's *Le Devoir* quoted a highly-placed Pentagon official as saying that Canadian testing of Cruise missiles is not really necessary. This official, who has close involvement with the Geneva negotiations, says that tests of the Cruise in the United States are almost finished and further testing in Canada would change nothing. I would like to ask the Minister if he plans to take this information to Cabinet, which in turn could state its position to the Pentagon that, if testing is not necessary, then Canada will not participate.

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, it is well known that before this Government takes a decision with regard to testing the Cruise missile, every allegation will be taken into consideration. The Prime Minister is in Washington. I suppose there was some discussion there about this. If we have a request from the United States, the appropriate steps will be taken by Cabinet in reaching a decision.

DEMONSTRATIONS AGAINST POSSIBLE TESTING

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, given the fact that hundreds of thousands of Canadians have taken to the streets, and more will do the same this Sunday in Ottawa, to protest the proposed testing of the Cruise missile in Canada, and in light of the fact that this missile represents a backward step in attempts to negotiate verifiable arms control

treaties, will the Minister give this House his assurance that he will raise this matter with the Prime Minister with a view to informing our American neighbours of our unwillingness to test this missile in our country?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I am sure the Prime Minister is already aware, without me having to talk to him, of these peace demonstrations in the streets. He is also aware of the implications of testing and not testing the Cruise missiles in this country. I share the view of the Hon. Member that we have to take decisions to see how we can promote peace in the world. In many ways I have great sympathy for those who are demonstrating. I believe that everyone in this Chamber, including those in the galleries, are in favour of peace and disarmament. Where we do not agree is how we should obtain that objective.

GOVERNMENT POLICY

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I would ask the Minister to be candid with the House and the Canadian public for a moment. Given the reports of the Prime Minister's recent meetings with the United States Vice-President, and yesterday with the President, will the Minister tell us whether, in his opinion, this whole idea of Canada testing the Cruise missile has gone too far for Canada to turn back? Is there still a possibility that Canadian reluctance to test this missile could result in the whole idea being scrapped?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, the policy of the Government is well known. We are part of the NATO alliance. The Hon. Member knows that we agreed with the two-track decision in 1979. We are in favour of meaningful negotiations in Geneva. The only way to have that is to have credible deterrents in order that the negotiations will be meaningful.

* * *

• (1130)

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MADAME YVETTE ROUDY, DELEGATED MINISTER TO PRIME MINISTER OF FRANCE AND RESPONSIBLE FOR STATUS OF WOMEN

Madam Speaker: I have the honour of drawing the attention of the House to the distinguished presence in our gallery of Mrs. Yvette Roudy, Delegated Minister to the Prime Minister of France and responsible for the status of women.

Some Hon. Members: Hear, hear!

[*English*]

LABOUR RELATIONS

EASTERN PROVINCIAL AIRWAYS DISPUTE

Mr. Howard Crosby (Halifax West): Madam Speaker, my question involves the settlement of the strike between the pilots and Eastern Provincial Airways which has dragged on for several months. I know, in the absence of the Minister of Labour, that the Deputy Prime Minister, like all Members from Atlantic Canada, has a real interest in the settlement of this dispute. The matter is now before the Canada Labour Relations Board and the final matters in dispute should be decided by the Board.

I ask the Deputy Prime Minister if he can give us the assurances of his Government that when the decision of the Canada Labour Relations Board is made known, and if it provides for the settlement of the strike and return to full services at Eastern Provincial Airways, the Government will give the matter its full and quick consideration so that this disastrous strike may be ended and full service restored so that people in Atlantic Canada can benefit from their regional airline.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I cannot add much to the Member's question except to answer yes, indeed, we are keeping in close touch with that particular situation. My hon. friend may appreciate some background of the situation that he may or may not know about. What is happening now in Canadian air transportation is the realization that the good old days are, if not gone, at least not going to be with us again for a while. So there is a tightening of efficiency in the air industry. That is one of the reasons why that strike occured in the first place.

Eastern Provincial Airways finds itself in a situation where it has hired other pilots for a period of time. Now that the previous pilots want to go back to the company, the company must balance this situation. It is a very difficult one. I have promised the Member that I will keep in close touch with the situation, although this is essentially the responsibility of the Minister of Labour whose efforts I will support.

ENFORCEMENT OF SAFETY REGULATIONS

Mr. Howard Crosby (Halifax West): Madam Speaker, I want to assure the Minister that the pilots of EPA have every interest in the efficiency of the airline and will co-operate in any way possible. They made that clear publicly.

Now that the Minister has mentioned the specific dispute between the pilots and the management of EPA, he must be aware that this kind of dispute with pilots hired during the course of a legal strike could cause difficulties aboard the aircraft. I would like the Minister of Transport to give us the assurance that his Department is monitoring this situation and will see that air safety regulations are very strictly enforced. He knows, as all of us in this House know, that one airline accident will destroy the credibility not only of the airline but

of the whole Canadian aviation industry, and particularly the credibility of his Department and its enforcement of air safety regulations.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am aware of that. I thank my hon. friend for making the public aware of it. I can assure him that the situation is being monitored. I have been assured that particular attention is being given to this particular aspect of air safety during these particularly difficult times.

* * *

FISHERIES

KIRBY TASK FORCE REPORT RECOMMENDATIONS

Mr. Tom McMillan (Hillsborough): Madam Speaker, I address my question to the Deputy Prime Minister. The Minister of Finance has billed the budget as an instrument of economic recovery. Yet the budget fails altogether to address the Kirby Report's call for a multi-million dollar program of recovery for the Atlantic fishing industry in which some 100,000 jobs are in jeopardy.

I would like to ask the Minister, apart from oblique or vague references to the fishing industry such as Special Recovery Capital Projects, why has the budget failed to address directly the single most important unemployment problem in the entire Atlantic region.

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I want to assure the Hon. Member that no problem has received more attention from the Government than has the problem of the Atlantic fisheries. We have made public our response to the Kirby Report in which the Government has indicated its concurrence with almost all of the recommendations made by that task force.

In addition to that, we have authorized a negotiating team to enter into discussions with the Provinces and with the plants in an effort to arrive at a restructuring of the industry that would make it possible for the industry to operate in a viable and efficient way and to provide secure jobs and secure incomes for those dependent upon the industry. I want to remove from the Hon. Member's mind the impression that this industry is being neglected. On the contrary, it has received even greater attention than could possibly be provided to it through a specific reference in the budget.

NECESSITY TO FUND EAST COAST INDUSTRY

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is directed to the Deputy Prime Minister. All of the concurrence in the world will not put fishermen and fish processing plants back to work, so I will ask the Deputy Prime Minister the question again. The Kirby Report has made it clear that the Atlantic fishery needs an all-embracing industrial strategy, not money for a wharf here and a vessel there, as contemplated by the budget right up until 1986. How could the Government produce $200 million out of thin air within 24 hours to save what little is left of the reputation of the Minister of Finance with regard to his budget leak, when it cannot come up with the hard, cold cash that is needed to resuscitate the Atlantic fishery, an industry that is on its knees?

Some Hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I believe that the Hon. Member seriously misunderstands the situation that prevails with respect to the fish processing sector of the industry. He has referred to that misunderstanding specifically in his question and alleges that no attention is being paid to that situation.

May I repeat that currently there are negotiations ongoing with the Provinces that have a very direct stake in the outcome. There are negotiations also going on with the fish plants and with the banks that also have an important stake in the outcome. Out of those negotiations it is hoped that a plan can be agreed to which will receive the endorsement of all parties and the support of the Government of Canada.

Nobody is under the illusion that there will not be financial obligations incurred by the Government of Canada as a result of the implementation of the Kirby Report, and indeed, a successful conclusion to the negotiations related to restructuring. If the Hon. Member has any other idea in mind, I urge him to abandon it as it is not based upon solid evidence.

* * *

INCOME TAX

CRITERIA USED BY AUDITORS OF FARM INCOME

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is directed to the Minister of National Revenue and again has to do with Section 31 of the Income Tax Act. The Minister will know that interpretation of this legislation is leading to much trouble in the farming community. I would like to point out to him that, in one case in my riding, auditors have said that in order to have a viable beef cattle ranch, one must have a minimum of 100 cows. Now, Statistics Canada says that the average rate of cows per farm is 30.8. Is the Minister's Department saying that in order to have a viable farm one must have 100 cows? Is that the policy of the Department?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I think that if we start looking at specific cases that concern the Department of National Revenue, we will spend hours on discussion here in the House. I do not think there is a policy, based on a given number of cattle, for establishing what constitutes a farm. The people who examine income tax returns from taxpayers claiming expenses for

farming operations are doing so on the basis of the income generated by the operation over a certain period of time, compared to the expenses being claimed by the taxpayer. It is on that basis that they determine whether there is a legitimate farming operation as opposed to the so-called hobby farms.

[*English*]

STIPULATION REGARDING AMOUNT OF PROFIT

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is directed to the same Minister. Auditors are also telling the people in my riding that they must have an expectation of profit in order to have their farms called a legitimate farming operation. What they are saying is that they must show a profit within two years of startup on a farm and that it must be 33.33 per cent. Is this the policy of the Minister's Department?

• (1140)

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, as I said before, to find out whether there is a legitimate farming operation, there must be some expectation of profit to be generated by the operation. I think this is a principle or an assumption that we must accept. Furthermore, regarding the period of time over which the profit will be generated, I feel that people in my Department use some degree of discretion. They make a distinction between the profit potential of a dairy operation and another type of farming operation involving beef cattle, where it would take longer to get a return on one's investment or, another example, an apple growing operation. It takes longer to produce fruit, and therefore to make a profit, than with a dairy farm or some other kind of livestock operation. I think that these distinctions are considered in establishing the viability of a farming operation and its expectation of profit.

* * *

[*English*]

AGRICULTURE

REQUEST FOR RED MEAT STABILIZATION PROGRAM

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is for the Minister of Agriculture. Bankruptcy is a growing problem among Canada's farmers as costs rise and commodity prices continue to be soft. Today's newspapers carry a story about receivers going so far as to seize a 13-year old boy's pet steers because his father was bankrupt.

What program is the Minister contemplating to alleviate the cost-price squeeze? Specifically, is he doing anything about creating a meaningful cost-based red meat stabilization program in order that hundreds of other farm families may stave off bankruptcy?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member mentioned a case that took place yesterday. We are very much aware of that case, and members of my staff were involved with this family in trying to work out some kind of proper arrangement for them. Even the Farmers' Survival Group that was at that farm a week ago withdrew its representations when it felt nothing could be done because of the indebtedness that the family had accumulated over the last three years.

I am sympathetic. I should like to do everything for everybody, but there are limitations on what we can and cannot do for them.

If the Hon. Member has any suggestions that would increase commodity prices, besides national stabilization which has been implanted in many minds as being the saviour of the red meat industry, I would welcome them. The Hon. Member knows as well as I do that it is not going to be the saviour and that that idea should not be implanted in people's minds.

I met with one of my provincial colleagues in the past week to discuss this problem. The people who have been holding meetings across Canada are no closer to a decision on how they would work that kind of national program than they were in 1978. At that time I offered them a program that would be better than what they are suggesting now. They are suggesting practically the same thing. They will not agree to stop top loading, that is, the rich Provinces having top-loading programs against the have not Provinces with programs that they cannot afford. I cannot have that kind of national program with its inequities. I will not go along with a program that provides more inequity than there is at the present time.

* * *

RAILWAYS

CROWSNEST PASS RATE—REQUEST FOR MORATORIUM ON PROPOSAL FOR CHANGE

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I have a supplementary question for the Minister of Transport who is dealing with a program that impacts very heavily on the cost side of the cost-price squeeze.

Since Crow rate retention is a serious option which the Government must consider as a continued cost-reducing policy that the Government should have in place, and in light of the alarming increase in farm bankrupticies across Canada, will the Minister respond favourably to the request by the President of the Saskatchewan Wheat Pool that there be a three-year moratorium on Crow change and that rail upgrading continue during a consultation process that involves all Canadians?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there are only two categories of people in Canada—in western Canada in particular—who believe that there should not be any change whatsoever in the Crow rate. These are the members of the National Farmers Union and some members of the NDP. That is about all we have by way of reactionaries in the country at the moment.

UNEMPLOYMENT INSURANCE

DENIAL OF BENEFITS TO FRESHWATER FISHERMEN

Mr. Jack Shields (Athabasca): Madam Speaker, in the absence of the Minister of Fisheries and Oceans I should like to direct my question to the Deputy Prime Minister. Over the past three years I have made a number of representations to the Minister of Finance, the old one and the new one, and to the Minister of Fisheries and Oceans, the old one and the new one, with regard to the inequity of freshwater fishermen having to pay into the Unemployment Insurance fund and, by legislation, being unable to draw benefits because their fishing season does not coincide with the fishing season on the coasts. When will the Deputy Prime Minister have the Government do something to eliminate this injustice?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I should like to answer the Hon. Member's question. He will be aware that three or four weeks ago the Supreme Court handed down a decision in the Vicky Silk case which abolishes any special regulations that can be applied to fishermen's benefits and which will create substantial confusion in the fishing areas and also in the application of benefits. It is our intention to bring in amendments to the Unemployment Insurance Act to clarify the situation and to deal with the problem that the Hon. Member recognizes.

I hope that Hon. Members opposite will ensure that such amendment, along with other improvements to the Unemployment Insurance Act, receive speedy dispatch in the House so that people like this will not be unduly affected by those kinds of decisions.

REQUEST FOR AMENDMENT OF ACT TO ASSIST FISHERMEN

Mr. Jack Shields (Athabasca): Madam Speaker, would the Minister of Employment and Immigration consider bringing in that single amendment on one day and not tying it to a bunch of other conditions, so that this injustice can be corrected immediately?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would think it important that a number of other issues related to the Unemployment Insurance Act be dealt with at the same time. I think of the entrance requirement, which has a sunset clause which expires on June 4 this year. I am sure the Hon. Member and his Party would not like to see the entrance requirement for the application of the Unemployment Insurance Act changed at the same time. Many Members of his Party have been making strong recommendations on things like maternity benefits. If we could get the full approval and co-operation of both Parties, when we could do as he wishes and have the amending Bill passed in one day. I am sure that a lot of Canadians would be very grateful for that.

THE ADMINISTRATION

PENALTIES FOR BREAKING PRIVY COUNCIL OATH

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is directed to the Deputy Prime Minister. I wonder if the Minister could tell the House what the penalties are for a Privy Councillor who breaks his or her oath?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): No, Madam Speaker.

Mr. Hawkes: Madam Speaker, this being one of the most serious oaths in our society, it is interesting that the Deputy Prime Minister will not share with us what the penalties are.

COMPLIANCE WITH OATH

Mr. Jim Hawkes (Calgary West): I wonder if the Deputy Prime Minister could share with us what mechanisms are in place for determining whether or not a Privy Councillor has broken the oath?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member is asking for legal opinions. One of the established rules of the House is not to provide them in the Question Period.

* * *

PUBLIC WORKS

TORONTO HARBOURFRONT ANNOUNCEMENT—PLEA FOR DEVELOPMENT OF CNE GROUNDS

Mr. Scott Fennell (Ontario): Madam Speaker, my question is for the Minister of Public Works. I notice that four Ministers from Toronto are absent today. Obviously they are announcing that the Government is sinking more money into Harbourfront.

Has the Government contemplated the fact that this is an entertainment area and that the Canadian National Exhibition grounds require broadening and upgrading to provide better trade facilities? Would the money not be better spent on the Canadian National Exhibition grounds, which are a year-round trade area?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I have had occasion to visit the site where this work has been undertaken. I was very much impressed by what has been done and by the potential of the area.

As Hon. Members know, the development of waterfronts in many of our major cities is very much tied to the improvement of the life of the citizens who live there. In fact I looked at the figures, and it is obvious that the citizens of Toronto are voting with their feet by visiting the site and using it. As we improve it, and I think the announcement was made today, the site will be used more and more. In fact I would like to take this

opportunity to invite Hon. Members to visit the site and see its potential.

• (1150)

With your permission, Madam Speaker, while I am on my feet I would like to answer a second question that the Hon. Member put to me yesterday.

Madam Speaker: I do not think I can allow that.

Mr. Fennell: Madam Speaker, I have made my point on Mirabel already today.

Some Hon. Members: Oh, oh!

REQUEST THAT NATIONAL PARK BE CREATED

Mr. Scott Fennell (Ontario): Madam Speaker, what the Government is doing is concentrating all the entertainment for Ontario right in downtown Toronto. Now, the Minister has 18,000 acres in close proximity to Toronto. Why does he not turn that into a national park which could be used by all Ontarians, and get people out of Toronto into the fresh air?

Mr. Gauthier: Put him on display.

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, it is quite obvious that the Hon. Member does not want to know the facts about Mirabel; he only puts misstatements of fact in questions and does not bother to ask questions the next day. As to the question of entertainment in Ontario, I am really surprised that the Hon. Member gratuitously insults the Government of Ontario which has done a great deal to benefit its citizens by developing Ontario Place. I think there is room for both projects, and that is what we are doing.

Some Hon. Members: Hear, hear!

* * *

SHIPBUILDING

REQUEST FOR ACCELERATED AID TO SHIPYARDS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is directed to the Minister of Transport and concerns the shipbuilding industry and budget allocations to increase shipbuilding and jobs in Canada. In Burrard Yarrow shipyards in Vancouver, over 500 workers were laid off recently. I understand Marine Industries, in Sorel, Quebec, has laid off 250 or more workers, and the same is happening in the Atlantic region. Since the Government has money in the budget for shipbuilding as a job-creation and industrial strategy, why can this not be speeded up with money made available quickly for these industries rather than spending over $1 million in unnecessary unemployment insurance payments for these people? What is going to be done about this, how quickly can this money get out to keep those shipyards open and workers working?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there must be a misunderstanding on the part of my hon. friend because what she suggests is exactly what is happening. In the announcement made in Montreal the other day it was said there would be 11 new ships, the upgrading of three other ships, and the acquisition of a number of small craft for the Department of Transport. If my hon. friend cares to note, the budget involved is $780 million and in that amount there is an acceleration to the value of $185 million. So what she seems to want is exactly what is going to take place.

As far as my Department is concerned, these were Coast Guard ships and they were supposed to be built two, three, four, five years from now. There is an acceleration of this program now, particularly for the benefit of workers in the different shipyards of the country. I have seen a distribution on a national basis and I will be glad to send a copy of that to my hon. friend. But what she has in mind is served by the announcement made the other day.

LETTING OF CONTRACTS FOR FRIGATE PATROL VESSELS

Mr. Neil Young (Beaches): Madam Speaker, my question is directed to the Minister of National Defence. As he knows, there has been considerable speculation in Saint John, New Brunswick, about the Government's handling of the contract for the Canadian Frigate Program. Has the Government made any decision yet about the letting of contracts for this major shipbuilding program? Are in fact any shipyards specifically not being considered for those contracts? When does the Minister anticipate a decision will be made on the letting of these contracts?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I think as far as the Frigate Program is concerned it is well known that the responsibility of my Department was to make a very objective evaluation of the proposals from both contractors and then present them to the Cabinet Committee at the appropriate time. I hope to be able to do that in the middle of the month of May, with a view to getting a decision on contracts at the end of June.

* * *

PUBLIC SERVICE

EMPLOYMENT OF NATIVE PEOPLE

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, my question is directed to the President of the Treasury Board. According to the federal-provincial relations office in a report to Treasury Board for the fiscal year 1981-82, it is planned that starting in 1982-83 referrals of candidates qualified for the types and levels of positions within the federal-provincial relations office will be made available to the Department of Indian Affairs on an ongoing basis by the Public Service Commission. I am wondering why there is no system recruitment policy being pursued by the Treasury Board, why there is no Indian involvement in employment selection boards, and

when will aboriginal people be recruited in greater numbers by the Public Service.

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I understand that as yet there has been no staffing action taken to recruit candidates to the positions in question. But I am confident that those doing the staffing will be keeping in line with our desire to increase participation of indigenous people in the federal Public Service and involve native persons in the staffing process for positions in which they require their input. The kind of concern raised by my hon. friend is very much the concern of the Government, and I am optimistic that we will be able to make a very good response in the area in question.

* * *

RAILWAYS

CROWSNEST PASS RATE—BENEFIT FOR RAILWAYS UNDER PROPOSAL FOR CHANGE

Mr. Gordon Taylor (Bow River): Madam Speaker, my question is directed to the Minister of Transport. Will the proposed Bill that the Minister is bringing in give the total Crow benefit to the railways?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I alluded yesterday and in days before to the fact that the Government was reviewing the question of the method of payment. My hon. friend remembers that in my statement of February 1 I indicated a 50/50 distribution, 50 per cent to the railways and 50 per cent to the producers. This is being reviewed now and I should be in a position to announce the result of the Government's re-examination in a very few days.

EFFECT OF INCREASED RATES ON FARMERS

Mr. Gordon Taylor (Bow River): Madam Speaker, if the total Crow benefit is given to the railways and they have the authority to raise the rates for all agricultural products, where would the farmers secure the necessary money to pay these vastly increased rates? I would suggest that might be taken into consideration.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am not sure if I catch the whole purport of the question, I can only say that when the Bill is introduced it will be fully debated on second reading, it will go to committee, and then third reading. We will do an exhaustive job of answering all the questions which have been raised. Obviously what has happened, and I have said it quite bluntly, is that a number of people take exception to the mode of payment to the producers. We will analyse that, we will call in psychoanalysts, economists, and sociologists to explain that particular reaction.

NATIONAL DEFENCE

NEED PROGRAM—NON-HIRING OF FORMER CASUAL EMPLOYEES

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my question is directed to the Minister of National Defence and relates to a question by the Hon. Member for Victoria and the answer from the Hon. Minister a few days ago. It had to do with the replacement of employees of the Department of National Defence, this time particularly at Uplands, with people hired under the NEED Program. The Hon. Minister will recall that he said:

> The employees hired by the NEED Program will be over and above the normal term employees that we have.

● (1200)

Is the hon. gentleman aware that at Canadian Forces Base Uplands the casual employees in the trades have not been taken back, and that the stated reason they have not been taken back is because the Department is hiring under the NEED Program? Today I ask the Minister if he would investigate that matter, because there is a problem out there to which I would ask him to devote his personal attention.

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I understand the concern of the hon. gentleman and, if it were true, if it were the case, I would be concerned myself.

Mr. Crosby: Come on. It is the case.

Mr. Lamontagne: The report I have received in this case is that it is not true.

Mr. Nielsen: It is the case.

Mr. Lamontagne: The employees hired through NEED do not supersede the ones whom we have had under casual employment.

Some Hon. Members: That's not so.

Mr. Lamontagne: The Hon. Member knows very well that every year we have so many person-years given for temporary employment.

Mr. Munro (Esquimalt-Saanich): How many are there for Esquimalt?

Mr. Crosby: How many are there for Halifax?

Mr. Lamontagne: The regulators are set by the Treasury Board with regard to how many we may hire on term. These are set every year. At one point, on March 31, we will have to lay term employees off until we can get a new allocation of person-years from Treasury Board. However, I can assure the hon. gentleman that I will look into the facts of the case he is presenting to me. I will give the Hon. Member a written answer, which I am sure would satisfy him.

Petitions

REQUEST THAT MINISTER CONDUCT INVESTIGATION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, as the hon. gentleman can judge, there are a number of Members of Parliament in the House, from Halifax, Ottawa and other places, and now Victoria—

Mr. Munro (Esquimalt-Saanich): And Esquimalt.

Mr. Baker (Nepean-Carleton): —and Esquimalt, where this kind of thing is happening. If the Hon. Members of the House of Commons who have this kind of case could bring these cases to the Minister's attention, would he look into them? The fact is that it may well be that the Minister is being misdirected by his staff.

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I hope it is not the case as he suggested that I am being misdirected by my staff, but I can assure the hon. gentleman that I will inquire about it because I am very concerned, if it is indeed the truth.

Mr. Nielsen: It is.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Thursday, April 28, 1983, and finds that the petitions meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

Madam Speaker: Presenting reports from Standing and Special Committees—

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I rise on a point of order arising from a statement made by the Minister of Transport (Mr. Pepin). I have lost him. I am sorry, Madam Speaker, but the Minister has left his seat.

Madam Speaker: If it is a point of order, I will hear it, but—

Mr. McKnight: That is all right, Madam Speaker.

PETITIONS

MR. PARKER—COAL PRODUCTION IN SOUTHEASTERN BRITISH COLUMBIA

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I wish to present a petition on behalf of my constituents in Kootenay East-Revelstoke with regard to the federal involvement in the coal fields there. The Government of Canada has helped finance and develop new coal projects in northeastern British Columbia which could have serious effects on coal production in southeastern British Columbia and the production of coal in terms of markets available to British Columbia, threatening already existing jobs in communities in southeastern British Columbia. Over 2,000 people signed this petition. The undersigned petitioners humbly pray and call upon the House of Commons to guarantee that the presently existing coal projects in southeastern British Columbia will be permitted to supply coal to all British Columbian markets until such time as they approach their production capacity.

As in duty bound, your petitioners will ever pray.

MR. MALONE—CROWSNEST PASS FREIGHT RATES

Mr. Arnold Malone (Crowfoot): Madam Speaker, I am duty bound, as the Member of Parliament for Crowfoot, to table today a petition from a number of constituents, 1,277 in total, from the southeast region of my constituency, with respect to the western transport initiative by the Minister of Transport (Mr. Pepin). The petitioners outline six principles by which they find the proposal to be unacceptable and would ask that these principles be involved in any amending changes to the impending legislation.

* * *

NARCOTIC CONTROL ACT

AMENDMENT RESPECTING THERAPEUTIC USE OF HEROIN

Hon. Walter Baker (Nepean-Carleton) moved for leave to introduce Bill C-684 to amend the Narcotic Control Act (therapeutic use of heroin).

He said: Madam Speaker, the purpose of the Bill is to permit designated physicians in defined hospitals, particularly in cancer clinics, to prescribe heroin to alleviate pain and to provide against diversion of heroin for improper purposes and to permit a public debate and decision on this important question. It also responds to a favourable reply from 91 per cent of the people of Nepean-Carleton in a questionnaire on this subject.

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

FISHERIES IMPROVEMENT LOANS ACT (NO. 2)

MEASURE TO AMEND

Hon. E. F. Whelan (for the Minister of Fisheries and Oceans) moved for leave to introduce Bill C-147 to amend the Fisheries Improvement Loans Act (No. 2).

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

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FARM IMPROVEMENT LOANS ACT (NO. 2)

MEASURE TO AMEND

Hon. E. F. Whelan (Minister of Agriculture) moved for leave to introduce Bill C-148 to amend the Farm Improvement Loans Act (No. 2).

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

* * *

FRESHWATER FISH MARKETING ACT

MEASURE TO AMEND

Hon. E. F. Whelan (for the Minister of Fisheries and Oceans) moved for leave to introduce Bill C-149 to amend the Freshwater Fish Marketing Act.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Madam Speaker, the following questions will be answered today: Nos. 4,704 and 4,727.

[*Text*]

MORTGAGE PORTFOLIO MANAGEMENT SYSTEM

Question No. 4,704—**Mr. MacKay:**

1. What is the Mortgage Portfolio Management System (MPMS)?

2. What were the original objectives of implementing such a system?

3. Which major external consultants were hired to assist in the design and implementation of MPMS and on what basis were these consultants selected?

4. Was there any public tendering for the proposal related to the design and implementation of MPMS and, if so (a) what were the results (b) what were the projected costs and benefits of MPMS as outlined by the successful proponent or proponents?

5. With reference to the answer to question No. 4,380 which stated that a review of the MPMS was underway, is the review now completed and, if so, what were the concrete results of the review?

Order Paper Questions

6. What were/are the number of person-years, either by contract or by regular employment, within the Canada Mortgage and Housing Corporation committed to MPMS in (a) 1979 (b) 1980 (c) 1981 (d) 1982 (e) 1983?

7. How many persons were hired on a contract basis and, generally speaking, what were the usual terms of such contracts?

8. What has been the cumulative capital and operating costs to date for the design and implementation of MPMS?

9. What have been the cumulative costs related to (a) the design and purchase of MPMS software (b) the purchase or leasing of computer hardware?

10. What are the terms of any purchase or lease of computer hardware?

Hon. Roméo LeBlanc (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation as follows:

1 and 2. Mortgage Portfolio Management System (MPMS) was to be a major business information system undertaking, employing current data processing technology. The system was to embrace most of CMHC's business operations and to include a new major supporting financial system together with vastly improved management information systems.

3. Industrial Life—Technical Services (IST), Peat, Marwick, Mitchell & Co., Stevenson, Kellogg, Ducros, Meilleur, Roy & Associés Ltée. (DMR), La Fontaine, Gauthier & Shatner, These consultants were selected on the basis of their recognized expertise and copabilities for specific assignments in this field.

4. No.

5. (a) No. (b) Not applicable.

6. MPMS staff-year distribution.

Year	Corporate	Non-corporate	Total
1979	16	39	55
1980	35	48	83
1981	78	87	165
1982–June 30	41	17	58
1983–None			

7. Within the above non-corporate staff years, persons are hired on contract basis with terms varying between three to 12 months.

8. To mid-1982, $18M was spent on design and development of MPMS.

9. (a) See part 8 above. (b) A further $5.9M was expended for improvements to CMHC's computer hardware and infrastructure required to support MPMS as well as other systems development initiatives. This upgraded capability continues to be used to satisfy many of the Corporation's data processing requirements.

10. The mainframe is rented on a month-to-month basis. This can be terminated on "90 day" notice. Peripheral equipment and terminals are leased on a one to five-year term.

NATIONAL ENERGY PROGRAM ON FUEL SUBSTITUTION

Question No. 4,727—**Mr. Gurbin:**

1. By year, what amount did departments expend under the National Energy Program of Fuel Substitution to promote propane in transportation?

Order Paper Questions

2. What amount was spent and is planned to be spent on joint federal-provincial demonstration projects for propane in transportation?

3. Are funds available to the departments to promote electric vehicle transportation and, if so (a) what are such funds (b) what proportion of the available funds has been spent?

4. What objective criteria are used to direct funding for promotion of one alternative transportation option in contrast to another?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Energy, Mines and Resources and Transport Canada as follows:

1. The following amounts were expended under the Propane Vehicle Grant Program in the form of contributions to commercial vehicle owners:

September 1, 1981—December 31, 1981	$ 243,600
January 1, 1982—December 31, 1982	$ 6,013,120
January 1, 1983—March 4, 1983	$ 1,819,600

Under the Federal Propane Vehicle Program, the following amounts were expended to convert federal government vehicles:

1981-82	$ 770,000
1982-83	$ 1,830,000

2. No funds have been spent on joint federal-provincial demonstration projects for propane in transportation, and there are no plans to spend any.

3. Yes: for electric vehicle transportation research, development and demonstration through the Transportation Development Centre of Transport Canada. (a) Expenditures were $442,134 in 1981/82 and $433,500 in 1982/83 (estimated to year end). In 1983/84, a similar level of expenditure is planned. (b) All funds made available have been spent.

4. Criteria for funding under the federal energy R & D program on alternative transportation include: the degree of support for energy policy objectives; the relative maturity of the technology; the potential market impact (including fuel consumption share); the potential for Canadian industry and economic benefits; and the degree of support for areas of responsibility under Transport Canada.

[*English*]

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

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

• (1210)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NON-CONFIDENCE MOTION—AMENDMENT TO THE CONSTITUTION TO INCLUDE PROPERTY RIGHTS

Hon. Jake Epp (Provencher) moved:

That, whereas the Constitution Act, 1982 provides that an amendment to the Constitution of Canada may be made by proclamation issued by the Governor General under the Great Seal of Canada where so authorized by resolutions of the Senate and House of Commons and resolutions of the legislative assemblies as provided for in section 38 thereof;

Now Therefore the House of Commons resolves that His Excellency the Governor General be authorized to issue a proclamation under the Great Seal of Canada amending the Constitution of Canada as follows:

PROCLAMATION AMENDING THE CONSTITUTION OF CANADA

1. Section 7 of the Constitution Act, 1982 is repealed and the following substituted therefor:

"7. Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice."

2. The said Act is further amended by adding thereto the following section:

"60.1 A reference to the Constitution Acts, 1867 to 1982 shall be deemed to include a reference to the Constitution Amendment Proclamation, 1983 (property rights)."

3. This Proclamation may be cited as the Constitution Amendment Proclamation, 1983 (property rights).

He said: Mr. Speaker, it is a pleasure for me today to present on behalf of my Party a resolution to the House of Commons which, if passed in the House and the Senate and approved by seven Provinces having at least 50 per cent of the population, will become part of our Constitution. Members of the House will note that the wording is exactly that which was presented by the Prime Minister (Mr. Trudeau) to our Party last week. In a few moments I will deal with some of the history surrounding this question and what has led us to this present state.

I want to spell out for the House and for Canadians what the Government's commitment on property rights was back on July 9, 1980, when the Minister of Justice at that time, now the Minister of Energy, Mines and Resources (Mr. Chrétien), said when presenting the question of property rights to the Provinces. He said:

In deciding which rights should be included in this Charter we have selected only those which we feel reflect the central values of our society. Each of the rights we have listed is an essential ingredient for the Charter and all are rights which all Canadians should have regardless of where they live in our country.

We agree with those words. That was the Government's commitment to property rights at one time. That was there before the debate and the wheeling and dealing began. Suddenly, we found that that which was regarded as fundamental at one time or which was shared by most Canadians as being a value of our society, was suddenly not that. It was suddenly

value of our society, was suddenly not that. It was suddenly not that when the Government began wheeling and dealing in its attempts to get its resolution through the House of Commons at earlier times.

Second, the overwhelming majority of Canadians favoured the inclusion of property rights in the Charter. There are historical reasons for that. Canada has always had the lure of the land. Its people have always had pride of ownership. That land has always given its people security of possession. It is fundamental to our country and is therefore one of the reasons that this Party has been so overwhelmingly and absolutely forceful in proposing the inclusion of property rights in the Constitution at every stage available to it.

The principle that property belongs to men or women is steeped in British common law. When immigrants came to this country there were two fundamental reasons for their coming here. One was the right to religious freedom and the freedom of thought which is now embodied in the Charter. Equally they saw economic freedom. That economic freedom was always embodied in the right to own property.

When I speak of historical reasons, I think it is well established within our own Canadian society that property rights are fundamental to a Canadian's view of himself and his rights as a citizen. In the British context, private property has always been historically associated with the development of free institutions. It goes back to 1215, when the Magna Carta referred to it. It is referred to in the Bill of Rights of 1627. We can refer to the United States Constitution, if we want to draw on the experience of our neighbours, in 1783. All these documents have reference to private ownership of land. They recognized that not only should these rights be recognized in fact, they should also be a constitutional reality.

The Universal Declaration of Human Rights, Article 17, includes property rights. The 1962 Canadian Bill of Rights enshrined the right to property. In fact, this House passed that provision at that time.

Today our amendment, which we are proud to move, will guarantee for ordinary Canadians that they will have the fullest protection possible of the right of ownership of property.

Some Hon. Members: Hear, hear!

Mr. Epp: We want that for Canadians. If the Charter is to have further meaning, it is for that reason, and others on which I cannot elaborate now, that we are again taking the opportunity to propose this amendment. Other Members of our Party will speak on the other fundamental reasons for our amendment.

What has brought us to this stage? I have already referred to the Government's proposal back on July 9, 1980. You will recall, Mr. Speaker, the number of meetings that took place that summer between the Provinces and the federal Government. In the October resolution presented to the House, property rights were suddenly absent. During the hearings of the Special Joint Committee on the Constitution, this Party again moved an amendment to property rights. In fact, it was moved on January 23, 1981. At that time, Members will recall, the then Minister of Justice was not representing the Government at the Special Joint Committee. The present Solicitor General (Mr. Kaplan) was there, and he gave an unequivocal understanding and assurance, a Minister's word, that the Government would support a property rights amendment.

Strangely enough, when the Minister of Justice returned after the weekend to represent the Government at the Committee, the word was no longer the word of a Minister. It was gone, and consequently property rights have not been included in the Charter of Rights to this day.

It is interesting to note why the Government's commitment, which I have read into the record, had suddenly changed over a weekend. It was quite clearly understood that the reason it had changed was that the NDP had said that if the Government wants its support for this resolution it must take out property rights. The Government was willing to break the word of a Minister. It was willing to break the oath that a Minister gives. It was willing to embarrass the then Minister of Justice because it wanted the support of the NDP in the House.

Furthermore, the then NDP Government of Saskatchewan, which was then still sitting on the fence as to whether it would support the resolution, indicated clearly during that weekend that if property rights were in the constitutional resolution it would not support it. That is also an historical fact.

I remember those days very clearly when the Prime Minister would get up and say, "You want to bargain for fish, for what, for rights?" What was he bargaining for? He was bargaining property rights for support.

The Supreme Court also indicated in its ruling that the federal Government's resolution did not have sufficient consent among the Provinces.

But that is all history now. What is more interesting is what has happened in the last two weeks in the House. The Prime Minister was asked whether he would include property rights since April 17 marked the first anniversary of the patriation of the Constitution. He said he was willing to do it, but under what conditions? He was willing to do it in a one-day debate, and he wanted the support of only the Official Opposition. What has happened subsequently? Are we to believe the Government? Are we to trust it? We would like to trust it, and today we are giving them the opportunity to earn that trust.

While I cannot go through all the details because of lack of time, twice yesterday my House Leader asked the President of the Privy Council (Mr. Pinard) when the Government would bring forth property rights. We were suddenly noticing that the Government wanted more support than just from the Official Opposition; there was concern about the NDP. If the press is to be believed, the New Democratic Party's constitutional spokesman said that they are not opposed to property rights, per se, but "we are not so sure about the one-day debate". He might have been misquoted, and of course I will allow him to clear the record. However, the President of the

Privy Council was asked whether he would bring forward the resolution, because in our minds we had fully complied with the Prime Minister's conditions. I want to read the statement by the President of the Privy Council into the record once again. You will find it in yesterday's *Hansard* at page 24961 as follows:

• (1220)

Madam Speaker, the answer to the question is no. I do not like to repeat myself. The same question was put to me last week; I have given a full answer. The answer to the Hon. Member's question is no, we have not changed our mind.

What is today before us is a confidence motion. It will have one of two effects. The Government may vote for property rights and finally fulfil its word. It will be interesting to see what the New Democratic Party will do, whether its Members will be in favour of the entrenchment of property rights per se. It will be interesting. We will wait for their word. The other possibility is that Government Members might say that this is a confidence motion and what we are asking them to do is to defeat themselves. Let me tell you, Mr. Speaker, there are a lot of Canadians who would enjoy that scenario.

An Hon. Member: Yes, 52 per cent of them.

Mr. Epp: But I want to make a proposal to the Liberal Government. Being a person that would like at best to make life as easy for the Government as possible, especially in view of the difficulties it is now facing in the country, the proposal I make is very simple. The vote is to take place on this resolution on Monday, right after Orders of the Day are called at 3 p.m. or 3.15 p.m.

The proposal is this. On Monday at 11 a.m. a Member of the Government might rise in his or her place and say, "We support our own resolution, the Government's resolution, and we will designate this day for the passage of this property rights clause." By Monday night we will finally have ended, at least in this House, this question of how the House divides on property rights. I make that offer to the Government.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Try and weasel out of that one.

Mr. Epp: There are some aspects of the resolution which cause me concern. I think they should be put on the record. One is the question of fundamental justice versus natural justice. The best definition that I have been able to find on natural justice is by Reid and David. It is from a book entitled "Administrative Law and Practice." In Chapter 6 under the heading "Natural Justice", we find this definition:

Natural justice is a simple concept that may be defined completely in simple terms: natural justice is fair play, nothing more.

What we are asking for Canadians is fair play, Mr. Speaker, nothing more. What we are asking of the Government is exactly that, fair play. I say to Government Members, "Put action to your words."

The other charge that can be made is that we are foisting something on the Provinces. This Party obviously made quite a case of that during the constitutional debate that that was not our right. The argument can be made that property, proprietary, rights are under provincial jurisdiction and, therefore, why are we accepting this motion?

Since the passage of the Constitution, things have changed somewhat. Not only are proprietary rights, for instance, in land. I do not think we have to spell that out. There are others. For instance, there ar copyright laws which take us to the other jurisdiction and the division of powers. But after passage of the Constitution there is now a way to amend the Constitution. It is found in Section 38 of the Constitution. I will not quote it, but an amendment can be made by way of a proclamation and a resolution of the Senate and the House of Commons. That is the process we are starting today; that the House of Commons will pass the resolution, and we are hopeful Members of the other place will do the same, as will seven Provinces with 50 per cent of the population, whenever they have passed a similar resolution in their legislative assemblies, which will result in the amendment being enshrined in our Constitution.

We are pleased that Provinces latterly have come to the position we took in the Committee and that they themselves, including the Province of British Columbia, in a unanimous resolution, I understand—there is also one being proposed in the Manitoba Legislature by the PC Opposition—have agreed that we now enshrine property rights in the Constitution.

All we are asking today from the Government is fair play. All we are asking of the Government is to put action to its words. All we are asking of the Government is to restore the historical value that people have always placed on property. Lastly, we have even given the Government an opportunity to escape the evaluation of the people of Canada through an election by accepting the proposal I have made.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): Questions, comments.

Mr. Nielsen: Do you accept the offer?

Miss MacDonald: Is the Minister of Justice (Mr. MacGuigan) not accepting our offer?

The Acting Speaker (Mr. Blaker): Debate. The Hon. Member for Richmond-South Delta (Mr. Siddon).

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, the Hon. Member for Provencher (Mr. Epp) has put the resolution before the House this afternoon, but I would like to broaden to some extent the reasons why we in the Progressive Conservative Party now feel it is timely and essential that the offer made in the House by the Prime Minister (Mr. Trudeau) be accepted and supported by Members of all three Parties in the House.

I would like to refer to exhanges that took place in the House earlier this month. I shall quote from the undertaking which the Prime Minsiter made to Members present during

Question Period on April 18, 1983. The Prime Minister's words will be found in *Hansard* at page 24576, as follows:

I will make an offer now which I hope that the Acting Leader of the Opposition will accept on behalf of his Party. If we can have all-Party agreement—I would not even say "all-Party agreement"—I would say that if we can have agreement of the Conservative Party to introduce an amendment on property rights and to pass it in 24 hours, I will undertake to do that, to convince the Minister of Justice that it would be done.

Later that day and in subsequent discussion, the Prime Minister even goaded Members of this Party to get on with making a commitment to accept the wording as first proposed by the Government during the summer of 1980 and subsequently by way of the Solicitor General's (Mr. Kaplan) acceptance of our amendment to the Constitution on January 23, 1981. The Prime Minister urged us, once again as recorded in *Hansard* at page 24578, by saying the following in reply to the Leader of the Opposition (Mr. Nielsen):

That is what is always lacking in the question of the Hon. Member—

The Hon. Member to whom he is referring is the Leader of the Opposition. The Prime Minister continued:

—any undertaking by his party to do anything except try to push the Government, but it never sticks its own commitment out. I would like to see it.

In other words, the Prime Minister was admonishing the Opposition and urging us to stick to our commitment. This is clearly what we have done in the House and it is embodied in the resolution before us today for debate.

Continuing with exchanges in the House, we note on page 24675 of *Hansard* for April 20, 1983, that in response to a request from the Prime Minister, the Leader of the Opposition gave the wording of the amendment which had been included in the amendment put by our Party to the Special Joint Committee on the Constitution on Janaruy 23, 1981. That amendment contained the following provision:

Everyone has the right to life, liberty, security of the person and enjoyment of property and the right not to be deprived thereof except in accordance with principles of natural justice.

In a paragraph further down on that same page of *Hansard* it is indicated that the Prime Minister responded by specifying the wording of the amendment to be accepted. It is identical to that put forward in our amendment on January 23, 1981, except for one slight change of one word, as pointed out by the Hon. Member for Provencher.

The amendment which the Prime Minister chose to accept reads as follows:

Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice.

If you look at the motion on the Order Paper today, Mr. Speaker, you will find that this Party has consented to the Prime Minister's slight modification, albeit with some reservations because, in our view, the term "natural" would imply that justice would be applied in a spirit of fair play. The Prime Minister's wish is that the word "fundamental" be substituted for the word "natural". This implies a more institutionalized interpretation of justice which we feel may abridge the interpretation of the clause. Nonetheless, this Party is prepared to accept, with that one slight modification, the amendment as proposed in the House on April 20 by the Prime Minister which is before the House today in the form of a motion in the name of the Hon. Member for Provencher. Reading from the Order Paper, it is an amendment to Section 7 of the Constitution Act, 1982, which reads:

• (1230)

Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice.

We want to find out today what is the precise position of the Liberal Party on this question. We do not want any more game playing. The Hon. Member for Provencher put forward a very simple message whereby, if the Government wishes to avoid a confidence vote on the issue on Monday afternoon, we are prepared to have introduced to the House on Monday morning the same motion in the name of the Government and to pass it within 24 hours, by the end of the sitting day next Monday.

The people of Canada want to know, without any further debate or public discussion for which the NDP are calling, where Members of Parliament stand on one of the two fundamental rights that first brought Canadians to this country. It brought our forefathers and various immigrants to this country. It took them West. I am referring to the benefit of grants of land to build their own futures, to practise their religion freely, to speak freely and to realize the highest and best use of that God given land to which they then could feel entitled. We want to know now, or by Monday when the vote is taken, whether the New Democratic Party and the Liberal Party are prepared to extend to Canadians as free Canadians that right to ownership and enjoyment of property.

If we go back in history we find that not only the right to own and enjoy property is fundamental to Canadian history. As the Hon. Member for Provencher pointed out, it goes back to the time of King John, the Magna Carta and the constant struggle through history, which went hand in hand with the evolution of the parliamentary system and with the evolution of property rights and individual rights as a means of escape from monarchism, feudalism and the baronial entitlements, previous systems under which some citizens had many more rights, powers and privileges than others.

The principle of equality in a democratic society evolves around the fundamental right of individuals and citizens to be able to call things their own, to be able to say, "That is mine", whether it be a piece of land, a building, a business, an automobile, a diamond ring or the widow's lowly mite. We in this Party believe that the right to enjoy property is something that is inalienable and that Governments cannot abridge, except as provided for in the amendment, with certain provisions for justice to apply where the interests of the larger community might be offended against or restricted by the demands of a property owner to do something contrary to the well-being of those around that individual.

It is interesting that the Canadian Bill of Rights incorporated this provision. Mr. Diefenbaker had the foresight. In

fact, he was even a little more generous. He said that these rights, including the right to own and enjoy property, should continue without discrimination by reason of race, national origin, colour, religion or sex. Human rights, including the right to own property, were thereby instated in the Canadian Bill of Rights. Because of the unusual flip-flop which occurred before the Special Committee subsequent to January 23, 1981, the Government opposite and the New Democratic Party conspired to constrict and limit those rights and to deny all Canadians that basic constitutional provision.

The New Democratic Party will argue that this is a provincial matter, but it is not solely a provincial matter. It is a matter of common law, which is as old as the parliamentary system. Now that the House, with the consent of the Senate and the approval of the British House of Commons, has adopted the Canadian Constitution Act, 1982, we have a provision to obtain consent of Provinces and to grant recognition of their autonomous right to engage in the process of constitutional revision through the amending formula, the very fair and proper amending formula which was established as a result of long days and months of debate. The amendment formula allows Provinces up to seven in number to be able to opt in to an amendment proposed by any other Province or by the federal Government. Such a constitutional amendment would not be adopted until seven Provinces, encompassing more than 50 per cent of the Canadian population, agreed along with the federal Government to such an amendment.

The point I am making is that there is nothing holding back Hon. Members of the House, if they truly believe in the significance and importance of the property rights amendment being incorporated in our Constitution. They can go ahead and not concern themselves with what the Premier of Alberta, the Premier of Ontario or the Premier of Manitoba might feel on the matter.

I would like to digress for a moment and just talk about what I feel the concept of ownership implies. Ownership really means that you have something. It does not matter whether or not there is a piece of paper that says it is yours. It is something, and if one needs to convert it to some other form of commodity, one can disperse it, sell it, trade it or barter it. When the Government tells us about these concepts of ownership couched in the phraseology of statism, such as our petroleum company, Petro-Canada, our airline, Air Canada, CBC or CDIC, it is perpetrating a hoax upon Canadians. We do not own anything merely because the Government says that it is sharing its generosity with all of us by establishing some Crown entitlement over a particular asset. We do not own it unless we have a piece of paper or an object which we can trade and barter to improve whatever it is we are trying to achieve in terms of the acquisition of our own resources or assets. We do not own Petro-Canada. We do not own Air Canada even though it was refinanced with some $600 million. The Government issued a whole lot of shares to itself, but those shares are non-negotiable and meaningless because Air Canada was already owned by the Government of Canada. It does not mean that because the people feel the quality of ownership they have the option to sell at their discretion.

Of course, there is a need for some over-riding powers in the interests of the community at large. That then leads to statutory provisions under provincial law for expropriation. Those expropriation powers have often been abused, particularly by the federal Government. One need only think about cases involving airport lands at Mirabel, Vancouver International Airport and Pickering. There are certain cases in my own riding regarding expropriation for the purpose of dike construction. Where a Government has the power of expropriation, it also has the power to send out a land agent to assess the worth of the property and then to stonewall and delay any action for years. In one case in my riding it has been going on for 25 years because the people whose land was being expropriated for airport purposes did not happen to be good Liberals. Senator Arthur Laing and a few others owned a lot of other interests in that area. The claims of these particular individuals were held up in the courts for 25 years and are still held up in the courts with a 1955 assessment of $5,000 being offered for their land. Appeals are not being heard because the court system has not chosen to expedite the matter properly.

What I am saying is that the courts of Canada, in provincial and federal jurisdiction and under the direction of Governments as sometimes happens, although it is not supposed to, can in fact interfere in the expropriation process and ensure that citizens are not entitled to their right and proper due under the law.

• (1240)

This is one very important reason why this right has to be enshrined in the Constitution of Canada. I saw a constituent lose his family, his business, virtually his life, stand off the police with a gun and fight a municipality for five years, finally to be vindicated because his property had been expropriated improperly. You could never restore to that man the loss of his wife, family, health and all his financial resources because of the arrogant and ruthless way Governments set out to expropriate his land to build a dike.

There are provisions in this amendment, provincial statutes and provincial Bills of Rights, including that of the Province of Alberta, for these types of expropriations, to ensure that they are conducted in a spirit of fairness and before the courts of Canada, assuming that the courts are operating in the best interests of all citizens. To suggest that somehow the inclusion of this amendment would abridge the powers of Government is to evade the central issue and to make excuses for certain political philosophies in Canada according to which Canadians should not be granted the right to control and enjoy their own property. We should get to the point on this matter.

With reference to British Columbia, if I might be permitted another moment or two, during the constitutional debate it was made quite clear by the Leader of the New Democratic Party what was the position of his Party on this issue. It has not changed today, although a Premier friend of his lost an election overwhelmingly in the Province of Saskatchewan

because the people in that Province disagreed with the stand he took on this issue.

I would like to quote what the Leader of the New Democratic Party said on January 25, 1981. That was the very key weekend when the Leader of the New Democratic Party induced the Government to flip-flop and to withdraw its support for the property rights amendment that our Party proposed at that time. The Leader of the New Democratic Party said then:

> There's no way we can accept the constitutional resolution with that amendment in it.
>
> The NDP fears the amendment could not only prevent provincial legislation restricting foreign owners—

If I might interject, you can get around this.

> —but could hinder Governments wishing to nationalize industries as Saskatchewan did with potash and as Quebec is attempting with asbestos.
>
> The Conservative amendment flies in the face of what we're attempting to do in the resource sector . . . tightening up management control—

That is really the nub of it. There is a certain political philosophy in this country that advocates mixed enterprise and distrusts and disregards the fundamental and historical role the private sector has played in creating wealth and opportunity for all Canadians. That other political mind-set is loathe to grant Canadian citizens the right to ownership and enjoyment of property.

This is why the debate today and the vote on Monday is so crucial. We want to find where the Liberal Party and its Leader, who is often put in the same boat with my friends to my left, truly stand on this issue. We want no more game-playing. We want to find out if they will support this very important initiative.

There is an important provincial election under way at the present time in the Province of British Columbia. The Leader of the NDP in British Columbia has now flip-flopped on his policies on mining to the extent that he is trying to cosy up to the mining industries which employ so many B.C. people whom he devastated so miserably between 1972 and 1974 by weaseling away from the property rights amendment question.

His adversaries, the other free enterprise Party which presently governs in the Province of British Columbia, was one of the first provincial Governments to bring forward and pass in its Legislature the same property rights amendment that we are debating here today. Therefore, we must put that in context.

The former NDP Premier of British Columbia is now trying to say he is all for property rights. It will be interesting to see what his colleagues from British Columbia who sit to our left have to say about that. One of his colleagues from Kootenay West (Mr. Kristiansen) spoke in the House at the time of the constitutional resolution. I do not have the exact quote, but I will paraphrase him. He said it was important that the question of resource ownership be maintained and that property ownership be maintained under Government control because it was the objective of Governments, to which he would subscribe to have the power to acquire property and to nationalize industry and enterprise if it were deemed to be in the public interest.

The New Democratic Party in a recent policy paper, discussed and approved by that Party's branch in British Columbia, passed resolutions which essentially resolve that the powers of control over the mineral industry be abridged and over-ridden by the creation of a Crown-owned minerals marketing corporation by a provincial agency which would control the export marketing of coal. They would use a last-resort provision if private companies would not comply with their desire to stockpile or subsidize, that in such cases the Government, as a last resort, should have the power to recapture for the Crown the mineral rights where such a company refuses or ignores offers of such help.

The point I want to make is that that type of threat and intimidation against the private sector and the statist socialist philosophy that it reflects represent a genuine danger to Canadians. We have seen examples of it in the attitude and practices of the federal Government through the National Energy Program and its use of expropriation powers. We saw it in British Columbia under a previous New Democratic Party Government.

We want to find out between today and Monday where the New Democratic Party stands on this important fundamental issue. They cannot say they want to wait for the court of public opinion and hold public hearings. Their caucus came to a conclusion of that sort on Wednesday. We want to know where they stand on this issue. We know where the public stands; 95 per cent of the Canadian people agree with this Party on this motion. They want to see it reinstated in the Constitution of Canada so that we can get on with the important economic matters before us.

The Acting Speaker (Mr. Blaker): Questions, answers, comments.

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, I refrained from rising after the address of the Hon. Member for Provencher (Mr. Epp) because I wanted to give the Members of the New Democratic Party the opportunity to put their position squarely on the record. I thought we needed it because the state of play with respect to the offer which the Prime Minister (Mr. Trudeau) made last week is that the Official Opposition has agreed to a one-day debate, culminating in a vote on this very important question, and the New Democratic Party has not yet given us a reply as to its position on this. We have been waiting for their reply to try to determine how to manage the business of the House effectively.

I am pleased to enter this debate to endorse the idea of an amendment to the Constitution which would provide better protection to the property rights of Canadians. I regret, and it is rather tragic, that the Official Opposition has put this proposed amendment to the Constitution in such a form that it is impossible for Members on this side of the House to support it. They have put it in the form of a motion of non-confidence. Obviously it is not possible for this side to support it. The Hon.

Member for Provencher said the motion had to be passed by the Senate and the House. However, he posed it under a Standing Order that assures that if the motion were carried, Parliament would be immediately dissolved and, of course, there would be no consideration by the Senate of this important question.

• (1250)

The spurious device that he has offered us of somehow avoiding this question on Monday is not possible under the rules. If this motion comes to a vote today, it will be deferred until three o'clock on Monday. At three o'clock on Monday, whatever else the business of the House may be at that time, the vote will take priority. The greatest tragedy of this, with Members of the Opposition so shamelessly playing politics, is that without unanimous consent, they prevent us from considering this question again in this session.

Mr. Speaker, let me refer you to page 328 of Bourinot's. Bourinot's reads:

> It is, however, an ancient rule of parliament that "no question or motion can regularly be offered if it is substantially the same with one on which the judgment of the house has already been expressed during the current session". The old rule of parliament reads: "That a question being once made, and carried in the affirmative or negative, cannot be questioned again, but must stand as a judgment of the house".

Mr. Epp: That is why you should introduce it first.

Mr. MacGuigan: The Hon. Member says that that is why we should introduce it first. But this has been introduced first. This has been introduced before we could obtain a reply from the Members of the New Democratic Party.

To continue to quote from page 329 of Bourinot's, it is stated there that:

> —when a question has once been negatived, it is not allowable to propose it again, even if the form and words of the motion are different from those of the previous motion.

Turning to Beauchesne's Fifth Edition, Mr. Speaker, reading from paragraph 416, it states:

> (1) An old rule of Parliament reads: "That a question being once made and carried in the affirmative or negative, cannot be questioned again but must stand as the judgment of the House." Unless such a rule were in existence, the time of the House might be used in the discussion of a motion of the same nature and contradictory decisions would be sometimes arrived at in the course of the same session.

Beauchesne then quotes Bourinot.

Mr. Speaker, it seems to me that these rules make it impossible to carry out the device suggested by the Hon. Members because after three o'clock on Monday when this is voted on, this question, without unanimous consent, will not be dealt with again in the House during this present session.

I do not know why the Opposition would have chosen this course. I can only speculate that it wanted to put the Members of the New Democratic Party on the spot before the election in British Columbia takes place next week. Perhaps that is what motivates the Members of the Opposition. Perhaps the Official Opposition thinks it can persuade the Canadian people that, because Members of this side of the House have to vote against this as a matter of non-confidence, we are not in favour of the substance of the motion. If that is their motivation, the Members opposite should know that the people of Canada will see through that device as well.

Whatever their intention, it is quite clear that the Members opposite are playing politics. Whether they are playing politics to get at the NDP or to get at our Party, or to get at both, they are playing politics with this issue that they consider to be so sacred, this issue that could have been dealt with effectively during this session of Parliament which they, by taking this parliamentary tactic, have now made impossible.

Mr. McKnight: Do it on Monday. You still have the opportunity to do it on Monday.

Mr. MacGuigan: If the Hon. Member does not understand that this cannot be done on Monday because this motion has to be voted on, which will preclude dealing with any other motion on the same subject, then he should consider this matter further.

Some Hon. Members: Oh, oh!

Mr. MacGuigan: Mr. Speaker, I suppose we know now why the Opposition is so sensitive about this question. For one thing, it would wish to avoid the discussion of any other constitutional subjects. Let me refer to the controversy that is going on within the Opposition Party on the question of opting out for Provinces with or without compensation. Mr. Brian Mulroney, one of the candidates for the Conservative Party leadership, says of the views of the Right Hon. Member for Yellowhead (Mr. Clark):

> "To try to curry the favor of the Parti Québécois organization during a leadership campaign is dangerous to the candidate who does it, it's dangerous for the future of the party he seeks to lead and it's dangerous to the future of the united country he seeks to govern".

Mr. Mulroney said that this week.

The Right Hon. Member for Yellowhead is quoted as replying:

> "Perhaps one of the disabilities of not having served in the House is that a man is not fully acquainted with the positions the party took."

Well, I wonder what the Right Hon. Member for Yellowhead would say about the positions taken by the Hon. Member for York North (Mr. Gamble), for instance, who takes the same position as does Mr. Mulroney in this debate within their Party. Of course, they would not want to have a discussion like that before Members of the House.

Even more than that, obviously the Members of the Opposition are pretty embarrassed about this situation. The Hon. Member for Provencher said that his Party has always at every stage been in favour of the inclusion of property rights in the protections of the Constitution. Well, that may have a certain logic, but it has no reality, because in fact they opposed the inclusion of all guarantees in the Constitution. They are Johnny-come-latelies as far as the Charter of Rights and Freedoms is concerned. They are trying to jump on the bandwagon now. They say they want the protection of property. They did not want the protection of anything, and it is only

because this Government stood firm that we now have a Charter and that there is even the possibility of considering the inclusion of property rights.

There is obviously no question of principle, taking the Opposition at its present position, dividing the Government and the Official Opposition when it comes to the constitutional protection of property rights. As recently as April 18, the Prime Minister made it clear in the House that he was prepared to introduce a motion for this purpose if the Opposition would agree to limiting the time for debate so that it could fit within the heavy schedule of the House. The Prime Minister also delivered to the Leader of the Opposition the text of a resolution for this purpose. The Leader of the Opposition obviously liked it because his Party has now introduced the same resolution but within a context of—

An Hon. Member: You are trying to make it sound as if it were your idea.

Mr. MacGuigan: I can say to the Members opposite that the text of the resolution was indeed our idea, but they have now introduced it within the context of non-confidence, which makes it impossible for Members of this Government to vote for it.

I do not think that this Government or this Party need any lessons from the Hon. Members opposite in the virtues of property or the importance of providing constitutional protection for it. If Members of the Official Opposition really want to promote the constitutional entrenchement of property rights, instead of bringing this motion here, they should talk to their political friends in the various Provinces who have consistently opposed such entrenchment in the past and obviously have very little enthusiasm for it today.

As for the Government, the present Prime Minister, as early as 1968 when he was Minister of Justice, strongly advocated the adoption of a constitutional Charter of Rights. In preparation for the Constitutional Conference of February, 1968, he published a booklet entitled "A Canadian Charter of Human Rights", which made the arguments for having certain rights entrenched in the Constitution. He also suggested a number of rights that should be entrenched, and among those was:

> The right of the individual to life, liberty, security of the person and enjoyment of property.

That was in 1968, Mr. Speaker.

[*Translation*]

Mr. Speaker, a year later, as Prime Minister, he published *The Constitution and the People of Canada*, in which he again emphasized the importance of entrenching a Charter of Rights in the Constitution. I shall quote, if I may, what he said at the time:

> To enshrine a right in a constitutional charter is to make an important judgement, to give to that right of the individual a higher order of value than the right of government to infringe it. The proposal of the Government of Canada embodies those rights most commonly protected by legislation in Canada, or in the constitutions and laws of other modern democracies whose ideals we share.

In the same document, he goes on to specify the rights that should be included in this Charter, and I note the right of the individual to use and enjoy property, with the assurance that there will be no deprivation of property except in accordance with proper legal procedures.

[*English*]

Mr. Speaker, may I call it one o'clock?

The Acting Speaker (Mr. Blaker): It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. MacGuigan: Mr. Speaker, before we rose for lunch I was speaking about the position that the Prime Minister took in 1968 in favour of inserting protection for the enjoyment of property in the Charter of Rights that he was proposing.

For three years, from 1968 to 1971, the Prime Minister and the Government argued strenuously for the entrenchment of all these rights in the Constitution. In this they were opposed by many of the provincial Governments, most notably the Conservative Government, up to 1969, in Manitoba, the home Province of the sponsor of the motion. When a successor Government to that Progressive Conservative Government took power in the late 1970s, it followed exactly the same policy of opposition to the Charter of Rights. It finally became apparent that an agreement was impossible at that time on an extended Charter of Rights.

[*Translation*]

Mr. Speaker, you will recall that there was very little talk of constitutional reform during the 70's. In 1978, however, the Prime Minister once again took the initiative when he tabled in the House Bill C-60, the Constitution Act of 1978. The purpose of this Bill was basically to start the debate on the Constitution. In fact, it gave rise to very lively discussions both in Parliament and within the context of federal-provincial negotiations. Bill C-60 contained a Canadian Charter of Rights and Freedoms which guaranteed the right to use and enjoy property, without being deprived thereof except in accordance with proper legal procedures. The right recognized in this Bill would have come into effect for matters under federal jurisdiction but would not become effective in the provinces without the prior consent of the provincial legislatures. The Bill also provided for the possibility of enshrining the Charter in the Constitution once it had been ratified by a sufficient number of provinces.

[*English*]

We know pretty well what happened to that proposal. Once again the Provinces made strenuous objections, particularly the Conservative Government of Manitoba.

Once again agreement was made impossible on the entrenchment of property rights. After the Quebec referendum in May 1980, the Government again took an initiative. There were meetings throughout the summer of 1980 of Ministers and officials, and in July, 1980, the federal Government put forward a working draft of a charter which proposed the guarantee as follows:

> Everyone has the right to the use and enjoyment of property, individually or in association with others, and the right not to be deprived thereof except in accordance with law and for reasonable compensation.

This proposal went on to try to reassure provincial Governments by saying that such a guarantee would not preclude the enactment of laws, saying: Controlling or restricting the use of property in the public interest or securing against property the payment of taxes or duties or other levies or penalties.

• (1410)

Although this proposal was carefully worded to try to meet the concerns expressed by provincial representatives, a majority of provincial Governments continued adamantly to oppose the inclusion of property rights in any charter.

So, Mr. Speaker, when the federal Government went to the first Minister's conference in September, 1980, to seek agreement on a package of constitutional changes, it put forward a revised draft of the Charter which did not include property rights because it had become apparent that a Charter which did include them had no chance to be accepted by the Provinces. Similarly, the Government introduced a resolution in October, 1980, that again followed the same pattern, but it was still hoped that a text could be found which would be acceptable to the Provinces. Therefore, a Charter of Rights and Freedoms was proposed in a weaker form than the Government would have preferred because it was trying to meet the objections of the provincial Governments and build a concensus through the work of the Special Joint Committee on the Constitution.

Property rights were left out not because the Government was opposed to the constitutional entrenchment of property rights, but because it could not find a national consensus in which a majority of Provinces would join in the entrenchment of property rights. That national consensus never emerged during the proceedings of the Special Joint Committee, and in fact it is not clear that it has yet emerged. But the Prime Minister has made it clear that he is prepared once again to take the initiative in proposing a constitutional amendment to entrench property rights and once again to invite the Provinces to give their support to this important change by submitting it for the approval of their respective legislatures.

This motion, Mr. Speaker, is one of political mischief of a destructive character.

Some Hon. Members: Oh, oh!

Mr. MacGuigan: If the Opposition had wanted to be politically mischievous in a constructive way, it could have taken this up with provincial Governments of the same political stripe and urged them to support this kind of resolution.

Mr. Lewis: We trusted the Prime Minister.

Mr. MacGuigan: It would have been better had they been patient for few more days to enable the Government to bring forward the same proposal in the form of a motion to amend the Constitution. But by having done this today, Mr. Speaker, they have prevented this from happening. They give us specious arguments for meaningless procedures on Monday which they say would allow us to have this voted on in a different context. Once the question is put at 4.45 this afternoon, there is no way that this vote can be avoided except with unanimous consent of the House.

Mr. Siddon: Put it to the test.

Mr. MacGuigan: The action the Conservatives have taken today puts us at the mercy of the unanimous consent of the House.

Now, Mr. Speaker, we are prepared to give unanimous consent that this motion not be treated as a vote of non-confidence in the Government. If the Opposition were to make that kind of proposal and if they can get the agreement of the Members of the NDP, then obviously we are in a different ballgame. But they did not think of any of this beforehand. Instead of following the regular procedures, which would have allowed us to proceed without the necessity for unanimous consent, by moving this motion they know—

Mr. Epp: Methinks he doth protest too much.

Mr. MacGuigan: —and we all know that the NDP is not going to give unanimous consent.

Mr. Siddon: Let's find out.

Mr. MacGuigan: We will find out. If they can get unanimous consent, Mr. Speaker, we will be pleased to treat this as other than a motion of non-confidence.

Mr. Epp: We will accept.

Mr. MacGuigan: The Opposition did not make that proposal this morning; they made a specious proposal, and I am glad they are now undertaking to get the consent of the Members of the NDP to the present proposal. Political mischief, Mr. Speaker, of this destructive kind is hard to justify in a matter of such importance. They need not have done this. All they had to do was to wait a few days—

Some Hon. Members: Oh, oh!

Mr. MacGuigan: —when the motion would have been brought forward.

Mr. Bosley: We have been waiting for three years.

Mr. MacGuigan: As soon we had a reply from the NDP as to whether they would agree to a one-day debate, at that point the motion would have been brought forward. But they were

to play politics with it. They have debased this issue and the cause they pretend to support.

Mr. Munro (Esquimalt-Saanich): You have never done anything like that.

Mr. Bosley: Mr. Speaker, so that I am totally clear, is the Minister saying that the way in which he will support property rights is if he gets an agreement that the matter does not matter? In other words, if he gets agreement from both sides of the House that it will not be treated as a non-confidence matter, will his Members get up this afternoon and vote for what they say they believe in, that is, property rights?

Mr. MacGuigan: Mr. Speaker, if the Hon. Member had been here earlier he might have understood the matter. The point is that his Party has proposed a motion of non-confidence in the Government based on this clause. We on this side of the House obviously cannot support a motion of non-confidence in the Government. If they are prepared to put it in a different context, then obviously we would want to support the content of the motion. We are the ones who introduced it; it is our motion as far as the content is concerned.

Mr. Lewis: Mr. Speaker, just so that we are perfectly clear about this, if the Minister of Justice (Mr. MacGuigan) will come into the House on Monday morning at 11 a.m. with the same motion exactly, the Prime Minister's motion, and if the Minister of Justice will propose that as a Government motion, we will grant unanimous consent to that vote being held either immediately then or immediately prior to the recorded division on this non-confidence motion. Then, I submit to the Minister of Justice, the Prime Minister (Mr. Trudeau) will have what he claims he wanted, that is his motion; he will have had one day's debate and the question of property rights will be enshrined in the Constitution.

Is the Minister of Justice prepared to come into the House on Monday morning at 11 o'clock, ask for unanimous consent and take that route?

Mr. MacGuigan: Mr. Speaker, the Hon. House Leader of the Opposition still apparently does not seem to understand.

Mr. Epp: He understands perfectly.

Mr. MacGuigan: This is the same kind of nonsensical proposal put forward this morning. Once the question is put this afternoon, as a result of citations I gave from Bourinot and Beauchesne's, there is no way for us to avoid a vote except on the basis of unanimous consent. Now it is not for us to move unanimous consent. The Opposition has moved a motion declaring non-confidence in the Government. They are the movers of this motion. If they want to propose that it should no longer—

Mr. Siddon: You are weaseling.

Mr. MacGuigan: —that this motion should no longer be interpreted as the rules require, then we are prepared to agree to that.

Mr. Lewis: Mr. Speaker, the Minister of Justice referred the House to some citations. I would ask him if he has considered Citation 451 of Beauchesne's Fifth Edition which reads:

> Sometimes the House may not be prepared to rescind a resolution, but may be willing to modify its judgment by considering and agreeing to another resolution relating to the same subject.

Would the Minister not agree that, using that Citation, if the Government does not accept what I suggest is a reasonable proposition as put forward, we might apply citation 451 of Beauchesne's and achieve the same goal?

Mr. MacGuigan: Mr. Speaker, obviously the House can do anything by unanimous consent. Therefore, if the Opposition is prepared to say that this motion of non-confidence is not a motion of non-confidence, we are prepared to accept that and have a vote on just the substance of the motion.

Mr. Epp: Mr. Speaker, the Minister has made a proposal. I believe he has done so in good faith. He would like to see the matter resolved, as would I. That being the case, to make sure that we do not debate and therefore have difficulty in terms of the exact procedure on the floor of the House, I am sure my House Leader and others would be willing to sit down with him and possibly we can resolve it this afternoon.

Mr. Siddon: Mr. Speaker, I think we all appreciated the lesson in history and the intensity with which the Minister engaged in debate and made his point. I only have one very simple question for the Minister, irrespective of the technical matters we have discussed and whether or not agreement can be reached to move this matter quickly through the House. I would like to ask the Minister if he personally favours the inclusion in the Constitution of Canada of the phrase "Everyone has the right to life, liberty and security of person and enjoyment of property and the right not to be deprived thereof". Does the Minister of Justice personally favour the inclusion of that phrase in the Constitution? I would like a simple yes or no answer.

• (1420)

Mr. MacGuigan: Mr. Speaker, I do not know what my personal preferences have to do with this, but I am certainly stating my personal preference as well as the Government's position when I say that not only are we prepared to see the inclusion of the enjoyment of property in the constitutional protections in the Charter but, as well, it was actually our idea. We were the one who brought it forward, and they agreed to our draft.

Mr. Siddon: Let us get on with it.

Mr. Hawkes: Mr. Speaker, I certainly remember the Liberal Party voting against it in the constitutional hearings and here in the House.

Some Hon. Members: Nonsense.

Mr. Hawkes: I would like to bring to the Minister's attention the fact that under the British North America Act, a

jurisdiction is in fact a property held in right of the people who live in a particular Province. When we speak of provincial jurisdiction, we are speaking of provincial property in the broadest sense of the term "property". For instance, under the British North America Act, land and the control and use of land falls under provincial jurisdiction, and certainly that is in the sense of property. When we were forced to vote in this Chamber, we were forced to vote on an amending formula which did not include full financial compensation for Provinces which chose to retain their existing jurisdiction. As I am asking the Minister a question, I hope he is not leaving the Chamber.

The Conservative Party, federally, and eight provincial Premiers wanted an amending formula which would give them full compensation if they opted out of a jurisdictional switch. The Prime Minister (Mr. Trudeau) and the Liberal Party would not allow that to come before the House of Commons in the form in which the Constitution was finally passed.

Given this newfound concern for property, can we have a commitment from the Government that the full compensation clause, which eight Premiers wanted and which this Party wanted to protect provincial jurisdiction and the property rights of people in Provinces, will be included? Can we have the Minister's assurance that he will bring it back to the House so that very important aspect of property will be protected for the future?

Mr. MacGuigan: Mr. Speaker, I must admit that I thought the Hon. Member was making a speech; I did not realize that it was a question. That is why I was leaving for a moment for further consultation with my colleagues. However, now that I appreciate that it is a question, I would have to question, in turn, the position of his Party. He said that his Party is in favour of the right to full compensation in the case of opting out. In that case, I wonder what it is that the right hon. gentleman from Yellowhead and Mr. Mulroney are disputing and what it is that the Hon. Member for York North is disputing with the Hon. Member for Yellowhead. I understood that his Party was entirely split and that the two chief leadership contenders were split on this very question. Therefore, I do not know how he can say what his Party's position is. We do not know who his Leader is, so how do we know what his Party's position is?

Mr. Munro (Esquimalt-Saanich): I think he doth equivocate too much.

An Hon. Member: We have a Leader.

Mr. Fisher: Are we dealing with the western rump or the eastern rump?

Mr. MacGuigan: Our position on this matter is well known. We do not favour the right of opting out with full compensation. We did believe that we had a better amending formula. We had to give way on that in order to get the Charter, the Charter which our friends on the other side did nothing to get. They say that they had always wanted property rights in the Constitution. I do not doubt that they wanted them as much as they wanted other rights, and that was not at all.

Mr. Broadbent: Mr. Speaker, I rise on a point of order on this matter of considerable interest to the people of Canada. One concern of our Party, among others, is that the process which the House has embarked upon is a complete abomination in terms of a traditional view of constitutional change.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I hear the constitutional critic for the Conservative Party, the same man who, not long ago, argued that it was very important for committees of the House to hear constitutional amendments proposed, to hear—

Mr. Epp: We've done that.

Mr. Broadbent: —witnesses. As the critic for our Party will point out in just a few minutes, in the last 48 hours all kinds of groups across Canada have expressed deep concern about this matter, have expressed the desire to appear before a commitee.

Mr. Munro (Esquimalt-Saanich): This is a speech.

Mr. Lewis: Will he come to a point of order?

Mr. Broadbent: If the two other Parties in the House are quite serious about the legitimate constitutional changing process in this country, involving some seriousness, some sober consideration of the issues involved, then I think they would agree that we should deal with the motion on the subject matter, that the matter would then be referred to a House committee, and that the committe would then listen to witnesses and report back to the House. There would be no expediting of the process, nor would there be any delay. It would be the appropriate thing to do concerning a constitutional amendment.

The spokesperson for the Conservative Party, its House Leader, has made reference to Beauchesne's Citation 451, under which it is possible to substitute a motion . If we could receive unanimous consent to do that, and I have one which is one the same subject matter and which would enable a committee of this House to deal with the issue, then all Parties would have an opportunity to express their views, to listen to witnesses and then to vote.

I give the assurances of my Party that we are not interested in delaying or expediting. We are respecting what we think ought to be done in terms of the proper rules of constitutional change. Therefore, I turn this issue right around to the Minister of Justice (Mr. MacGuigan), who ought to be concerned about this matter, and to the Conservative Party which, if it lived up to its name, in the authentic conservative tradition would not act with haste when making a serious change.

Mr. Siddon: It's been three years.

Mr. Broadbent: I would now urge the Hon. Member who is blabbering away to read Edmund Burke some day.

Mr. Siddon: Do a little polling.

Mr. Broadbent: In any case, on my part it is a very serious proposal. It could be done very quickly. I now simply await the responses of both the Minister of Justice and the Conservative Party.

The Acting Speaker (Mr. Blaker): Order, please. The Chair has a small difficulty: in the ordinary course of events, and pursuant to the Standing Orders, following the speech by some particular Hon. Member, in this case the Minister of Justice, a period of ten minutes is accorded for questions, answers and comments. I recognized the Leader of the New Democratic Party and did so, not so much because I accepted the idea that he was raising a point of order but, rather, because it was my view that the ten-minute period could be extended slightly to permit him to enter that period.

If there is to be a point of order, I would naturally ask the Hon. Member for Oshawa if he would state his point of order. If, on the other hand, he wants to continue the debate on behalf of his Party, then the Chair is quite obviously prepared to recognize him for the purpose of speaking on the subject matter of debate, and that would permit him to move any motion he desired. However, the Chair has noticed that some negotiations or discussions seem to be taking place outside the Chamber and some are taking place inside. I can only be responsible for those taking place inside.

[*Translation*]

Mr. Lachance: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Blaker): The Hon. Member for Rosemont (Mr. Lachance), on a point of order.

Mr. Lachance: I just want to point out again, Mr. Speaker, that it is not customary to discuss on the floor of the House aspects of the Standing Orders concerning the business of the House. I would like to suggest that perhaps representatives of the parties could, in the two or three hours remaining today, find some way to meet and discuss these propositions so that a proposal could be made before the House, which could then dispose of it, rather than having such discussions or negotiations on the floor of the House.

[*English*]

The Acting Speaker (Mr. Blaker): I think that the Hon. Member for Rosemont has made his point. Perhaps even better than—very well, perhaps better than the Chair has.

Some Hon. Members: Oh, oh!

Mr. Fennell: Be careful.

The Acting Speaker (Mr. Blaker): I wanted to avoid going too much into the problem.

Mr. Epp: We never do that in committee.

The Acting Speaker (Mr. Blaker): If there are discussions taking place outside the Chamber, the Chair can in no way have any influence on that. If Hon. Members want to have discussions within the Chamber, that is perfectly acceptable. I will recognize the Hon. Member for Oshawa, but at this point I think I must recognize him in debate unless, of course, he wishes to state his point of order.

• (1430)

Mr. Broadbent: Mr. Speaker, I rise on a point of order. It is a well known tradition in the House that Members can rise on a point of order at any time to address a possible new concern that might obtain unanimous support.

I made a suggestion and I noticed that the Conservative House Leader seemed to be showing some interest in the proposition, if I understand the situation correctly. The Minister of Justice (Mr. MacGuigan) is nodding his head and showing some interest in the proposition as well.

With unanimous consent, I wonder if we could either continue the debate or suspend it for five minutes. We in this Party are open to either option. We could continue the debate and have another speaker rise to speak. We would be very happy to do that, and I see there is agreement on that process. We can continue with the debate and discuss this possibility in the meantime.

The Acting Speaker (Mr. Blaker): I believe I should seek the views of the House. Would there be agreement to the Chair suspending debate for ten minutes, or shall I recognize another Hon. Member?

Some Hon. Members: Carry on.

The Acting Speaker (Mr. Blaker): Then we are in the process of debate. The Chair will recognize the Hon. Member for Churchill (Mr. Murphy).

Mr. Rod Murphy (Churchill): Mr. Speaker, in the course of my speech I will introduce the motion that the Leader of our Party wishes to present. It is a proposal that would allow for a proper method of dealing with the constitutional amendment, and it is one that does not keep the public in the dark. It is a proposal that allows for those who have deep concerns about the process of constitutional amendments in this country to appear before a committee of the House and explain why they are in favour of or against the inclusion of a property rights amendment in the Constitution, or perhaps to suggest a wording for the amendment which would make the entrenchment of the right of property in the Constitution more acceptable. At the same time it would allow Government and other individuals protection from any abuse of property rights.

The NDP has always supported the right of Canadians to own their own homes and family farms. Home ownership and family farms are central features of the Canadian way of life. They are privileges enjoyed by Members of this caucus who own their own homes and their own farms. They enjoy that ownership of property. Throughout the history of the CCF and the NDP we have continually supported legislation which secured these rights against threats of high interest rates, the ruthlessness of banks and the uncertainty of the market.

The present proposal is of the upmost importance and demands the full attention of the House and the country. As a result of using this particular process, the Conservatives are doing a disservice to this debate. They are asking the House and the Canadian people to pass our first amendment to the new Canadian Constitution after a four-hour debate. They are saying to Canadians who are concerned about this issue that they have no right to come before a House of Commons committee to express their concerns. They are denying Canadians the right to petition the House of Commons with regard to their concerns because this motion will already have been dealt with. In the name of property rights they are denying Canadians every other liberty that they should have and do have in the Constitution. They have become the Party of property and not the Party of the people.

The legal definition of property is not that of a clump of land with grass on it. The legal definition of property is much more than that. The Conservatives are making a mockery of justice and truth when they rise in the House and pretend that the ownership of a family farm or house is being threatened without this provision being entrenched in the Constitution.

If we are to protect Canadians, we in the House of Commons must allow them to speak to their Members in the House of Commons and give us their opinions and concerns. Any attempt by the Official Opposition and any attempt by the Government to rush this through the House of Commons without that public participation will not be supported by this Party.

I find the whole procedure that has been used by the Conservative Party somewhat abhorrent. They have introduced a non-confidence motion which, by its nature, requires the Government to vote against it. Its purpose is basically to embarrass the Government. Our Party also has no confidence in the Government. We could take the narrow view that the only reason we would support the motion of the Hon. Member for Provencher (Mr. Epp) is so as to oppose the Government. That would be an option we could follow and it may be a consideration in the final vote.

I am more concerned that, by introducing this motion at this time, the Conservative Party is denying us in the House of Commons the right to deal with this matter again during the remaining part of this session. The rules of the House are quite clear that once it has been discussed and voted upon the first time, it cannot be reintroduced, even with new wording. I suggest that it is a plot against property for the Conservative Party to introduce this motion in this manner. The House is being subjected to political games, perhaps to help the Socreds win an election or lose an election in British Columbia. Certainly the Hon. Member for Richmond-South Delta (Mr. Siddon) gave a speech which had nothing to do with property rights but was strictly a paid advertisement for the Socred Party in that Province.

We are concerned about property rights. We want to ensure that if we pass a new constitutional amendment, our first amendment, that it be one of which Canadians are proud and can understand and use. We should not pass a constitutional amendment in four hours for the political benefit of one group or another in terms of what the immediate political expediency of the issue is. It is a matter that will not only affect us all, but all of our children, our grandchildren and Canadians for generations to come. A four-hour debate on this matter is completely unacceptable.

We are concerned about the contents of this amendment as well. If this amendment is passed as it is, will it prevent us from passing laws prohibiting foreign corporations from owning foreign land? Will it mean that data banks can collect all types of information on individual Canadians and be allowed to sell that information because it is their property? Will it mean that legislation cannot be passed to prevent foreclosures because the mortgage is the property of the bank? Will this prevent provincial legislatures from passing laws to protect the environment, enforce minimum wages or for the proper recreational use of lands? Will it prevent legislatures from reforming family law because it may affect property? Those are all questions that we have and which demand answers when we discuss property rights.

• (1440)

Many groups in our society have expressed concern about the quick passage of this legislation. Many of the speakers earlier somehow implied it was the New Democratic Party of Saskatchewan which stopped this from being in the present Constitution of this country. But let me read from the Alberta *Hansard* for April 19, 1983 the words of the Minister of Federal and Intergovernmental Affairs, Mr. Horsman. When talking about the Alberta Government's position he said:

> —the debate made clear that the Government of Alberta's position is that the constitutional responsibility for property and civil rights being that of the Provinces, should properly remain there and not be entrenched in the Charter of Rights and thus become subject in any way to the control of the federal Government—

Mr. Siddon: That is their prerogative.

Mr. Murphy: The same Minister for the Alberta Government said, with reference to the last constitutional conference held basically on aboriginal rights, the following:

> It is true that the case for inclusion was put forward by the Province of British Columbia at those meetings, but no extensive discussion took place relative to that matter. After a brief survey of the various Provinces, it was clear that there was very little support by other Provinces for inclusion of the subject of property rights in the Charter.

I think the point to be made is this. There are seven Conservative provincial Governments, including the Province of Ontario—

Mr. Baker (Nepean-Carleton): It speaks well for the country.

Mr. Murphy: —and there are enough provincial Governments under Conservative control that they can initiate and get the required provincial consent. They can do that. But they are not doing that. The Alberta Government is saying that there is not that desire among the Provinces. Those are Conservative Provinces.

Let me speak to my other concern, Mr. Speaker, the concern that the public is being left out. We have received, as my Leader indicated earlier, telegrams and letters from the Canadian Civil Liberties Association, from other groups, such as the Ottawa Council for Low Income Support Services, from Legal Aid Societies and from Tenant Associations, which ask only one thing. They say that this amendment to the Constitution requires public input, parliamentary debate, before it is passed.

This motion is something that has resulted from a quick exchange between the Prime Minister (Mr. Trudeau) and the Leader of the Opposition (Mr. Nielsen), a high noon scenario over short time in the House of Commons when they threatened each other and called each other chicken, if you want to use that terminology, in order to pass this amendment quickly. If we had more notice there would be more groups in our society who would like to speak out against quick, undebated passage of this amendment.

Mr. Baker (Nepean-Carleton): Where do they stand on property rights?

Mr. Murphy: Those groups cannot be denied their request by this House, Mr. Speaker.

I see that my time is almost up. Therefore, I move:

That the motion be amended to strike the words after "Now therefore the House of Commons resolves" and substitute therefore the following:

"That it favours a constitutional amendment to entrench the principle of the right of Canadians to own their own homes and farms; that such entrenchment in the Constitution must embody wording which does not create new problems for Canadians; for example, for provincial governments and others who wish to ensure that the ownership of recreational land be restricted to Canadian citizens, or that good farmland be restricted to agricultural use only, or that labour rights, native peoples' rights or environmental protection not be jeopardized.

To prepare the ground for such an amendment, the House of Commons now resolves that the subject matter of propety rights be referred to a committee consisting of representatives of all parties in the House of Commons, which committee will hold hearings to ascertain the views of interested groups and individuals."

The Acting Speaker (Mr. Blaker): I have, of course, heard the amendment proposed by the Hon. Member for Churchill (Mr. Murphy). I want to indicate to him that I have the most serious reservations as to whether or not such an amendment is acceptable. I will not give a ruling immediately because it may be that other Members may want to contribute to the subject or that there will simply not be enough time for further consideration.

In the first case, my objection would be that the two different paragraphs are contradictory to one another. My second objection is that it is not logically coherent in terms of the resolution put forward in the name of the Hon. Member for Provencher (Mr. Epp). What I have said serves only as a warning to the Hon. Member. In due course I may want to see whether or not other Hon. Members want to contribute to the subject. I will at that time give a ruling as to whether or not the amendment is in order. In the meantime, as a courtesy to the Hon. Member and to the House, the Chair will find no objection if Hon. Members wish to continue debate including the proposed amendment.

Are there any questions, answers or comments?

Mr. McKnight: Mr. Speaker, I rise on a point of order. Could a copy of that motion be circulated immediately among Members so that we may be in a position to assist you if called upon?

The Acting Speaker (Mr. Blaker): The Hon. Member will see that I have just arranged that. I think we can ask the Chief of Pages to see that copies be distributed to all Members in the House at the moment and a further supply made available.

Mr. Malone: Mr. Speaker, I rise on a point of order. It is important to me, important indeed, that you give an indication as to when you will give your ruling on the legitimacy of the amendment. By way of a point of order I would like to put forward an argument that substantively changes the fundamental motion that we have and, therefore, it is not an amendment but a substitution of motions. If you are hearing those points of order now, I would want to put forward an argument. If not, how will we know at what time you will be hearing arguments, or are you signalling now when you will be hearing those arguments?

The Acting Speaker (Mr. Blaker): I appreciate the point made by the Hon. Member. I would suggest that the Chair take the motion under consideration for the duration of the questions, answers and comments period which relates to the speech made by the Hon. Member for Churchill (Mr. Murphy) together with that of the next speech made by an Hon. Member. At the end of that period, the Chair will give a ruling on the proposed amendment. That, I think, is something in the order of half an hour, when people will have time to consider it. The Chair is well served.

Mr. Siddon: Mr. Speaker, I have a question for the Hon. Member for Churchill (Mr. Murphy). I note that he dwelt at some length about the position of the Province of Alberta. That was interesting. Of course he realizes that each Province would have an opportunity to make its own determination of its position on this issue. His role is that of a federal Member of Parliament representing a constituency in the Province of Manitoba.

I would ask the Hon. Member for Churchill, because it is closer to his own heart I am sure, whether he agrees with the position taken by the former Premier of the Province of British Columbia, who is presently the Leader of the Opposition in British Columbia, when he and the New Democratic Party caucus agreed unanimously with the Government of the Province of British Columbia in adopting a resolution to amend the Constitution of Canada which contains wording identical to that of the resolution before the House today. Does the Hon. Member for Churchill agree with the Leader of the New Democratic Party in the Province of British Columbia who, with his caucus, gave unanimous support to a resolution

to amend Clause 7 of the Constitution of Canada containing exactly the same wording as the motion before us today?

Mr. Murphy: Mr. Speaker, in response to the question of the Hon. Member for Richmond-South Delta (Mr. Siddon), it should be very obvious from the amendment which the Speaker has in front of him at the present time that we have presented a motion on property rights supporting the entrenchment of property rights, but also allowing the public of Canada a chance to participate. My Leader has already expressed in the House our view that we are not asking for many drawn-out hearings, thus preventing the debate from ending or preventing the matter from coming to a vote. We are saying that we must ensure, when we pass this first constitutional amendment, that it is practical and can be used, not something rushed through the House after a short four-hour debate.

• (1450)

Mr. Siddon: Mr. Speaker, I have a short supplementary question for the Hon. Member for Churchill. The Hon. Member has conceded that he does not agree with the support given by the former NDP Premier of the Province of British Columbia. Does the Hon. Member support the inclusion in the Constitution of Canada of the phrase, "Everyone has the right to life, liberty, security of the person and enjoyment of property," etc.? The reason I ask the question is that I think it is important for the House to determine whether the New Democratic Party still stands by the concerns its Leader expressed in February 1980 when he said that this amendment would deny Governments in Canada the right to expropriate and nationalize certain industries which they wish to nationalize for particular political purposes.

I think it is important for the New Democratic Party to come clean and tell the people of Canada why it is opposing this very important amendment. Once again I ask the Hon. Member for Churchill whether he personally supports the inclusion of the phrase, "Everyone has the right to life, liberty, security of the person and enjoyment of property," in the Constitution of Canada?

Mr. Murphy: Mr. Speaker, the Hon. Member for Richmond-South Delta seems to be unaware of the fact that most of the rights about which he is talking are already in the Constitution. The only one lacking is the enjoyment of property. We have said very clearly that we are in favour of having a property rights clause in the Constitution. We have said that. I have certainly pointed out in the debate that we wanted to ensure we have wording which is acceptable to Canadians and to the majority of the House of Commons and does not prevent Governments from acting.

I for one would be concerned that we ensure provincial Governments can still set aside land for recreational use. I hope that whatever we pass does not prevent that. Also I hope that whatever we pass does not give banks more rights than workers. I would also want to ensure—and I hope all Hon. Members of the House would want it ensured—that the individual maintains and retains as many rights or at least equal rights to those possessed by men of property. That is our concern.

I do not know how often we have to say it for the sake of some Hon. Members, but we have said that we favour a clause on property rights in the Constitution. That is fairly clear.

If they are asking us whether we are willing to say yes to their proposal and yes to a short four-hour debate after which the first constitutional amendment would be passed, I have to express concern and say that I may favour the motion but I will certainly not allow it to pass after only four hours of debate and absolutely no public participation.

Mr. Fisher: Mr. Speaker, I have a short question for the Hon. Member for Churchill (Mr. Murphy). I have noted that our good friends across the way keep insisting upon the phrase, "The right to life, liberty, security of the person and enjoyment of property". Would the Hon. Member care to join me in a commentary on the phrase, "life, liberty, security of the person," as it relates to the petitions of the Hon. Member for Bow River (Mr. Taylor) who keeps calling on us to hang Clifford Olson?

Mr. Taylor: You want him to go on living.

Mr. Murphy: Mr. Speaker, that is an interesting remark, but I do not believe it belongs in the present debate. This debate is quite simply on whether or not the House of Commons will rush through and rubberstamp its first amendment to the Constitution. We have said—and we will continue to say it until it becomes clear to Members of the Conservative Party and some Members of the Liberal Party—that we do not want to pass a constitutional amendment in that way.

Mr. Malone: Mr. Speaker, Hon. Members of the New Democratic Party are trying to play a word game while practising a very different action game. I want to put a question to the Hon. Member for Churchill (Mr. Murphy). Since the time of the Magna Carta, property ownership has been reenshrined in the Diefenbaker Bill of Rights and has been part of the concept and practices of the country. The concept in their amendment of owning their own homes and farms simply speaks of symptoms. Property rights is a concept far beyond that. Property rights implies the right to have first draw on the fruits of labour. The Communist Manifesto clearly lays out that one can extend to all citizens all privileges and all rights because if the state controls property then all other rights are for nought. What value is freedom of speech when the state owns every place where one can speak? What right is the freedom of assembly when the state owns every place of assembly? Surely the New Democratic Party should come clean and tell us that the reason it does not want property rights is that it wants the control of the state and it is willing to give Canadians homes and farms. Property rights go to the right of first draw on the fruits of labour. NDP Members should know that what they are doing is a socialistic scam on what has been a 700-year tradition in the democratic system of Parliament.

Mr. Murphy: Mr. Speaker, the House gets treated to a lot of rubbish from time to time, and I suspect that is how we can treat those last remarks. The right of property has to be balanced by the right of individuals. We have heard people speaking in terms of property rights. I read an article in one of last week's editions of the *Winnipeg Free Press* that reported a mortgageholder saying that they have more rights to the assets of a company than the workers working there on the basis of property rights. That is something which scares me and that is something which we are saying must be clarified before we pass a constitutional amendment.

There are other concerns which have to be addressed when we are looking at the Constitution. At the present time there are things in the Canadian Bill of Rights which should be in the Constitution. One such thing is the inclusion of the right to a fair hearing. The provision of that right would protect Canadians as well. There are many protections which could be enshrined in the Constitution.

I wish the Conservatives would get off their rhetoric and actually help us. We are the ones who are trying. We are the ones who are introducing a motion which allows for the public to come and talk to us about their concerns about property rights and express why they would like them in the Constitution, and if we put them in the Constitution, we would like to know what wording would best suit the needs of all Canadians. That is reasonable. I hope the Conservative and Liberal speakers who follow me will support the proposal put forward by our Leader, the Hon. Member for Oshawa (Mr. Broadbent), that substitutes the completely unacceptable Conservative motion with something which will allow public participation and allow Canadians to debate for more than four hours the first amendment to the Constitution.

Mr. Bosley: Mr. Speaker, I have what I think even the Hon. Member for Churchill (Mr. Murphy) will find a simple question. Why does the Hon. Member's motion create two limitations to the concept of property rights? First, it defines property rights as only home ownership or farm ownership. In other words, it eliminates the right of someone who owns an office building to own it.

• (1500)

Second, why does it not even entrench that limited right but rather say that it wishes to entrench the principle? Perhaps the Hon. Member would like to indicate why he believes that people who work in a building ought to have greater property rights than the people who own it.

Mr. Murphy: With regard to the first suggestion—

An Hon. Member: Where does it say that?

Mr. Malone: The Communist Manifesto says that.

Mr. Murphy: The last word from the Conservative Party suggest it was the Communist Manifesto. I have never read the Communist Manifesto. If he has, I will certainly take his expertise over mine.

Mr. Epp: Did you read the Regina Manifesto?

Mr. Murphy: In the amendment we have proposed, we talk about the principle of the right of Canadians to own their own homes and farms. Let us not restrict this to one definition. It is the whole subject of property rights. We have said that the whole subject must be sent to a committee of this House where all Parties will be participating and where Canadians can come forward and speak about their concerns. That is simple. I find it so obvious and necessary to the democratic system that I really wonder why these so-called defenders of property are afraid of the Canadian public. Why are they afraid to let the Canadian public come forward and talk about property rights? What is their fear?

Mr. Scott Fennell (Ontario): Mr. Speaker, when I was initially asked to speak in this debate I wondered how I was going to fill up my 20 minutes. After the last two speakers, my problem has been solved. This amendment, and I am sure your judgment will be sound, Mr. Speaker, has to be the greatest pile of garbage I have seen in my life. First, the Hon. Member wants to protect people's homes and farms, but he does not protect the people's sofas, stoves, refrigerators, cars or anything else. On the farms, the state can own the cattle, tractors, trucks and whatever else is around. This is absolute garbage. They are terrified that democracy is going to come back to Canada. They are terrified that we may get some democracy in this country. They like socialism as it has been practised over the last 13 years. They want to put this into another committee. It has been in committee for two and one-half years. We are respecting the will of the people. It is the lack of rights, about which the people of this country are concerned.

The Minister of Justice (Mr. MacGuigan) protesteth too much. He was terribly worried about his bedmates during the Constitution debate, that he could not cosy them along, so he will use any excuse to disrupt this debate. He was waiting for the NDP reply. I am sorry the Minister of Justice was not here to hear the NDP reply. I would like to have heard him ask some questions about it.

We placed this motion before this House of Commons because it is the will of the Canadian public to get this measure adopted, and adopted in one day as agreed by the Prime Minister (Mr. Trudeau) and the Leader of our Party. We worded it in such away as to respect the will of the people of Canada.

The one question I am asked day after day is when is there going to be an election. This would have been our opportunity to have an election, but that is not as important as getting the Charter changed to include property rights.

Mr. Evans: What have you been smoking over there, Scott?

Mr. Fennell: My friend for Ottawa Centre (Mr. Evans) is as close to the socialist left of the Liberal Party as you can get, so I can appreciate his comment. We have always had a yelling match because he does not like some of my views about individual freedoms and independent business. That is the other point I want to make.

The Hon. Member for Kamloops-Shuswap (Mr. Riis) continually stands up in this House of Commons asking what the Government is doing for small business. His confreres stand up and say "We are not going to protect your rights, we are going to nationalize small business". Where are they going to stop? It is going to be "small business-Can, farm-Can, and every other "Can" you want to put in. This is disgraceful. The Minister of Justice then stands up and says that in 1968 the Prime Minister wanted property rights. When he talks about flip-flops, he is one of the greatest flip-flop artists we have ever had. He will flip and flop whenever he has to in order to move up in the polls. He brought in property rights because he saw the 52 per cent figure.

We were wondering how we were going to get to 55 per cent. I found out today that they have 19 per cent. They will drop 3 per cent, be down to 16 per cent and we will be up to 55 per cent. The speech of the New Democratic Party Member is absolute fodder for the next election. It gives me great joy that he came out and said the only thing you can own is your home and your farm. That will give me the total vote of the small business people and all the apartment dwellers in my riding who own their own furniture. I have eliminated the NDP in my riding with the help of the NDP. I am delighted they brought in that amendment, yet I believe it is garbage, and I believe, Mr. Speaker, you agree with me on that point.

Our Party is probably the sole representative of freedom left in Canada. Libra is the Latin word for freedom, and Liberals were for freedom at one point, but they lost sight of it for a period of time. They are trying to recover because they have looked at the polls. We have always been in favour of individual rights, individual ownership and individual freedom.

If you go back to the Diefenbaker Bill of Rights which my colleague for Richmond South Delta (Mr. Siddon) referred to many times during his speech, that is where we expressed very clearly what we wanted. We never changed our plan. We never stated we would remove property rights from the Constitution. We were always in favour of their retention. It was hard for me to stand up and vote for the Constitution because property rights were not entrenched, and I only did so because of my constituents' request. We were taking something away from the Canadian citizens.

Other speakers have mentioned that the Hon. Member for Provencher (Mr. Epp), the Hon. Member for Calgary West (Mr. Hawkes), the Hon. Member for Rosedale (Mr. Crombie) and the Hon. Member for St. John's East (Mr. McGrath) spent six months in committee bringing this forward as being very important to the people of Canada. It is not a matter for debate for another six months, six weeks or six days. This measure should be brought forward by the Minister of Justice at 11 o'clock on Monday morning. Let us put it to a vote, pass the motion and satisfy the will of the Canadian people we represent. Their voices must be heard in this House.

It is amazing how the Liberals and the NDP are now trying to negotiate how many days this should be considered in committee. This right to property was taken out to get NDP support. They knew we were not going to support it. They know we were against it. Fortunately they may be getting a little bit of sense. It is amazing how they go up and down like a roller-coaster ride, flip-flopping. This is something of which they accuse us, but they are the greatest offenders. Their last budget, Mr. Speaker, was a classic flip-flop. They went from total socialism to extreme capitalism for multinationals, not for the little guy. They went right over. They took such a dramatic swing that they missed all of the little people in the middle. I do not think they did anything for the people that are really hurting.

• (1510)

I feel sorry for the NDP because they are between a rock and a hard place. The Member for Churchill (Mr. Murphy) bows in deference to the Premier of his Province. What about the Members from British Columbia? How are they going to go home and knock on doors next week when they are against property rights, while the Leader of the Opposition in British Columbia is for property rights? The people of British Columbia will not understand what it is all about.

Having a Charter of Rights and Freedoms that includes property rights is a part of our heritage. The Hon. Member for Crowfoot (Mr. Malone) brought up the Magna Carta, but I cannot go back that far. I look only to our basic rights and our heritage.

Mr. Malone: That is where it all began.

Mr. Fennell: I appreciate that. I know where it all began, but my memory is not as long as yours. I can only remember that my father had a farm and that I ended up with a farm. That is what I look at. That is our heritage. That is our freedom.

The Hon. Member for Crowfoot gave me some ideas but he has used most of them by now. One of his points is very important. I think the principle of property rights is symbolic of the effort we put into our lives, of the effort we put into our work, of the effort we put into owning things. One of his points was about the right of assembly and what would happen if the Government owned all buildings. As an example, the Government does own all buildings in Poland. I think the NDP should look at what has happened to the Solidarity Union. That union exemplifies what happens when there are no property rights. The NDP should keep that in mind; they are great supporters of the Solidarity Union. I am very supportive of Lech Walesa and what he has had to go through in an effort to bring democracy back to his country, even though he knows it is a lost cause. What happened in the Hungarian revolution? That happened because Hungarians were not allowed the rights of their heritage. Those rights were taken away. Why are the Russians so obedient? Because if they are not, they are shipped up to Siberia to make Ladas.

My main point is that property rights go beyond owning a home. Property rights include farmland, vacation properties for people who have worked hard and saved their money to buy a vacation home, small properties owned by businesses to manufacture products in Canada so they can put labels on

those products that say "made in Canada". These property rights mean jobs in this country and job creation is what we must get down to. Furthermore, building houses means job creation.

Medium-sized businesses that are not necessarily listed on the public exchange are owned by groups of people. This is ownership of productive units that create jobs and profit and allows capital to go back into the country. Those are the property rights we are talking about. Investors who have a small piece of large Canadian corporations or multinational corporations have property rights too.

Trucking fleets such as Maislin do not own their trucks any more, they were given to them by the Liberal Party. But most trucking companies must own their own trucks. Those are property rights. If these rights are not entrenched in our Constitution, the police would be able to say: "You broke the law so we are going to take your trucks away from you." This must not happen because the trucking industry is a productive industry that creates jobs; driving jobs, mechanics' jobs, all kinds of jobs.

An Hon. Member: What about fishermen?

Mr. Fennell: My hon. colleague refers me to fishermen. They own their boats. If they were to break the law and the coast guard were to say, "We are taking your boats away because you really do not own them as there are no property rights," that would be a cruel situation.

I believe we must give Canadians back their confidence in the country. We have lost the confidence of investment in Canada, we have lost confidence in the country. I believe that entrenching property rights in the Constitution will quickly give Canadians back a feeling of confidence, a feeling of pride in their accomplishments, a feeling of pride in what they have to show for their hard work and for their blood, sweat and tears. It will give the veteran back a feeling of confidence in our belief that he went overseas to fight for our rights on our behalf. There are many people in Canada who are looking to find this feeling of confidence. The abominable legislation and budgets we have had to put up with over the last three years have brought on a lack of confidence.

Entrenching the property rights in the Constitution is only one thing that will help to accomplish this. We must guarantee Canadians their birthright. We must implement programs that will make property rights a reality. I am referring to those people who find it difficult to own a home. We must introduce tax provisions that will make it easier for them to own homes because nobody wants to live like a rat in an apartment building. I live in an apartment building in Ottawa. Though it is a very nice apartment building, it makes me feel like a caged rat. That is what happens to people when they live in apartment buildings.

Having regard to broadening the opportunity for ownership, I would like to see a move away from grants for small and medium business and a move toward a stabilized interest rate so that people do not lose their business because the Government and the world are experiencing a recession or when interest rates go up because the country has such a demand for money. In addition to property rights, we can introduce proper legislation to encourage people to own property. Ownership is what it is all about. It is knowing that you have earned the money to buy property with your integrity, with your hard work, and with your blood, sweat and tears.

Earlier I referred to a flexible interest rate to protect industry from the tremendous increases we have seen over the last few years. Industry and small business cannot take that rise in interest rates. Grants are not really helping them. Another solution has been put forward in this House that I think should be explored, that is that the responsibility for that flexible rate could even be shared by the banks and the federal Government.

I understand the argument about provincial rights, but I think that here we are putting a blanket over the rights of all Canadians to protect the mobility of Canadians so that people will have the same rights no matter which Province they are in. For instance, if this is only passed by seven out of ten Provinces, those other three Provinces may not have basic rights entrenched in their Constitutions that are as good as we require. We talk about mobility under the Constitution. We must protect that mobility and give people an equal chance, wherever they are in this country.

I stress the importance of property rights because of my exposure to expropriation and the difficulties I have seen arising from expropriation. I know the Hon. Minister of Public Works (Mr. LeBlanc) agrees with me and has talked to me about this. Expropriation forces a great hardship on Canadians. I have seen people get seriously ill following expropriation; people who have had heart conditions, people who have ended up with ulcers, people whose families have split up because of expropriation. Expropriation means that you not only take their homes from them, you take away their way of life. Expropriation to me is a sour process, yet I know that expropriation is not easy and that no matter what you do, you can never satisfy everybody.

I have talked to the Hon. Minister about the difference between expropriation in the Pickering area and in the Mirabel area. He acknowledges that that was a problem. Basically it was a problem because the people in Pickering yelled louder. I think he would agree with that. The people in Pickering got a group together led by Charles Godfrey, a former NDP Member of the provincial parliament who is now a supporter and a member of my riding. He saw the light. He saw that they were reasonable people.

• (1520)

I do not want to drag this out, as the last speaker did with the junk he tried to put forward as to what they were going to give the people. We must move this through the House quickly and get an agreement to have property rights entrenched in the Constitution. We must give people a chance to enjoy what they earn by their sweat. We have to do it now, Mr. Speaker. We cannot delay for another six months because people want this right now. They are entitled to it, and they will re-elect us.

The Acting Speaker (Mr. Blaker): As I indicated earlier, at this point, prior to the ten-minute period for questions and answers relating to the speech of the Hon. Member for Ontario (Mr. Fennell), the Chair will rule on the amendment proposed by the Hon. Member for Churchill (Mr. Murphy).

It is my intention to rule against the admissibility of that amendment. In fairness, therefore, if any Hon. Member wishes to give advice to the Chair in support of the admissibility of the amendment, I will hear that. I do not think there is much point in speaking in support of the Chair's finding that the amendment is not admissible. However, I do not see any Member standing so I shall proceed.

There is a minor difficulty with the amendment in that it was not seconded. I shall rectify that oversight by indicating that the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) has seconded the amendment.

I would refer Hon. Members to the amendment itself. I find that the amendment is self-contradictory as between the first and second paragraphs. That in itself would be sufficient to dispose of it, but I want to go further and cover other aspects of the subject.

I would refer Hon. Members to Beauchesne's Fifth Edition, Citation 435.(1) which reads as follows:

It is not an amendment to a motion to move that the question go to a committee.

Citation 437.(2) says:

An amendment may not raise a new question which can only be considered as a distinct motion after proper notice.

It is in respect of the second Citation that I would refer Hon. Members to the ruling given by the Deputy Speaker on May 13, 1977 at page 794 of the House of Commons *Journals*. I want to quote a brief paragraph which is applicable to the situation:

The amendment seeks to widen the scope of the debate by asking the House, not simply to accept or reject the proposition contained in the main motion—

In this case the motion presented by the Hon. Member for Provencher (Mr. Epp). It continues:

—but to consider whether the Berger Report ought to be studied by a committee of this House. That was not part of the main motion. To my mind this is a new proposition.

That is the essence of what I find inadmissible in terms of the amendment of the Hon. Member for Churchill. It is not logically cohesive to the main motion, nor is it philosophically so. Accordingly, I have to find that it is not procedurally acceptable.

Mr. LeBlanc: Mr. Speaker, I want to ask the Hon. Member a very simple question. Although I agree with some of the sentiments he attributed to me, does he recognize that in some cases expropriation remains a tool preferred by those who are to be expropriated? Second, it is still a legitimate activity, accepted and put into legislation by this Parliament. Does the Hon. Member recognize that I did not really express a judgment on the Pickering and Mirabel differences? I would have to look at the file on those historical events in more depth if I were to make such a judgment.

Mr. Fennell: Mr. Speaker, it is a great honour to be able to answer questions from the Minister. He is extremely kind.

I was indicating the differences between Mirabel and Pickering and the pressure the Pickering people exerted compared to the lack of pressure by the Mirabel people.

I agree that expropriation must take place but it must be fair. It is a very difficult measure, and one I know the Minister said he would only use as a last necessity. The fact that there was too much land expropriated in one area at one time, is too bad. It fragmented the fabric of society. That is the kind of thing I was getting at. I do not deny that it must be used, but it must be used very carefully. I think the Minister appreciates that.

I have known some people whose land was expropriated who went to Florida afterwards, and others who are still farming, so there is a difference in different parts of the country. The economic values may be different and pressure groups can make the difference.

Mr. Althouse: Mr. Speaker, I noticed that the Hon. Member for Ontario gave a very good description of what happens when lands are taken. He said, and I quote, "People get heartsick; families break up sometimes; it is not just taking away a home but a way of life."

The reason I recall his words to him is that while it may be fine to go back to Runnymede to determine property rights in terms of common law, this is Canada and the original property was held not by dukes, earls and kings—it did not reside in the Crown but in an original people who in many cases watched that land taken away. They have become heartsick; they have had family breakups and they have lost more than just a home in seeing their way of life abolished.

Since the Hon. Member proposes a quick amendment to the Constitution on property rights, I should like to know how it will affect almost half the territory of this country which has never been ceded to the people of Canada or given in treaty by the original inhabitants of this land. Could we take a few months to find out what they think of our concept of property rights? Since this involves half the territory of the country, is it not important enough to spend more than four or five hours on it?

Mr. Fennell: Mr. Speaker, I should like the Hon. Member to come to my riding and see the Pickering Airport property, see the different homes and barns that have fallen down. I should like to introduce him to some of the families that have split up as a result of this so that he might understand the psychological damage. It has removed the fabric of a farming community. I know the Hon. Member can appreciate that. It removed that way of life for a part of my riding. That is sad. It is beautiful agricultural land.

The original land in Ontario was Crown land. I think within all of Canada the land was either Crown land or that vast part the CPR got. I am never too sympathetic toward the CPR for that reason.

As far as natives are concerned, during the debate on the National Energy Program I spoke about the 25 per cent being held back for the federal Government. I think it should be held back for the original owners of the land.

If we put in property rights the argument might be put that a large portion of that land belongs to them. They are the people inhabiting it so why should they not own it and control their destiny as we do in the south? I do not see any difference. There is a great deal of land and it is not very viable economically, but if those people want to use it, make it productive, maybe that is what we should do. So I would be delighted to see that go through and accept your suggestion that native rights be respected.

• (1530)

Mr. Yurko: Mr. Speaker, I have a question for the Hon. Member for Ontario (Mr. Fennell). I want to put the proposition very carefully so he understands what I am getting at.

Section 7 of the Constitution is subject to the provincial notwithstanding clause. Therefore property rights, if entrenched in the Constitution, would be subject to the provincial notwithstanding clause. Therefore, every Province when it wished could pass an act providing a municipality with extensive powers for expropriation, providing the Government itself with extensive powers in terms of dealing with property irrespective of its entrenchment in the Constitution, and I happen to know this because we have had to deal very substantively with it in Alberta since 1972. Does the Member agree that the clause this House wishes to entrench in the Constitution of Canada should be subject to a provincial notwithstanding clause, because its meaning is substantively different depending on whether the answer is yes or no on this particular point?

Mr. Fennell: Mr. Speaker, that is a *non obstante* clause, the provincial notwithstanding clause you are referring to, that is true, but political pressure would not permit any provincial legislature to remove it from the Constitution. I do not know what the point is because it is not going to happen in the Provinces.

An Hon. Member: What about Quebec?

Mr. Fennell: It is not going to remove anything. Quebec is a different situation. I am talking about Alberta. This is not changing anything in Alberta. The point I made earlier is that it gives mobility to people anywhere in Canada. Even Alberta has it in its Bill of Rights, as you must know.

[*Translation*]

Mr. Claude-André Lachance (Rosemont): Mr. Speaker, I think this is not a very auspicious moment for me to speak to the motion tabled today by the Member from Provencher (Mr. Epp). From the exchange of comments that took place about forty-five minutes ago between the Leader of the New Democratic Party, the Minister of Justice (Mr. MacGuigan) and several Members of the Official Opposition who are supporting this motion, I think it is clear that discussions are now going on in an attempt to find a neat way around a serious procedural problem, and I shall get back to this in a few moments. Parliamentary practice and the rules of debate in the House are such that we must be recognized by the Chair in a certain order, and when I decided to speak in this debate, Mr. Speaker, what was relevant this morning is perhaps less so at this time, and may no longer be relevant at all in an hour or an hour and a half, assuming that discussions between representatives of the three parties will result in an agreement which, once again, would enable us to resolve the problems described earlier by the Minister of Justice.

In fact, what is rather curious today, is that we are not having a debate on the substance of the motion—nothwithstanding various nuances, comments and problems raised mainly by Members of the New Democratic Party—so much as a debate on form, and not on the form of the motion as such but on the procedure followed by the Progressive Conservative Party to discuss this matter in the House.

Mr. Speaker, I would like to point out, if I may, that the Progressive Conservative Party is treading a very dangerous path. In fact, if I wanted to be nasty, I would go so far as to say or to accuse them of political irresponsibility. In any case, if a proposal is made later today for resolving the dilemma with which Hon. Members are faced at the present time which may explain the noise we are hearing in the House any agreement will have to be ratified by unanimous consent. We all know that since 282 Members sit in the House and each Member has the right to speak and to speak freely, there is always a risk that one Member may decide to withhold his or her consent.

What would happen if the House did not give unanimous consent to a proposition that might be made in a few moments? If that were the case, we would again be in a procedural mess, which was clearly explained by the Minister of Justice. And exactly what is the issue, Mr. Speaker? Aside from all the considerations underlying this debate, considerations that are ideological, sociological, legal, historical, symbolic, constitutional, and so forth, there are also, unfortunately, considerations relating purely to parliamentary procedure. The Opposition has decided to move this motion as part of the Business of Supply on a so-called Opposition day, and even went so far as to insist on a vote, which it did not have to do, a vote that by definition is a vote of no-confidence in the Government. As a result, aside from our individual opinions on either side of the House, we cannot do otherwise but to divide according to the principles of confidence, with Government Members supporting the Government, especially since this is a matter the Government itself decided to put before the House, with the Opposition dissociating itself from the Government and supporting the motion since it is their own.

Therefore, by definition, we shall divide on a question of confidence, although we agree on the substance of the motion,

and since we have a majority Government, if all goes as it should, the motion will be defeated. What happens then, Mr. Speaker? The Minister of Justice gave some indication of that himself in his speech, but I would like to say it again. The rules of the House are very specific in this respect. There is an old Parliamentary rule that goes back almost to the stone age, namely, that when a question has been decided on by the House, the same question may not be reintroduced, in the form decided by the House, during the same session. Beauchesne has already been quoted. I shall, if I may, refer to Bourinot, Fourth Edition, page 328, paragraph 9, where he refers to *Renewal of a question during a session.* Some reference was made to this a few minutes ago.

It is always possible to introduce a much different motion which would be basically the same as the one previously defeated in the House. Then again, Mr. Speaker, a Member could still argue that the motion is, for all practical purposes, basically the same as the one already disposed of by the House, which could lead to a long debate as to whether this new motion is in order or not as it basically reflects one which was previously defeated. I must therefore say once more, and that is why I wanted to take part in this debate in the first place, that the procedure followed by the sponsor of this motion, as well, of course, as by his party, is extremely dangerous because, even if these negotiations, which are very delicate since there is no unanimity on all elements of the motion, were to be successful, if only one Member refuses to give his consent, we shall automatically be faced with a non-confidence vote at 3 o'clock on Monday afternoon. Obviously, the government would have to vote against the motion at that time, and this would automatically mean that what most of us want to do, mainly entrench property rights in the Constitution, could no longer be done during this session.

The procedural aspect is therefore a matter of substance and not simply of form, because the procedure followed by the Opposition in debating this motion could lead to a Parliamentary deadlock which, and I emphasize this point, would prevent us from re-introducing a motion to do what we all want or what the majority of us want, namely to entrench property rights in the Canadian Constitution.

In any case, Mr. Speaker, I hope that reason will prevail when the time comes in a few minutes or half-hour when someone rises to submit to the Chair the wording of an eventual agreement that might break this deadlock.

I would like to use the little time left to me to say a few words about the substance of this motion. I said at the outset that I am basically in favour of what it proposes, and so I am. I believe that, for various reasons, including those I gave earlier, it is probably a good thing to entrench the right to the enjoyment of property, even though nothing would be changed since this right already exists. Reference was made to the common law. Reference was also made to our whole legal history, from the Magna Carta to the Star Chamber and the quashing of general mandates by the British courts a few centuries ago, and because of all this history, property rights are sacred in our legal system. These rights exist. We would therefore not be granting new rights, but even if this does not change the law as such, it is important symbolically, as the previous speaker said, to recognize the value of this right which is fundamental in our society and to entrench it in our Constitution.

• (1540)

Many considerations are involved. Of course, there are ideological considerations as collectivism runs counter to ownership and property rights. We live in a society which is not collectivistic and where property rights exist. I believe that we must not only recognize this fact but also proclaim it, because this is a characteristic of our society of which we are proud. Of course, there is also legal considerations—I mentioned some of them earlier—not because this creates a new right, but rather because, by entrenching it in the Constitution, even though the Hon. Member for Edmonton-East (Mr. Yurko) suggested that this provision would be subject to the nonwithstanding clause, we would give rise to a major political debate, and in his reply, the Hon. Member for Ontario (Mr. Fennell) was partly right in expressing the wish that this right, if entrenched, would at least prevent obvious abuses and infringements by the various jurisdictions, whether provincial or federal. A proper public debate would therefore have to take place beforehand. Naturally there are strictly constitutional considerations, and here is one of them: will these constitutional rights, because they are constitutional, and these property rights, because they are constitutionally enshrined, take on a special meaning which will give Canadian courts the impulse they may need to look beyond their own jurisdiction and put them in their appropriate sociological context? Considering that none of the cases now before the courts have been referred to the Supreme Court, I would suggest that we all hope that in the next few years the Supreme Court will be called upon to rule on the interpretation of several provisions of the Candaian Charter of Rights and Freedoms. We hope, I repeat, that the highest court in the land will set the Charter of Rights and Freedoms in an appropriate judicial context which will transcend the restrictive interpretation it gave to the Canadian Bill of Rights. But, of course, it is an issue which has yet to be defined because it will be up to the courts themselves to assume that responsibility which they might possibly prefer not to take on.

And of course there are psychological considerations as well. As one of the previous speakers said, the property right is the fact that once you are home, you feel well, you feel secure, you like to be there and fully enjoy that right. I think we should not minimize that aspect, the hope of Canadians to become homeowners. When you talk about property—and I must admit that the NDP Members were right on in their amendment which the Chair ruled out of order, Mr. Speaker—you

mean a home, your house, your property. But that goes beyond those considerations, and anything which becomes a property acquired in the normal course of events must indeed be protected against undue encroachment by the state.

So that the NDP Members may be reassured—and I do not quite understand what prompted them to introduce their amendment to the motion—they should keep in mind the fact that Section 1 of the Charter itself provides that certain limits to the full enjoyment of all those protected and enshrined rights may be prescribed by duly constituted and elected bodies when such limits are normal within the structure of a democratic society. I should think that nobody can object to the fact that certain restrictions must be applied on the full and sometimes undue exercise of property rights when it goes beyond reasonable limits.

For all those reasons, Mr. Speaker, because I think that the Constitution is properly balanced—first, Section 1 which provides for those restraints, second, the notwithstanding clause and, third, the fact that even if enshrinement does not guarantee anything more in terms of rights, at least it gives special significance to that enshrined right—for all those reasons, I think it is altogether fitting that, the Charter having been in force for one year, the House should now agree to consider enshrining that new right. We have, of course, to keep hoping because it is a beginning or an impulse given to the mechanism of constitutional amendment. Let us hope that the Provinces will be willing to support that measure. We all know that if they were to refuse to do so, we would be unable on our own to attain that entrenchment, provided we can solve the problems or the procedural imbroglio now under consideration. I hope that once that resolution is passed under one form or another the Provinces will be willing to participate in that process and that, eventually, the property right will be entrenched in the Constitution.

[*English*]

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, individual rights and privileges are at the very heart of a democratic and free society. The nature of Government is such that even though a Government is democratic, the very passage of law tends to erode and regulate against individual right and privilege in favour of collective rights and collective privileges of the community itself. Most law tends to be restrictive rather than opting for a broader freedom of choice.

• (1550)

Because of the tendency of the democratic process to erode freedom of choice and individual rights and privileges rather than enhance them, it is essential that the right to ownerhsip and enjoyment of private property be entrenched in the Constitution. This is particularly true now since we have a written Constitution. Prior to the written Constitution property rights were possibly better protected under common law.

Property rights are not just a constitutional expression. They stand for much more because they are a demonstration of philosophical intent and indicate the nature and direction of the Government and how Canadians really view their basic values. In this sense, property rights are more a statement of philosophy and value.

Since we could have a democratic society in which there is no enjoyment of ownership of private property, that right of ownership is at risk when it is not enshrined. The degree of that risk depends upon the values expressed by whichever Government may be in power from time to time. Without constitutional protection, that particular philosophy which ebbs and flows could abuse and destroy this very basic right of private ownership of property. I would not want to see these rights subjected to the whims of one particular Party in power, either federally or provincially.

British Columbians assumed that private property was in fact intact under the old unwritten Constitution under common law. However, within weeks of being elected in 1972, one of the first philosophic values that the NDP Government brought in was to have expropriation without even compensation.

Some Hon. Members: Oh, oh!

Mr. Wenman: That was in the first bill that came before the British Columbia legislature.

Mr. Robinson (Burnaby): No.

Mr. Wenman: It is true. That expropriation without guaranteed compensation contained in that bill was forced to be withdrawn. Public outcry forced them to change it.

Mr. Robinson (Burnaby): Mr. Speaker, I rise on a point of order. Will the Hon. Member be prepared to accept a question?

[*Translation*]

The Acting Speaker (Mr. Lachance): The Hon. Member for Burnaby (Mr. Robinson) is rising on a point of order? The Hon. Member has the floor. This is not a point of order. As the Hon. Member is no doubt aware, speeches by Hon. Members are followed by a question-and-answer period, and he will be able to speak at that time.

[*English*]

Mr. Robinson (Burnaby): Mr. Speaker, I rise on a point of order. The Hon. Member knows that he is misleading the House. The first legislation brought before the British Columbia House was—

[*Translation*]

The Acting Speaker (Mr. Lachance): This is debate, and I think the Hon. Member will have an opportunity to discuss the matter later on. Furthermore, this does not constitute a point of order. The Hon. Member for Fraser Valley West (Mr. Wenman) has the floor.

[*English*]

Mr. Wenman: What a foolish point of order. I said in my speech, if the Hon. Member will listen—and I see I have his attention now—that one of the first steps within the first few weeks—

Mr. Robinson (Burnaby): You said the first one.

Mr. Wenman: It was certainly the first one that caught the attention of the public in British Columbia. I know why he is sensitive though, because along with many other British Columbians I began a movement and the whole Province took fire. Busloads of people went to the legislture and we changed that legislation and then defeated the Government as a result of that legislation. We went to the British Columbia legislature and held conferences with 23 out of 28 MLAs at that time. We asked them if they were in favour of private ownership of property and 18 out of those 23 said outright, no, and the other five hedged somewhat. That occurred when they were fresh from victory and had gained new power.

We now know that private property can be threatened in Canada through our legislatures and our House of Commons by an NDP type of Government, whether it is found in British Columbia, Saskatchewan with threats to its land prior to the last election, or Manitoba.

We have talked today about the need for urgency. There is a new urgency in Canada and particularly in British Columbia because that same premier, with the same hacks that were there that many years ago, are now challenging the Government in an election on May 5.

Mr. Fisher: Are you saying they are going to win?

Mr. Wenman: I do not know if they will win or lose but I do not want to take a chance for the people of British Columbia or Canada. It is a perfect example of how much at risk and open our Constitution is. It could be threatened as soon as May 5 or May 6. That former Government in British Columbia still holds that basic philosophy and it is rising again. The rest of the political spectrum such as the Liberals and the NDP, are trying to become more conservative. They are trying to rush to our position.

The legislation which was introduced in British Columbia did not only include a person's home for expropriation, it included a person's car, tractor, and all real property. It could be expropriated without compensation under that Bill. We now see how far the NDP has come since 1972. They are now willing to let us own our own homes and farms. They have come a long way.

The Government of British Columbia initiated this legislation because it saw what the NDP would do in British Columbia and Canada and did not want to take that chance. The British Columbia Government was the first to call for this piece of legislation and I support them for that.

I can understand why the New Democratic Members from British Columbia are so concerned now, because they know that this amendment will force a debate on this issue in British Columbia, require the former premier to take a stand which will unmask their intent, as does this particular disgusting amendment.

Mr. Robinson (Burnaby): They are talking about health care in British Columbia.

Mr. Wenman: The property rights of all Canadians are at risk at this time. We are in danger, because just before I spoke here, I saw again—

Mr. Murphy: Halleluiah!

Mr. Wenman: You are darn right, halleluiah!

It is about time we protected our basic rights. You are darn right it is. If you do not stand up for property rights, stand up and tell your constituents that. I want them to hear you say that.

An Hon. Member: Speak to the Chair.

Mr. Wenman: Of course I am speaking to the Chair, Mr. Speaker. One of the Liberals asks if I would charge the Chair over property rights. I have once, and if I had to do it again I am sure that I would.

These very basic values must be upheld and enshrined and that is what the fight was about. We can see that the NDP and the Liberals are worried. They are being unmasked; what will they do?

Although this is a Friday afternoon, this issue is one of the most important and basic ones to come before the House of Commons. It is a very serious issue and one about which Canadians are concerned. They want to know where we stand. I hope that Members of the New Democratic Party will stand up and indicate whether they are in favour of private ownership of property.

Mr. Robinson (Burnaby): You should have run for the Socreds.

Mr. Wenman: I would like to see if they will in fact state, those who are ideologically as far left as the Hon. Member for Burnaby (Mr. Robinson), that they support and uphold the right to private ownership of property. I would like to see the Hon. Member stand up in Burnaby and say that he is not in favour of the private ownership and enjoyment of property. I would like to see him do that. If he would do that, he would not be back here and that would please me too. As a human being I would like to see him here, but with his political philosophy that does not support the private ownership of property I would just as soon not have him here.

• (1600)

The constitutional debate of 1981 saw the Liberal-NDP coalition vote against the entrenchment of property rights in the Canadian Charter of Rights and Freedoms. The Conservative Party fought ardently for the inclusion of property rights because we recognized that one of the inherent flaws in entrenching a Charter of Rights was the potential exclusion of

certain fundamental principles and values. One of the major objections and disappointments I had over the finalization of the constitutional process was the lack of a provision to entrench property rights.

If we do not entrench property rights this country will be much the poorer for it, and we will see the poverty and the non-production situation that we see in the socialistic nations of the world like the Soviet Union and others under their collectivization and non-ownership of property.

On September 21, 1982, the British Columbia Legislature unanimously passed a resolution calling for entrenchment of property rights. I must add that was unanimously passed. The New Democratic Party in 1972 would not support this concept but changed its mind. That Party wants to win an election.

Mr. Robinson (Burnaby): We are going to win.

Mr. Wenman: But the thing that is so dishonest is that the NDP then brings in a motion, and here is the old NDP socialist philosophy of non-ownership, which refers to the home and farm only. The limitations are coming.

Because British Columbia put this initiative forward, because I am a Member of Parliament for British Columbia and because I support this concept so strongly, on January 21, 1983, I placed the following motion on the Order Paper for consideration.

Motion No. 83;

That, in the opinion of this House, the Government should consider holding a constitutional conference to discuss amending the Constitution Act, 1982 so that Section 7 of the Canadian Charter of Rights and Freedoms reads as follows:

"7. Everyone has the right to life, liberty, security of the person and the ownership and enjoyment of private property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice."

Most recently, on April 18, 1983, the local council of the community I represent in Langley, B.C. passed a resolution that property rights be included in the Constitution. Broad support for this concept exists at all three levels of Government in an expression of grass roots support across the Canadian spectrum from the municipal to the provincial to the federal.

I urge municipal councils across Canada to listen to this debate this week, and each municipal council close to the people know they want this property right, and should call for resolutions of support from municipal Governments in order to get those property rights entrenched, as Langley, B.C. has done, and as I hope Surrey, B.C. and other councils across B.C. and Canada will do.

Property has been a fundamental concept in the tradition of parliamentary democracy and western democratic philosophy from the ancient Greeks to the classical Liberals such as John Locke, Jeremy Bentham and John Stuart Mill. John Locke was the first to make the case for property of unlimited amount as a natural right of the individual, with precedence over the rights of Government. In fact, Locke's primary justification for the existene of limited Government was its role in protecting unlimited property for the individual.

I would much prefer this resolution to read "as a natural right". I would much prefer that it were in keeping with the definition I have just read, because the natural right is a broader protection than the fundamental right. I would prefer that it were there, but I am accepting the compromise because I am desperate to have this entrenched while we have the agreement, and again, as I have mentioned earlier, because of the threat to property that an election of an NDP Government in British Columbia would pose as early as next week.

Mr. Fisher: They might win.

Mr. Wenman: Hopefully in a democracy, any time there is an election and Parties are running, one Party wins. Otherwise, there would be no point in having an election and you would not have a democracy. That opportunity is certainly there.

Mr. Siddon: The Liberals do not understand that.

Mr. Wenman: One of the factors as to whether or not the NDP will win in B.C. will be how the NDP responds to the Government and the Opposition Motion in the Parliament of Canada. The Leader of the New Democratic Party (Mr. Broadbent) can substantially influence how B.C. will react and what will happen in British Columbia. If this debate on this amendment is any indication, he has done the damage we anticipated would come from the basic position that says no property rights for Canadians in this natural sense I have just described.

Property as a natural right in the Lockean sense therefore means unlimited ownership. This amendment is limited ownership, considerably limited ownership. Is this the definition of natural justice that the Liberal Government is putting forward? I wonder whether someone from the Government or the Minister intends to define what they mean by the limits to the enjoyment of property? Is the Minister going to assure us that he is going to use the word "ownership"? I would like to have seen in the motion the word "ownership", just to have an indication of that little extra piece of guarantee. I would prefer to have seen in the motion another word, the word "private". I would like to see both the words "private" and "ownership" included. I feel the motion is incomplete without them, but again in a parliamentary sense I must accept some measure of compromise.

The American Constitution is based to a large extent on Lockean principles; Article V (5) states that no person shall "be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use without just compensation." Article XIV also guarantees property through due process of law. The American Constitution has a double guarantee.

The Rousseauan concept of property also derives from natural right but states that property of a limited amount that a man could work on by himself was a sacred right while unlimited property was unjustified because it deprived most men of any property at all and therefore contradicted natural right.

Jean Jacques Rousseau's philosophy was a prime force behind the French Constitution and the declaration of the

rights of man, which states that property is an inviolable and sacred right.

I wish somewhere in our Constitution we had chosen the words "sacred and inviolable right" from our French heritage. That is how the French Constitution sees it. I have spoken of the American Constitution and the French; ours is kind of a weak middle.

Article 16 of the French Constitution of 1793 also provides that the right of property is a natural result of the fruit of one's labour and industriousness.

I would hope, as people will look at this debate in the future that they will keep that in mind as one of the intents expressed here, that the right of property is the natural result of the fruit of one's labour and industriousness.

The Constitution of the Federal Republic of Germany, a more modern document, also guarantees in Article 14 Section 1, property and the right of inheritance.

Other philosophers have addressed the issue of property, and their views have formed the basis of certain nation's Constitutions. Karl Marx in the Communist Manifesto indicated that ten steps had to be taken for the advancement of revolutionary communism and the dictatorship of the proletariat. Step number one was "the abolishment of property and land and application of all rents of land to public purposes." The Soviet Union and other socialist-communist states work on the precept of state ownership. The inherent fallacy of this approach to ensuring equality is that the deprivation of fundamental rights and freedoms of the individual by the state leads to repression and tyrannical oligarchy and the degradation of human essence.

Any limitation on freedom limits the ability of individuals to freely express themselves and create, prosper and grow to the benefit of themselves and their society. Society is best served by the free expression of the individuals within it, not by the state dictating to individuals what is best for society. Any limitation of freedom of the individual detracts from society as a whole.

The historical precedents of the British parliamentary democratic tradition is a far superior method for obtaining justice and equality. We in Canada are incredibly fortunate to be enriched by this heritage as part of our founding.

• (1610)

The first major constitutional pact in the western world was signed in a meadow called Runnymede in 1215 by King John, the bishops and the barons, and it was deemed the Magna Carta or Great Charter.

This historical document arose primarily out of the concern for property rights and has had an impact of enormous proportions on the evolution of our way of life and system of Government. In fact, the very root or basis of the fact that we exist today in this format involves the issue of property rights. It is from this historical basis that we draw for definition in determining what our society constitutes and how we should live our lives in relation to our fellow citizens.

I can see Mr. Speaker indicating that I am out of time. Indeed I regret that time is so short in this debate at the request of the Government, but in the hope of getting the protection through as quickly as possible I accept that provision and look forward to speaking on the matter in other forms of debate.

The Acting Speaker (Mr. Blaker): Questions. Answers. Comments. Debate.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am very grateful for the chance to say a few words in this debate. I know the people in my riding are very concerned about the question of their property rights. I simply want to add my own support to the idea that property rights should be included in our Constitution in a sensible and intelligent way.

When the debate was going on about the Constitution from 1980 to 1982, I received a steady stream of inquiries from business people, home owners, real estate people, developers and even our own city council, asking whether I supported the inclusion of property rights in the Constitution. I told them all that indeed I supported a proper recognition of such rights in the Constitution. I think it is important for us to put property rights on a par with other basic rights that we enjoy in the country. Such a move, putting property rights in our Constitution, would recognize the high importance which all of us place on the ownership of goods and lands and, more important, it would recognize the need for due process when the individual and the community have different opinions about the treatment of property.

I do not think people want an absolute veto by property owners, but equally they do not want the community or society generally to run roughshod over a specific property owner. Therefore, with that balance in mind, I favour the inclusion of some comment in the Constitution.

I have always been gratified by the fact that the Prime Minister (Mr. Trudeau) and the Government have placed property rights as a high priority on their agenda. When we ran into difficulty in 1980 during negotiations, the Prime Minister made it clear that he intended to bring up this matter as quickly as possible. This spring when he was challenged in the House of Commons about his timetable, he indicated that he would like the issue settled by the summertime. I think this indicates the Government's high priority for the issue. Again that is something people in my riding will find reassuring.

I would like to read the amendment before us today. It is an amendment to Section 7 of the Constitution Act, 1982, and it reads:

> Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice.

The Prime Minister, the Government and Hon. Members on this side of the House are in agreement with that point of view. I am not sure whether those are the specific words with which we would end up, but in that phrase there are proper balances

between the rights of the community on the one hand and the rights of the individual on the other.

In 1980 when we were trying to launch the Constitution we proposed precisely this sentiment. We put this idea before the Canadian people and the Premiers. During that period we received some pretty serious objections, particularly from the Provinces. We had a simple choice. We could have pushed property rights and lost everything, or we could have accommodated the Provinces, reached a compromise and had other equally important rights permanently enshrined. It was a practical choice. It was the kind of decision people are forced to make in Government. Obviously, with the practical solution in mind, we dropped the contentious area in order to get the majority of the issues passed. Then we followed our promise and continued to seek a way to include this clause in the Constitution. We compromised and backed off during the 1980 period. Then later we promoted the idea and pursued every opportunity for it.

I am not a lawyer, but I have been assured that under federal law and federal jurisdiction Canadian taxpayers already have a great deal of protection of property rights. For example, the Diefenbaker Bill of Rights has not disappeared. It supplements the Charter of Rights and Freedoms and the Constitution. The protection provided in the Bill of Rights affects all federal legislation. Of course the courts have to weigh the two because the Bill of Rights is legally regarded, I am told, as one law among many. However it is an important guide to the courts and it provides an important window into federal thinking and priorities. When a taxpayer is faced with an attack on his property rights from the federal sector, at least he has recourse through the Bill of Rights, and if not that, the later version in the Charter of Rights and Freedoms.

Of course provincial jurisdictions can override the Diefenbaker Bill of Rights in their own area. This was graphically demonstrated by the Hon. Member for Fraser Valley West (Mr. Wenman). I have no idea whether his specific examples are accurate, but certainly he showed some potential courses of action. The Diefenbaker Bill of Rights could never be used as a defence by a citizen in a provincial area because it is limited to federal jurisdiction.

As additional protection for taxpayers there were also legal precedents in the common law which we have heard discussed today to help ordinary citizens who have concerns with the federal jurisdiction. We would like to make that tougher. Along with Hon. Members of the Conservative Party we would like to see this enshrined in the actual Constitution so that all law in every part of the country—federal, provincial and municipal—is filtered through a screen of protection for the property rights of ordinary citizens.

I have listened to some of the claims in the House today. I think they have been badly overblown. Comparisons of Canada with Hungary, comparisons of one Party's political platform with the writing of Karl Marx or such arguments are really hysterical and I think rejected by the vast majority of Canadian voters. Property owners today are not under seige. Instead we are seeing an opportunity for improvement of an already good situation. I think that is laudable.

I think examples which compare the New Democratic Party of British Columbia with Poland, as we heard one Member say, or with the writings of Karl Marx, degrade the argument. I think people who use those lines of thought should be embarrassed, but unfortunately they are not. People who are watching this debate or will read about it in the future will be a little confused by the nature of the discussion today. They have heard me agree with it. They have heard other Hon. Members of the House agree with it. They must wonder why we in the Government are so concerned and why we will not vote in favour of this motion if in fact we support it.

• (1620)

It is because some parliamentary clumsiness has occurred on the part of the movers of the motion. I am surprised because one of the most clever parliamentary strategists and tacticians is now the Acting Leader of the Conservative Party. I thought he would recognize that he puts his Party into a lamentable situation today.

What do we have here? We have a motion of non-confidence. That is a fact which the Government can never escape. When there is a motion of non-confidence, no matter how laudable the content, that motion must either be defeated or the Government must be prepared to hold an election. Today the Conservative Party would like to see an election. They are riding pretty high. We could have one wing of the Party running Quebec under Mr. Mulroney, one wing of the Party running Ontario under Mr. Davis, another wing running the Party on the Prairies under the leadership of their former leader. Who knows, they may even have one wing being run in the Arctic under the leadership of the present Leader. They could have a lot of leaders for different parts of the country.

The Government does not think it would be all that wise to go ahead with an election today. On that basis, we will be forced to vote against this motion. That would not be such a bad thing. It would not be so bad to defeat this motion if it were only limited to a small embarrassment. That is where the trap begins for the Conservatives. That is where their clumsiness comes in. They would love to give us a small embarrassment and leave it at that. We could live with that. They are here to oppose and embarrass, something they are pretty good at. I suggest they continue to do that. We will govern and they can embarrass. We can rely on their experience in that quarter.

The issue, however, has ramifications beyond this one small embarrassment. The Prime Minister made a pledge but with their manoeuvre the Conservatives have closed that avenue. Earlier today the Minister of Justice (Mr. MacGuigan) said it would be impossible for the Government to defeat this motion and then bring it back in. We cannot do that. We cannot manoeuvre in a satisfactory fashion in order to get around the trap laid by the Conservative Party. The Conservative Party's clumsiness forces the Government to either have an election on

this issue, which would ruin the issue because it would die right away, or wait until a new session of Parliament is called. I do not believe Canadians want to wait.

In their anxiety to embarrass the Government, the Conservatives have potentially threatened the very idea that all of us support. We have the pledge of the Prime Minister to progress with this issue before we leave for the summer. However, the way this motion is phrased prevents us from following through with that pledge. That is sloppy homework on the part of the Tory Party.

I believe the Hon. Member for Provencher (Mr. Epp) genuinely wants this issue addressed in the Constitution. I do not think he objects to embarrassing me and the Members of the Government. He likes that, thinks it is great sport, but he does not want that sport carried to the point where it would kill the very issue. He does not want to throw out the baby with the bath water.

By introducing this as a non-confidence motion, the Conservative Party is forcing the Government to vote against it, effectively closing off avenues of debate over the rest of the spring. I think they were delighted when the Prime Minister offered action a week or so ago. We were happy about it.

The Members of the New Democratic Party did raise a legitimate point when they urged some caution. They say there are some questions to be clarified. Reasonable people know that. Reasonable people see that it is all right to send something to a committee for a little bit of second thought. Reasonable people know that provincial Premiers and municipal leaders and all kinds of interested groups would like to express an opinion.

Mr. Baker (Nepean-Carleton): Name one.

Mr. Fisher: The Hon. Member asks me to name one. I would say that the Government of Prince Edward Island would probably like to be represented here and follow through with their established practice of warning us about their special circumstances. That Conservative Government would like to warn us. It should be given the chance.

The NDP has been right in urging us to go carefully, not to trample into this because of our basic enthusiasm. We can preserve our enthusiasm. We do not have to capitulate. We should be careful and give it some thought.

What we have is a bit of a box. In their enthusiasm, the Conservatives are trying to force the issue too much. The Government has no choice but to oppose the way the issue is presented. We support the issue but we oppose the tactic being used today. We do not agree with the absolute refusal of the NDP to provide any protection, but we agree we need some second thought and more study.

I understand that the various Parties have been negotiating on this issue and will try to present an alternative. I wish the negotiators well. I hope they do not come up with a trap similar to the one we are experiencing because people in my riding would like to see this issue carried forward without a lot of fooling around.

The Acting Speaker (Mr. Blaker): Questions, answers, comments?

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, in rising to take part in this very important debate, let me say I and many other Canadians have been waiting overly long to have property rights entrenched in the Constitution. Considerable time and effort went into the Constitution. Witnesses from all across the country spoke of the necessity of putting property rights into it.

I see the Hon. Member for Mississauga North (Mr. Fisher) is leaving. With the unanimous consent of the House, I would now like to introduce the following motion:

That the motion now before the House be taken without being considered as a motion of non-confidence and that at the conclusion of this day's sitting, the motion shall be deemed to have been referred to the Standing Committee on Justice and Legal Affairs, that the committee shall report thereon no later than June 7, 1983 and that the said report shall be disposed of no later than June 30, 1983.

The Acting Speaker (Mr. Blaker): May I explain to the Hon. Member and other Hon. Members that I had understood and had been given official information that a different motion would be presented. I will have to ask for the indulgence of the House while we ascertain the admissibility of the present motion. While doing that, perhaps the Hon. Member could continue his remarks.

Mr. McKnight: Mr. Speaker, I had hoped for the unanimous consent of the House in presenting this motion in order to get out of what the Hon. Member for Mississauga North described as a box.

Looking back at the constitutional debate, we do not see the need for additional committee hearings. I draw to the attention of the House that the committee which studied the Constitution in 1981 and 1982 sat for 57 full days. We debated the matter of sending the resolution to the committee for 15 days in the House of Commons.

• (1630)

Mr. Speaker, the original resolution was debated in this House for 29 days. The resolution as amended in this House was debated for ten days. That is a total of 54 full days of debate within the House of Commons plus the 57 days within the Committee. I believe that anyone who was concerned or wished to express a view opposing property rights certainly had ample opportunity to do so within that time period.

When I look at the motion presented by the New Democratic Party, which was ruled out of order, I look upon it with some suspicion. I am sure that, with the group of advisors I saw in the lobby available to the New Democratic Party, and with the Clerk of the Table at the disposal of the New Democratic Party, if they favoured any form of property rights being put in the Constitution of Canada they certainly could have done so in a form that would have been found acceptable.

The proposal of the New Democratic Party does not say that they wish to entrench property rights within the Constitution of Canada. It says that they wish to entrench the principle of

property rights within the Constitution of Canada; only some principles of property rights and only some property rights. When I read the motion which only extends to the people of Canada the right of property for a house and a farm, I wonder what happens to the mines of Canada that are owned by individual Canadians. I wonder what happens to the timber reserves, or if they are considered farms owned by individual Canadians. I wonder what happens to business dwellings that are owned by individual Canadians, and on and on. I wonder what happens to the implements and tools that are used to produce goods which are not protected as property of individual Canadians.

Within the context of property rights, there must be a principle that states that property rights are important to the well-being of the democratic process because, Mr. Speaker, if you are without the ability to own your own property, and through that property either derive protection or derive an income, you are without the benefit of an economic independence that creates the opportunity to carry on a democratic Government within Canada.

When we look at the history of the property rights question as proposed, when we go back in time to the amendment that was put forward by the Progressive Conservative Members within the Constitutional Committee and when it was placed there in good faith—Mr. Speaker, are you motioning to me?

The Acting Speaker (Mr. Blaker): I was not motioning to the Hon. Member but perhaps I may. In order to be of some assistance to the House I was about to indicate that I should interrupt the Hon. Member to seek the unanimous consent he would require in order to proceed and to succeed in his goal.

I do not want to read the motion again, but my understanding is that the motion, which I find to be in order, proposes to do away with an earlier House order, in the sense that the normal voting procedures would not be given at 4.45, nor would they be deferred until Monday, but rather there would not be a vote and the motion would be deemed to have been referred to the standing committee. We can dispose of that. We now need unanimous consent in order that the Hon. Member may put his motion. If there is unanimous consent to that effect, then I will read the motion again and see if there is unanimous consent to the terms of the motion.

Accordingly, the Chair will recognize the Hon. Member for Simcoe North (Mr. Lewis) on a point of order.

Mr. Lewis: On behalf of the Progressive Conservative Party, Mr. Speaker, I would like to indicate our unanimous consent to the motion.

Mr. Murphy: Our problem, Mr. Speaker, is that we do not have a copy of what was presented by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight). If we may see a copy of it, then you could pose the question again.

Mr. Lachance: Mr. Speaker, I suggest that you defer putting the motion for two minutes and that you let the Hon. Member for Kindersley-Lloydminster go on with his speech so that the New Democratic Member may have a copy of the motion.

Mr. MacGuigan: Mr. Speaker, I would just say that we would be prepared to agree, both to the putting of the motion and to the motion.

The Acting Speaker (Mr. Blaker): It has been suggested that copies be distributed. Accordingly, again I would invite the Hon. Member, if he is willing, to continue with his speech and copies will be distributed shortly.

Mr. McKnight: Mr. Speaker, I am certainly pleased to say I do not have a specific place to start or stop, so these interruptions do not cause me a great deal of difficulty.

As we look historically at the debate on property rights, we see that the proposed introduction of property rights within the Charter of Rights and Freedoms in our new Constitution was proposed within Committee and supported by the Members of the Progressive Conservative Party and that Committee at that time. At the same time, the Minister representing the Government, the present Solicitor General (Mr. Kaplan), gave his consent to the inclusion of property rights within the Constitution of Canada. Over a short period of time, I think a weekend, there was a change of mind and property rights were traded off for support in other areas of the constitutional issue.

At that time, I felt that without the inclusion of property rights, the other rights that were entrenched within the Constitution of Canada in the Constitution Act of 1982 were not as meaningful as they could have been. Since that time, during debate in this House, we have heard some Members say that the Progressive Conservative Party is again speaking of property rights again. I would like to draw to your attention, Mr. Speaker, that the constituents of Kindersley-Lloyminster, and indeed I am sure Members' constituents all across this great land, have not stopped wishing since the Constitution was ascended to in 1982 that property rights would be included in the Constitution of Canada.

The reason that some Members of the NDP do not wish to have constitutional rights to property entrenched in the Constitution, I suppose, goes back to the old Regina Manifesto and the doctrine it put forth. At that time, it may have been a cause of concern to the people of Saskatchewan and Regina, but that was some 50 years ago. I think there has been considerable change since that time.

Mr. Speaker, I see that you have something in your hand. I would hope that I could carry on later.

The Acting Speaker (Mr. Blaker): I trust that by this time, as per the request of one of the Hon. Members, that all Hon. Members have received copies of the proposed motion. Is there a point of order? Is the Hon. Member for Churchill rising on a point of order.

Mr. Murphy: No, Mr. Speaker, but with reference to your previous request for unanimous consent, in discussion with other parties we have indicated that our caucus would meet on Monday to discuss this motion and determine at that time

whether or not we would give unanimous consent. At the present time, we cannot give unanimous consent. We have not had the opportunity to have a caucus meeting.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Blaker): For the sake of formality, I have yet to put the issue to the House as to whether there is unanimous consent. Since I have already been advised in advance that there will not be unanimous consent to permit the Hon. Member to put a motion, then I think we can take it as agreed that what we will deal with at 4:45 is the original motion. If there are any other contributions to that subject matter, I will be glad to recognize Hon. Members.

Appropriately, I must say that the Hon. Member for Kindersley-Lloydminster who has been interrupted two or three times, would now quite properly be the Hon. Member to continue the debate until 4.45.

Mr. McKnight: Mr. Speaker, I spoke of 57 days in the Committee, of 15 days in the House, of 29 days in the House, of 10 days in the House, and an additional 54 days. This can be checked in *Hansard* Index on page 167 where there appears reference after reference to pages where property rights were discussed. The motion was put on behalf of this Party, but really on behalf of all Members of this House except the Members of the New Democratic Party who wish to see property rights entrenched in the Constitution. It was a very reasonable proposal. It allowed for additional debate in committee. It allowed for the people of Canada to have the constitutional right to have property rights entrenched in their Constitution by June 30, 1983.

• (1640)

In a spirit of continuing co-operation in order to try and get something for the people of Canada—never mind the concerns of the NDP, I see one Member of that Party arriving now though I have not seen him in the House earlier—I would ask the unanimous consent of the House to introduce a motion. It may drag the NDP kicking and screaming toward property rights, but the people of Canada deserve that the NDP have whatever consideration it needs to allow it to consent to property rights being put into the Constitution. When I present my motion I hope that the Members of that Party who are not in the House, especially those from my Province, will be able to express their concerns to their colleague, the Hon. Member for Churchill who, I am not sure whether on behalf of himself or of the Party, denied property rights.

I ask the unanimous consent of the House to move:

That notwithstanding Standing 62(9) the putting of the question or questions later this day be deferred until the conclusion of Routine Proceedings on Monday, May 2, 1983.

The Acting Speaker (Mr. Blaker): The Chair seeks to determine whether there is unanimous consent to put the motion.

Mr. Nystrom: Mr. Speaker, I wonder whether the Hon. Member for Kindersly-Lloydminster (Mr. McKnight) would be prepared to answer a question before you put the motion. Soon we will not have time to question him at all.

The Acting Speaker (Mr. Blaker): The House has heard the terms of the motion. Is there unanimous consent for the Hon. Member to put the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Blaker): There is not consent.

Mr. Lewis: Mr. Speaker, I wish to indicate the unanimous consent of the Progressive Conservative Party to putting the motion.

Mr. MacGuigan: Mr. Speaker, I should like to indicate that we also wish to see this motion passed.

Mr. Yurko: Mr. Speaker, I should like to have the record show that I am fully in support of the motion proposed by the Hon. Member for Kindersley-Lloydminister.

Mr. McKnight: Mr. Speaker, I find it incredible—

Mr. Murphy: Mr. Speaker, I rise on a point of order. Although one Member of our Party did not grant unanimous consent at this time, we do not believe that the motion is necessary. If there are some negotiations to finding a way of putting property rights in the Constitution—

The Acting Speaker (Mr. Blaker): Order, please. The Hon. Member for Kindersley-Lloydminster.

Mr. McKnight: Mr. Speaker, in the short time left to me I should like to calmly and rationally express the concerns of my constituents and constituents all across Canada, represented by Members of Parliament in the Progressive Conservative Party, the Liberal Party and, indeed, the New Democratic Party, who wish to have the right to property enshrined in the Constitution.

I find this more repugnant than I can say, and I cannot understand why, when Members of this Party and of the Goverhment and, indeed, the Independent Member who sits in the House, have done everything in our power and within the rules to provide that the people of Canada can have the right of property enshrined in the Constitution which all people of Canada wish to have—

Mr. Nystrom: Mr. Speaker, I rise on a point of order. I think the Hon. Member for Kindersley-Lloydminster was ready to answer a question. Is he still ready to do that now?

The Acting Speaker (Mr. Blaker): In accordance with an order made earlier by the House I am unable to recognize points of order or to permit the Hon. Member to continue his address.

It being 4.45 o'clock, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply in accordance with Standing Order

62(9). The question is on the motion of the Hon. Member for Provencher (Mr. Epp). All those in favour of the motion, please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to Standing 12(3) the recorded division stands deferred until three o'clock, Monday, May 2, 1983.

It being five o'clock, this House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 2(1).

At 4.46 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, May 2, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Thursday, April 28, consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I appreciate the opportunity to engage in this debate on the budget. Since I realize that there is a certain amount of latitude allowed in the debate, I want to go on record now as stating how disappointed the Progressive Conservative Party is in the attitude of the New Democratic Party toward property rights when, on Friday, they refused unanimous consent to send the question of property rights to committee.

Mr. Waddell: Mr. Speaker, I rise on a point of order. The Hon. Member must address the budget in the debate and not deal with completely extraneous matters.

Mr. Deputy Speaker: The Hon. Member for Simcoe North (Mr. Lewis) has barely begun his speech. The Chair is astutely conscious of the problem of relevance, as is any occupant of the chair.

Mr. Lewis: Mr. Speaker, I too am distressed that the NDP, having refused consent, now feel so concerned about the decision they made on Friday when they refused to allow the motion to be treated as a non-confidence matter, refused to allow it to go to committee and, in effect, refused to allow Canadians the protection of property rights in the Constitution.

I examined the budget from the perspective of my constituents. Simcoe North is representative of Ontario, being half urban and half rural, close enough to Metro Toronto to understand its problems but far enough away so that we do not get confused. For a nation with the promise that Canada has, we in Simcoe North are concerned about the way the country is suffering under the Liberals. Our economy should be leading the world. Canada's human and economic resources are second to none, but for too long Liberal administrations have pursued a "buy the vote now, our children pay later" policy. While the Liberals chased a Charter of Rights, Canadians watched their jobs, their businesses, their homes, their farms, their hopes and their dreams slide down the drain.

• (1110)

Before discussing the budget directly, I want to address the general economic situation facing Canada on budget day. Our unemployment stood at 12.6 per cent, a post-depression record. We had youth unemployment at 21.3 per cent. Over two million Canadians were unemployed or had given up looking for work.

In Midland, Ontario, the Midland *Free Press* reported that a staggering 4,300 people were registered with the Canada Employment Centre. Midland has 33 per cent unemployment.

Canadians wanted a budget that would produce jobs, but they did not get it. Business bankruptcies in Canada in 1982 were 33 per cent higher than in 1981, 63 per cent higher than in 1980 and 91 per cent higher than in 1979. As we can see, business bankruptcies have doubled. The economy of the riding of Simcoe North is based on small business. Canadians wanted a budget that would address the problems of small business. I suggest to you, Mr. Speaker, that they did not get it.

Home owners in Simcoe North, as did home owners everywhere, suffered through the horrendous mortgage interest rates created by the Liberal Party's high interest rate policy. Mortgage interest rates rose as high as 21 per cent and 22 per cent, causing misery to my constituents and to all Canadians during 1981 and 1982. Power of sale and foreclosure proceedings became the order of the day as a result of Liberal policies. Canadians were looking for a provision for the deduction of mortgage interest from taxable income or mortgage interest rate protection in the budget. They got neither.

As I have mentioned, Simcoe North is half rural and half urban. My farm constituents engage in beef and dairy cattle operations as well as in hog and lamb operations. My constituents also grow cash crops. During the past two years farmers have faced the problems that small business faced, including high interest rates and restricted credit. They were looking for a budget that addressed the problems of farmers. The budget did not do that.

What about the taxpayer? Disposable income has shrunk considerably due to inflation and high unemployment. The taxpayers in my riding were not looking for a budget that increased taxes, but it did. The budget increased taxes on the lower and middle class, not directly but in the traditional Liberal way, that is by deception.

People in Simcoe North were also concerned about the deficit. We do not want to mortgage our children's future with horrendous deficits; we want spending controlled. We want to eliminate the waste.

Given those problems facing us today, Mr. Speaker, what is our position on the budget? How do we view it? Did it address job creation, the problems of small business, mortgage interest rates, the plight of farmers, the lower and middle class taxpayer and the deficit? Those are the points on which I want to base my remarks today.

Faced with record high unemployment as a result of Liberal policies, what did the Finance Minister do to reverse the trend? First—and I approach this with some spirit that the Government has recognized something—the Minister acknowledged what Progressive Conservatives have been saying for years, namely that the private sector creates jobs, not the bureaucrats. I must admit that there is great interest in how the Finance Minister ever made the bureaucrats swallow that pill, but having swallowed it, let us look at the budget itself to see whether or not the Minister, in true Liberal tradition, was saying one thing and doing another.

The budget unveiled Special Recovery Programs designed to dazzle the Canadian people into thinking that the Liberals are doing something. The Liberals are going to spend $4.8 billion on capital projects next year. Of course, all Canadians realize that figure was originally $4.6 billion, which was adjusted overnight as a result of what is known colloquially throughout Canada as the "Lalonde leak". That is a good indication to Canadians of how much care went into the preparation of the program. We are asked to believe that this will accelerate the recovery of the economy. In fact, we all know that it is another Liberal pork-barrel scheme to buy votes and favours.

• (1115)

The area of Midland-Penetanguishene will be shocked to find that the ILAP designation has been eliminated in the budget. After three months of waiting for that designation, after all the time and money spent on its application, the hopes and dreams of those people were dashed by the Government when it abandoned the ILAP concept.

We honestly thought that the Liberal Government would understand the crying need to create jobs in Canada. Once again we are amazed that they do not. Instead of quick and easy programs designed to encourage business, to hire people and to train them with a minimum amount of fuss and paperwork, we are besieged with short-term projects of devious long-range value. The programs referred to under the budget initiatives boggle the mind. Their end value as vehicles for employment are doubtful.

However, I would suggest that the enrolment of 5,000 young people in the reserve and regular forces of the Canadian Forces is a step in the right direction. In my opinion those young people will be enrolled and learning a trade and preparing themselves to make a contribution to Canada long before the bureaucrats in Ottawa have designed the forms for the other so-called job-creation programs. After all that, after enunciating the fancy programs, the Minister of Finance (Mr. Lalonde) admits that unemployment will average an unacceptable 12.4 per cent in 1983 and that there will be 55,000 fewer jobs in 1984 than there were in 1981. What a sad commentary on an economic statement which, in the words of the Minister of Finance, was to help more than 1.5 million Canadians who want to work but cannot find jobs.

What did the budget do for small business? Canadians know that the Liberal Party is responsible for the current joke about small business: "Do you want to own a small business while the Liberals are in power? That is easy, buy a big one and wait." As I suggested, the investment tax credit provisions are complex. They presume the availability of funds to make investment and thus qualify for the tax credit. In fact, the available capital of small business has been severely impacted as a result of the Liberal-created recession. Small business has very little money to invest.

The other investment provisions are, in my opinion, for stockmarket investors, not for small business. What about the Federal Business Development Bank? I see the Minister responsible for small business in the House today. I understand he will make an announcement when he speaks, so let me deal with that announcement. What about the noises concerning what will be done through the FBDB? As a lawyer who worked with small business until becoming involved in politics, I want to say that when I see the Federal Business Development Bank doing something for small business, that is when I will believe it; not with announcements, not with brochures, but when I see it actually doing something for small business.

Let me quote from a letter I received from a constituent that deals with the Federal Business Development Bank, the "people's bank":

> As you have been advised, prior to the completion of our investigation of your request for financial assistance the Federal Business Development Bank will require a prepaid commitment in the amount of $3,950.

• (1120)

That is the kind of help we are giving small business. It is a bank of last resort. If you are going broke and have $3,950, it will look at what you are doing. If the Liberals are serious about helping small business, they will act immediately to improve that image. They will put money into loans, not bureaucrats who pretend they understand business.

When the Minister makes the announcement about the Federal Business Development Bank becoming an investment bank and taking shares in small business, the question I will have for the Minister is how will the FBDB maintain its objectivity as a banker when it puts on the investor's hat? Why, when it is not the policy of the chartered banks in Canada to ask for a commitment from small business before looking at a loan proposition, is the Federal Business Development Bank demanding that kind of money?

Lastly, under the guise of helping small business, I want to deal with the loss carryforward provisions, called the loss carryovers. The Minister makes a big deal about increasing the loss carryover provision as a boon to small business. The

suggestion is that this will provide increased certainty to firms so that they can benefit more effectively from tax losses that they sustain. That is ridiculous. What kind of economy operates on the hope of tax losses? What kind of businessman or woman is proud of tax losses and wants them so they can carry them forward? I suggest to the Liberal Party that if they tell that to any bank manager in any small branch, they will laugh. That is what the business community will do to the Liberal Party with that provision.

Let us now move on to homes. The Minister of Finance helped the well-to-do invest in the Registered Home Ownership Savings Plan. They are encouraged to release funds for the purchase of homes, furniture and appliances. What about the great bulk of Canadian home owners, the home owners who suffered through the Liberal high interest rate policy years? They are ignored. There is no provision in the budget to protect home owners against the ravages of high mortgage interest rates. Our policy, well stated and well enunciated, is that Canadians should be able to write off mortgage interest against other income. We would also consider mortgage interest rate insurance. However, the budget completely ignores Canadians who pay 20 per cent and 21 per cent on homes as a result of the high interest rate policy.

I suggest that Canadians who presently own homes will not forgive the inaction of the Liberal Party from 1980 to 1982. We cannot allow the wrath of power of sale and foreclosure proceedings to continue to visit Canadian home owners without mercy. It may be Liberal policy, but it certainly is not Conservative policy.

What about the farmers? After the Minister of Finance and the Minister of Employment and Immigration (Mr. Axworthy), the most embarrassed Minister of this Government on budget night had to be the Minister of Agriculture (Mr. Whelan). The budget is an insult to farmers. The only thing they are promised is the great boondoggle—being able to carry their losses back further and forward further. Isn't that an incentive? One can see the bureaucrats on Sparks Street coming up with that line. The budget proposed changes to enhance the ability of all farmers and fishermen to utilize losses in one year to reduce taxes in the other year. In other words, they intend to see that these people keep losing money which they can write off over a longer period of time. That is nonsense.

At the same time as the Minister of Finance is promoting farm losses to enhance farming as an occupation, he is ignoring a very real problem. I refer to Section 31 of the Income Tax Act which states that farmers who incur losses on their farming operations are denied the opportunity to apply that loss to reduce non-farm income in excess of $5,000. In other words, the loss is levelled out to $5,000, a 1960 figure. Many of my constituents in Simcoe North have two jobs. They work very hard at farming and of necessity work on a full or part-time basis at another job.

• (1125)

I suggest to you, Mr. Speaker, that farmers do not farm to lose money. Because of the Government's interest rate policy and lack of concern for the farming community, farmers are losing more than $5,000 a year and yet are working off the farm as well. When will the Liberal Government wake up to the reality of the situation in this country? When will it understand what is going on out there? Mr. Speaker, we support the review of Section 31 of the Income Tax Act in order to bring it up to modern day standards.

What did the Minister of Finance do to the taxpayer on budget night? I am interested in what he did for the middle and lower income Canadians who foot the bill of the Government for Liberal wastefulness. He increased taxes. Federal sales tax will be increased by one percentage point October 1, 1984. Tax exemptions for children will no longer be indexed for inflation. The federal tax reduction will be reduced. The standard deduction of $100 for charitable donations will be removed. The Canadian ownership special charge will be maintained, although we have no plans to buy anything. Telecommunications charges will be subject to a 6 per cent sales tax.

Only a Liberal Finance Minister could increase the taxes of lower and middle income Canadians and then claim that the economy will improve because lower and middle income Canadians will spend more money as consumers. It is twisted logic, but then again, the definition of Liberal logic is twisted logic.

What about the deficit? What is $31.3 billion? That is the projected deficit. It is more than Ottawa spent in total in 1974-1975. A $31.3 billion deficit is equal to $3,120 per taxpayer, $1,200 for every man, woman and child in Canada. One tax dollar in three goes to service the debt. Given that problem, what did the Minister do to address it in the budget? Nothing. There is no indication of restraint in the budget. There is no provision in the budget to cut spending, just a provision for future spending. The Government is gambling. It is gambling that revenues will increase rather than taking action to control and reduce spending.

Government spending was up 17.6 per cent in 1981-1982; 16.8 per cent in 1982-1983, the year of the six and five provision; and it will go to 12.7 per cent in 1983-1984. When will the Government balance its books? Similary, the Government accepts the fact that over 12 per cent of Canadians will remain out of work. That is a national tragedy.

On budget night the budget looked reasonable to us but detailed examination of it has revealed the usual Liberal flim-flam. It contains no depth of stimulation, no depth of concern. Once again, the Liberals have failed to help the unemployed, small business people, farmers, the home owner and the lower and middle class.

Mr. Deputy Speaker: Are there any Hon. Members rising to ask questions of the Hon. Member who has just spoken? If not, the Chair recognizes the Minister of State for Small Businesses and Tourism (Mr. Rompkey).

The Budget—Mr. Rompkey

Hon. William Rompkey (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I would like to begin by thanking my colleague, the Minister of Finance (Mr. Lalonde), for the particular attention he has paid to my client group, the medium-sized businesses of Canada. As I have travelled across the country in the past months to speak with business people, it has become clear that there were a number of specific issues that could be dealt with in the budget that would go a long way toward helping this dynamic part of our economy play a major role in the economic recovery. I am pleased to say that the budget incorporates many of those measures.

My own Committee, the Consultative Committee on Small Business, has been discussing many of these initiatives over the past few months. They were of the view that the adoption of these initiatives would provide a significant stimulus to this segment of the private sector and contribute to our industrial and regional economic development objectives. I could not help but be pleased to see how many of the recommendations that I made on behalf of the Small Business Consultative Committee became part of the budget. There is a growing awareness of the tremendous value of small business to Canada's economic well-being. Perhaps these businesses do not stand out individually, with some particular exceptions, but collectively they provide the base on which our industrial strength stands. The analogy would be to compare it to a hockey game. The superstars get all the credit but they could not do their job unless the rest of the team did theirs.

• (1130)

I believe this budget will significantly help small business do its job. Clearly, a first priority was to take action directed at providing employment. Bringing forward a number of major capital projects will project a stimulus into the economy in the short term. These undertakings have their own direct, beneficial impact. They also have a spin-off impact on the small business community which supplies the needs of the larger firms. This group will benefit from the pick up in demand.

At the same time the budget recognizes another immediate need—the need to provide assistance to companies that have undergone a tremendous period of pressure during this global recession. Smaller firms were particularly hurt through this period. They do not have internally generated resources to draw upon to the same extent as large firms and they do not have the same access to externally generated funds. The Minister of Finance has been sensitive to this debt-equity problem of small business.

I must concur with the Minister of Finance when he said:

> The way in which so many have managed to pull through the recession is a tribute to the dedication and entrepreneurial spirit of Canadians.

He was referring to small firms which he described as "one of the most dynamic and innovative elements in the private sector". The budget takes a number of positive measures that will enable our small firms to restore their balance sheets. It is the first step necessary to provision themselves to take advantage of the economic recovery now building momentum.

Improving the investment climate and increasing the availability of internally generated funds will allow our industries to invest in innovative activities. These are the very activities that Canada needs most to ensure our competitive position both at home and in world markets.

I should like to draw the attention of the House to the way the specific measures in the budget are of benefit to small and medium-sized firms. While the provisions are beneficial to all Canadian industries, I believe that small business people can see themselves singled out as a major vehicle of our economic recovery.

The measures addressing business losses will provide a major improvement to the cash flow of businesses, increasing the carryback to three years instead of one and providing the alternative of carrying losses forward for seven years instead of the previous five. This will have an immediate impact on small business. More important, this measure will stabilize the small business cash flow once the recovery takes hold and profitability returns. The provision for the carryback of capital losses to be increased to three years from one will have a similar impact and will improve a company's cash flow.

Additional changes, such as removing the upper limit of the investment tax credit, will be welcomed by small business. So too will be the provision for the remission of a portion of the tax credit directly to the business. This, of course, provides significant benefit to those firms without taxable income. It is a major measure in view of the serious erosion of small business profits in the past year.

As the House is aware, the budget proposes to refund 40 per cent of our new tax credits directly to the firm. This will be particularly valuable in assisting firms to finance research and development or purchase certain manufacturing, transportation and construction capital assets. Firms that combine this measure with the tax credit to purchase common shares will find that they are able to reduce their cost of new equity issue. The tax credit to common share purchasers will also encourage the injection of new permanent capital and liquidity into businesses. This must happen if companies are to redress their serious debt to equity ratio problems. It has been a long-standing problem for smaller businesses to raise equity. This budget measure, by appealing to venture capitalists and individuals, will help overcome that problem.

Hon. Members will also note that the Minister of Finance proposed a number of measures for discussion that will enhance the ability of firms, particularly small firms, to benefit from R and D tax incentives and to attract financing for R and D ventures.

In my discussions with the small business community in Canada it was clear that its major request was that its needs should be addressed through the tax system. The small business community was saying that the programs are there but people did not necessarily have the time to read the brochures and fill out the applications. It was asking for a break within the tax system. It held that this approach would provide the

framework within which it could adjust to its own particular circumstances. I am pleased to note that the budget does exactly that.

That is not all the budget has done to assist small business; other specific measures will also be beneficial. I note the increase in funding for the program of export market development and would point out to the House that the principal beneficiaries of this measure will be small businesses. The Government has repeatedly stressed the value of exports to our economy. It is perhaps not well known that small firms play a major role in our export business. To encourage even more participation—because it is particularly difficult for small businesses to break into this highly competitive area—additional funding is being made available.

Here in Canada, the construction industry will be particularly helped by the budget. The Minister of Finance has provided an additional $355 million to speed a continued recovery in the housing industry as well as the funds that will be spent as part of the Special Recovery Capital Projects Program. I point out to this House that almost 97 per cent of the construction firms in Canada are small businesses. It is evident that they will benefit significantly.

Also in the budget, I am pleased to note, is a proposal that responds to another major consideration of small businesses. The Minister of Finance, in responding to a request from many associations and groups, announced that the Canada Tax Foundation will hold a national symposium this summer on the subject of simplifying the tax system. As a former Minister of Revenue I applaud that. As we know, simplifying a tax system is far from a simple process, but I look forward to participating in this endeavour that will be of such benefit to Canadian firms.

In his budget address the Minister indicated that I would be providing information on the expanded role of the Federal Business Development Bank. The Bank has long played a valuable role in assisting the needs of smaller businesses. As it evolved from its beginning as the Industrial Development Bank, the need to modify the Bank's role became evident.

I am announcing today that the Federal Business Development Bank, while maintaining its traditional functions of term lending, will expand and refocus its client services and progressively embark on its role as a merchant banker. This latter role will enable the bank actively to identify new business ventures and participate in their development. In doing so, the FBDB will usually take a minority position with the intention of selling the shares after a few years. The Bank's new role will continue to focus on the needs of the small firms and it will complement the tax measures outlined in this budget. Taken together, the two thrusts will substantially improve the business environment for Canadian firms.

The basic service of the Bank has been term lending and this will continue. At the same time we must recognize that the Bank has been facing increasing competition from Canadian chartered banks and other lending institutions in this area. That is as it should be. In fact, I believe that the Federal Business Development Bank has, in a way, been instrumental in creating this competition for itself. By demonstrating that term lending can be profitable in a number of cases that the other institutions had already rejected, it caused these other institutions to re-examine their practices. Their examination obviously led them to conclude that many Canadian firms who had already been turned down were in fact good prospects.

• (1140)

As a consequence, as I have noted, commercial institutions have moved to increase their lendings to smaller firms on terms which they can afford. I would hope that the role of FBDB as a catalyst will continue, believing as I do that Canadian banks can go much further in their efforts to help the smaller firms.

I have met with the Bankers' Association and I am meeting with each bank individually. In those meetings I have asked them to review their collateral demands which, I believe, are often excessive and to consider additional training of their staff in how to deal with the special needs of smaller firms. I have stressed to them that there appear to be different levels of service across Canada, with firms in British Columbia and Newfoundland expressing particular concerns.

There is one consequence of the increase in term lending by the banks which we cannot ignore. FBDB has increasingly moved to provide term lending to higher risk firms. It is clearly the lender of last resort for Canadian companies and is, therefore, the institution which is running the greatest risk. It is reasonable, then, to expect that it will incur losses in its term lending portfolio. When one considers that the chartered banks, with their choice of loans and their emphasis on collateral, incurred losses in 1982 of $1 billion more than they had anticipated, it is evident that the FBDB would have even greater problems. I believe this is a reasonable cost of doing business with the Government operating in partnership with Canadian firms. If we had no losses, I would believe we were not taking sufficient risk.

The Bank does not restrict itself to term lending. Without question, a major need for many Canadian small businesses is information and advice about the management of their operations. Additional funding will be provided so that FBDB's current business and information services can be expanded. The client services offered by the Bank have proven invaluable to many firms in the establishment of their long-term viability. The Bank will particularly emphasize the delivery of these services outside the major urban centres of Canada. So we hope, Mr. Speaker, that the FBDB will particularly focus on small business and on small business in rural Canada. Small businesses will be assisted in the preparation of their proposals which they will be taking to the private sector financial institutions. In this way we will be meeting a demonstrated need and, I hope, will also spur the chartered banks to greater effort in this regard.

These services must be offered at a cost which smaller firms can afford, and to do this the Bank has traditionally subsidized this service from the profits made on its term lending role. As I have pointed out, these profits will be harder and harder to achieve as the other lending institutions move into areas that

the FBDB has shown to be money makers. In spite of this, we believe this service to be invaluable to the Bank's clients and as a consequence the costs must be absorbed.

The progressive expansion of the "merchant banking" function of the FBDB will fill this gap which exists for small firms seeking financing. As the Bank develops its investment banking capability FBDB will address the equity and other financial requirements of promising small businesses. These are the very businesses upon which we depend for innovation but for whom the raising of equity presents the greatest difficulty. Essentially, the Bank will be a deal maker for these smaller firms. It will package financing arrangements for a fee or it may participate directly as an equity partner or holder of stock options.

In conclusion, I repeat that I believe this budget recognizes the tremendous value of small businesses to our economy. These firms will play a significant role in leading us on our road to recovery. They have the flexibility to move quickly into promising new ventures. They are the innovators who provide new products and processes. They are the network of suppliers who enable larger firms to continue. It has often been noted that employment creation is largely done by Canada's smaller enterprises. This budget, by providing significant assistance to them, will clearly assist us to achieve our overriding goal, that of providing long-term, meaningful work to Canadians in all parts of the country.

Again, I congratulate the Minister of Finance for presenting the small businesses of Canada with a package of tax measures and other stimulative initiatives which will enable them to grow and flourish. This budget has responded to the needs of, and to the requests made by, the small business community. When they take advantage of the opportunities which are presented, as I am sure they will, Canada's industrial capability will be enhanced.

Mr. Lewis: Mr. Speaker, I have a question for the Hon. Minister responsible for small business. In a letter from the Federal Business Development Bank to a constituent of mine it was stated, in part: "Prior to the completion of our investigation of your request for financial assistance, the Federal Business Development Bank will require a prepaid commitment in the amount of $3,950". By contrast, the standard practice of the Canadian banking system, as received this morning from the Director of Public Affairs, is: "It is not standard practice for the chartered banks to level a commitment or standby fee on loans". The only exception might be in the case of a large multi-million dollar loan with a fixed rate.

Will the Federal Business Development Bank abandon its practice of requiring commitment fees from Canadians who go to them for loans?

Mr. Rompkey: Mr. Speaker, before commenting on the particular instance, I would like to receive the details from the Hon. Member. I can assure him that I will take it up with the Bank. I would say in general that the people to whom I am listening, who are on the Consultative Committee which I have and, moreover, the study done by the Federation of Independent Business, which is certainly not the great defender of the chartered banks has shown that collateral was too high and that service was not given to small business, particularly in the rural areas where there was no competition. My effort has not been to get FBDB to respond to small business because, indeed, they have been responded to by and large. For example, 23 per cent of the portfolio of FBDB is in tourism, which is essentially all small business.

I will be glad to look into the individual case which the Hon. Member has raised because I know of his sincere concern in this area. I do feel, however, that the reality is that in the past FBDB has been a lender of last resort but has been focusing on small business; and in my speech this morning I pointed out that we want them to do even more of that in the future.

Mr. Lewis: Mr. Speaker, my question is: Will the Federal Business Development Bank abandon its practice of charging commitment fees?

Mr. Rompkey: Mr. Speaker, I am not aware that it is the practice of the Bank to do this. I undertook to look into this particular case, but I do not want to comment further on it until I have had a chance to examine exactly the point the Hon. Member is raising. As far as I know, however, it is not the practice to do that.

Mr. Domm: Mr. Speaker, we all listened with interest to the announcement of the Minister of State for Small Businesses concerning the terms of reference being changed for the FBDB and the re-focusing, to use his words, I believe, of banking interest into the business community; that is to say, taking minority positions or inventing for equity in the small business. It is shades of Nordair or Maislin Trucking, where you go into a situation in dire straits, invest money and in return take an interest. It is shades of General Motors, and on and on the list goes.

My question to the Minister is a very direct one. Is there an opportunity in those investments in small business by the Federal Business Development Bank for the business to purchase back without bonus, without penalty and without notice? In other words, if they invest in the company in order to bail it out of its difficulty, as a Government moves into the private sector, can the private sector buy back without notice, bonus or penalty?

Mr. Rompkey: Mr. Speaker, it is important to recognize the main thrust of this budget. The main message here is that if recovery is to come, and it will, then private enterprise has to be the main engine of the economy. To go even further, I would say that small business is the drive shaft, and that is exactly what we are emphasizing here this morning.

The main point is, however, that the preferred option, obviously, is to let the private sector do the job. If it needs some help, then how is that help going to be given? In the whole process of merchant banking, I do not think the first option would be to take an equity position. Possibly if there is other capital available from private sources, that might be the preferred option, and in my opinion would be. I have seen

certain cases in my own area, although I do not know whether the Hon. Member has seen them in his area, where unless that is done, the deal just does not fly. So there is a provision here for taking an equity position.

• (1150)

I do not think we should necessarily target that as being the first option, because I repeat that the main thrust is to let private enterprise do the job wherever possible. As far as unloading afterwards is concerned, I mentioned in my speech that there were certainly provisions for doing that and I would hope it would be done as easily and as quickly as possible.

Mr. Domm: Mr. Speaker, that question was not answered satisfactorily. The question was a very direct one. If the Government is to take an equity interest in the private sector for the purposes of bailing out that business or helping it over a difficult period in its economic development, is the Minister prepared, as the Minister responsible for small business, to assure the House and the Canadian business community that there are no strings attached in a permanent investment by the Government of Canada into the private sector? In other words, will the Minister guarantee the House that that equity can be purchased back by the business from the Government without notice, bonus or penalty? What could be more simple than that question? Answer yes or no.

Mr. Rompkey: The answer is that it can be purchased back from the Government. With regard to the details of how that will be done, I would say to the Hon. Member that in the next couple of days I hope to give more details of the change in the FBDB. However, the general answer to the question is "yes", without saying "yes" to each one of the individual points which he raised, because within the next couple of days I hope to make a more specific announcement as to exactly how these functions will be carried out.

Mr. Deans: Mr. Speaker, one of the problems which now seems to be confronting many smaller, older municipalities is that plants which have been the mainstay of employment in those municipalities are now closing and moving away, sometimes moving to other municipalities, sometimes closing entirely and just moving out of the country. I can see nothing proposed by the Government in its budget which begins to address that question. The question really involves responsibility to the municipality for the money which was spent in developing the infrastructure from which the company benefited, responsibility to the workers and their families who are totally disrupted and, in many cases, destroyed by the decision, without being given adequate notice or opportunity to participate in any discussion or decision making.

Does the Minister not feel that we have reached a point in time in this country when corporate behaviour must be altered somewhat and we must place some additional demands on those who make very important economic decisions which affect not only individuals but also entire communities? If so, would he subscribe to the idea that there might be some need to demand from the corporate dicision makers, large and small, that they sit down, well in advance of a decision to close, so as to discuss the problem with their employees, municipal officials and various levels of Government, and to discuss the way in which they are reaching their decision so that the solution might be found and those companies are not placed in the position of having to move and the employees are not placed in the position of probably being unemployed, perhaps some of them for the rest of their lives?

Mr. Rompkey: It is first of all important to point out that the budget will hopefully help companies to expand. Whereas companies have suffered losses before and have had to close down, the budget may indeed make others change their minds. People in my constituency are saying: "Look, have the companies looked at these new tax provisions? Maybe they can change their minds. Maybe they can take advantage of these provisions and rethink the whole process." Some closedowns may be affected because of the tax provisions here, but I do agree that the private sector has responsibilities, not only in getting the economy moving, but also in letting people know of their exact plans. There is a responsibility to the community. I know of cases where banks have pulled out local branches. It is the only game in town. One cannot pull out the hospital or the school.

Mr. Deans: That's right.

Mr. Rompkey: However, one can pull out the banks. I think banks have some responsibility to provide a service. They should not simply take money out of the community but should show some responsibility toward it. The same kind of responsibility applies to corporations. I might even say that it applies to Crown corporations. They have not always been the most responsive to the needs of communities either, even though they are creatures of the Government.

I think the point is well taken, but I do not think we should be focusing on the past. Hopefully, things that have happened in the past might be rethought in the light of the budget provisions.

Mr. Deputy Speaker: The period of questions and answers has expired.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, basically I have two main threads to follow in my remarks today, the first being specifically directed to some of the unusual features surrounding and, indeed, leading up to the presentation of the budget of April 19. The second, while more general, is still related to the conduct of the Government in the fiscal field and its effects on economic recovery.

The springboard, if I may use the term, for my first series of comments was that utterly childish but, at the same time, rather frightening mélange of arrogance, pettiness and teenage tomfoolery indulged in by the Minister of Finance (Mr. Lalonde) on Monday, or perhaps it was Tuesday, a fortnight ago, once he had bought his new shoes. I refer, of course, to his date with the cameraman. This was followed, as we all remember, by a quite unbelievable sequence of arrant stupidities

which could have been either intentional or the result of poor staff work. Again, I refer to the tabling first of one set of budget papers, followed by another, and finally, it would seem, by a third and possibly even a fourth.

The sleight-of-hand involved or the bad staff work calculated to cover up an inexcusable slip brought on by the arrogance to which I have already referred, or which was perhaps intended to do not more than lay this sort of smokescreen or create a diversionary issue around the matter, ended up in an exhibition of such sniggering self-justification on the part of the Minister as to be an egregious insult, I suggest, to the proprieties and the dignity of the House. It will stand forever as a blot on the record the Minister of Finance.

This was indeed a budget of recovery, as it was called by the Minister. It was fixed up at the last minute in an effort to effect the recovery of the Minister from an unpardonable lapse from orthodox parliamentary practice. At the last minute he quite obviously fudged the books by adding an extra $200 million to his proposed expenditures. He did not have time, however, to determine either where the $200 million was to be spent—

Mr. Cosgrove: Job creation.

Mr. Munro (Esquimalt-Saanich): —or from whose pocket it was to come. In this fashion he tried to extricate himself unscrupulously from a very sticky and thoroughly demeaning situation, that of exposing his budget in public before budget night. Surely a case of indecent exposure. I will leave it at that for a moment.

Yet this performance, planned or not, contrived or simply stumbled upon or into, was, in a manner of speaking, no more than the most recent in a sequence of events surrounding budget presentations. I hesitate to suggest that it could be the culmination but it was at least the last in a three-year series of distortive manipulations of the rules and traditions of the House surrounding budgets, their presentation and their consequences.

With all due respect, before the Minister of State for Small Businesses and Tourism (Mr. Rompkey) leaves the Chamber, I would suggest that he contrived another one today. He might more properly have introduced his suggestions on Statements by Ministers in order to allow a debate. Instead, like some other Ministers, he worked it into his budget speech and had only ten minutes of questions. As I say, this is probably not the culmination but just one in a series.

• (1200)

Not content with playing with the documents that had to be tabled, the Minister of Finance announced one or two days later that the whole business of budget secrecy was outmoded and we should follow the U.S. practice. As far as the U.S. practice is concerned, I hope his staff will bring to his attention the comments made in a letter published in *The Globe and Mail* on April 27 by the Hon. Eugene Forsey in which he indicated that there is no possibility of drawing a parallel between that performance and the United States practice.

Of course, the Minister reversed himself on the logic of that comment by suggesting in a later comment that the T.V. cameraman whom he had teased and tormented even to the length of suggesting that he might like to use his zoom lens, was no better than a thief. Who is to say what other monstrous charges are still to come after that suggestion?

The history of budget presentations by this Government is not a very reputable one on other accounts, because it is breaking new ground in parliamentary tradition, whether intentionally or not, by allowing a single session to extend beyond three years. That is a revolution in itself. It is a record for which the Government, or at least some of its Ministers, are apparently unaccountably proud. Today is the five hundred and first sitting in our fourth year of this first session of the Thirty-second Parliament. However, that is another story which will have to be saved for another day because the mess surrounding the budget presentation is what we are concerned with here. Whether a parliamentary session extending into a fourth year is legal is a completely different issue.

To return to the budget, matters arose as far back as April, 1980 when the then Minister of Finance who is presently the Secretary of State for External Affairs (Mr. MacEachen), used most of his time during the debate on the Address in Reply to the Speech from the Throne on April 21, 1980 to introduce a mini-budget statement—it is even called that in the *Hansard* index—and a Ways and Means motion. This is to be found at page 243 of *Hansard* of April 21, 1980. This is probably the first time that a Ways and Means motion has been introduced in such a manner.

This is only the first break with parliamentary traditions in the fiscal field during this session. The record over the next three years is just as startling, as I propose to outline.

A question of privilege that followed from that unusual performance in April of 1980 was raised by Members from this side of the House, because to accept such a practice without comment was to deprive Members of their rights to consider the budgetary proposals that were then being outlined. That is an important point. The debate on the address was almost completely concluded by that time and the Minister, therefore, was not subjected to questioning on the presentation of his mini-budget. Paragraphs 516 and 517 of Beauchesne were extensively quoted but to no avail, as seen by the ruling of the Speaker at page 459 of *Hansard* of April 28, 1980.

The next unusual performance with respect to budget presentations which I believe deserves being recounted occurred on October 28, 1980 when, in addition to announcing proposals to increase sales and excise taxes, customs tariff changes and changes in unemployment insurance premiums both for employees and employers, the same Minister of Finance then sneaked in an entirely new program under the guise of taxation proposals, one which has come to be known as the National Energy Program, a plan to governmentalize the energy industry.

It is a program that has had at least two serious consequences, as we are now finding out. First, it drove a great deal

of exploration activity out of the country and thereby deferred *sine die* the achievement of one of the laudible objectives of the plan, namely energy self-sufficiency. Second, it aggravated in a needless way and to an unusual degree our relation with offshore investors except, I must add, those who would be overwhelmingly advantaged before very long by the governmentalization process. An example of this is the acquisition of the Canadian operation of a foreign owned chain of service stations at inflated prices. Of course, I refer to Petro-Canada's acquisition of Petrofina at a cost of $1.6 billion which was in itself a gross overpayment for a static service station asset. This governmentalization proposal made in the course of that budget presentation was a further departure from the normal practices of the House.

We next come to the budget of November 12, 1981, still in the same session of Parliament, 20 months into the Thirty-second Parliament. We must remember that this was the budget that was torn to shreds bit by bit, as the days went by, by the very Minister who presented it. In all, some 90 changes were announced to the budgetary proposals that had been made public on the night of November 12.

This budget of November 12, 1981 was eventually approved, if that is the right word, on December 8. It was approved but nibbled away at as though by mice. There were 90 changes to a budget that was approved. What, then, is the value of approval? What are Government backbenchers doing supporting their Government and then watching it shoot that approval full of 90 holes? Is there no honour left in this House? I am compelled to ask that question.

Even the budgetary deficit forecast in that budget of November, 1981 was repudiated in the Minister's next budget of June 28, 1982, which was some 26 months into the same session. In the previous November the Minister had forecast a $10.5 billion deficit. By June, only eight months later, he was obliged to announce that that deficit had almost doubled, from $10.5 billion to $19.6 billion, and that the financial requirements, instead of being the $6.6 billion announced in November, 1981, had virtually tripled to $17.1 billion only eight months later.

The budgetary process was obviously breaking down in a number of ways. Its provisions were being altered and withdrawn. Its forecasts both as to deficits and expenditures were being completely revised.

Another mini-budget was introduced by the new and present Minister of Finance on October 27, 1982. This was done by means of a statement introducing a Bill to secure authority to borrow an additional $4 billion. Again it was a break in tradition and an outright denial by the Government of the right of Parliament to discuss budgetary proposals when they are made. Bill C-128, the borrowing authority Bill, was passed within the week. It was approved by the silent majority on the other side of the House on November 2, 1982.

On December 7, 1982, a month later, Bill C-139 was introduced to amend the income tax law as a result of the provisions of the June budget. That Bill was not passed until March 24, 1983. It received Royal Assent on March 30, 1983, the day the Easter break began.

What do you think happened next, Mr. Speaker? The next chapter of the budget saga began. Believe it or not, five days after the income tax Bill had been given Royal Assent, the Minister made public a document entitled "Draft Amendments to the Income Tax Act" claiming that time had not permitted him to introduce these amendments during the debate on Bill C-139. This was his assertion when the Bill had been before the House for over three months, since December 7, 1981. It was another breakdown in the budgetary process. The amendments to the Income Tax Act consequent upon certain provisions of earlier budgets had been before Parliament for three and a half months and had only just been passed. Lo, a new set of proposed amendments was made public during a parliamentary recess. That document reached my desk on April 6 while I was in my riding during Easter recess. Is it any wonder that we ask ourselves where our Parliament is heading?

• (1210)

But that is still not the end of the story. We now come to the events of April 18 and 19 last. Those irregularities have been gone over at some length in the House and by the media, and the Chair has ruled that they do not constitute a breach of privilege. Breach of privilege or not—and I insist on my right as a Member of Parliament to remain unconvinced by the argumentation used to uphold the Minister of Finance—the events surrounding that occurrence of the zoom lens and the Minister of Finance's recovery proposals remain one of the sadder happenings of this overextended first session of this Thirty-second Parliament, which is now over 36 months old and going into its fourth year.

The Minister even had to compound his arrogant disregard for Parliament. The nature of his offence, though it may not have been regarded by the Speaker as a breach of privilege, was outlined by my colleague the Hon. Member for York-Peel (Mr. Stevens) on April 21, the first opportunity he had really to speak after seeing the material on the budget that had been tabled two evenings before on April 19. The account of the tabling of the various documents during and just following the presentation is provided by the Speaker in her ruling. There were so many documents involved, however, that it is difficult to extract from the Speaker's comments the exact documents or tables to which reference is made.

I know for a fact that I received one correcting document that very evening in the lobby. It was called an "addendum" and was intended as an insert after paragraph one on page three of the budget speech. It was in effect the Minister's apologia. It was not his recitation of *mea culpa* or *meum delictum*, his self-redeeming rationalization and the discovery of $200 million to add to the year's expenditures on recovery, but his own recovery.

I also received, upon request to the Table, as the Hon. Member for York-Peel was spelling out his question of privilege, a much more complete set of corrections to a number of

pages of a budget document entitled "Fiscal Plan". These corrections were in manuscript. It is a disgraceful looking document, one that ought not to have been tabled even to save the Minister's face and his skin. I am glad to say that document was not stamped by the Table. We have not only the "addendum" to the budget speech but also "the unrevised version" and the "hand-corrected version" of these budget papers. The confusion that these documents caused on their own, merited something more than the big, self-satisfied grin with which the Minister favoured us once he had been excused for his outrageous behaviour. It is worth noting the dates that I have already mentioned of these outrageous events.

Then on April 26 we had the ruling of the Speaker that there was no question of privilege. Surely there is a lesson to be drawn from this whole experience.

Given this history of shifts and changes, budget presentation and budget alterations—90 of them remember in one budget—and given that record of reversals and revisions, how can we be sure that the income tax provisions as they now stand, even for 1982-83 will remain intact? And because of that uncertainty, how are corporations in particular, and individuals to a lesser degree, to plan their financial future?

A stable tax climate, accent on stability, is all-important for healthy economic growth in the nation. That stability we have not had in Canada for at least four years now. Uncertainty and the burdensome national debt load, I suggest, are two of the principal obstacles to economic resurgence in Canada.

A word of caution therefore. Before we get out into the streets to sing the praises of this budget, let us think on these things. Let us dwell on the atmosphere of uncertainty that has been generated, and let us remember with respect to the debt load, to quote the lead editorial of the *Financial Times* of April 25, 1983:

> The legacy of the past eight years is a collapse of federal revenues from 18.7 per cent of GNP in 1974-1975 to 15.7 per cent last year and a jump in expenditures from 19.9 per cent to 23.1 per cent.

This jump in expenditures is over the same period. A sobering summary, especially when coupled with the prospect of having to deal shortly with another borrowing Bill, this time for $19 billion. This will be on top of the $62.6 billion—let me repeat, on top of the $62.6 billion—already authorized during the life of this session of Parliament.

Having said all that, I am still at a bit of a loss, I must admit, to determine whether this whole budgetary fiasco in the Thirty-second Parliament can be laid at the door of carelessness or whether there may not be a deliberate scheme to downgrade the entire parliamentary process. In any event, the warning is worth sounding: once we are completely enmeshed in these devious toils, there will be no escape. Let us, therefore, be perpetually vigilant, lest we lose this instrument of democracy that has been so long in the making.

That being said, I would like to turn to another review of this Government's performance, but I see, Mr. Speaker, that you are rising.

Mr. Deputy Speaker: I regret to interrupt but the Hon. Member's time has expired. He may continue with the unanimous consent of the House. There does not appear to be unanimous consent.

Mr. Deans: Mr. Speaker, I have a question for the Hon. Member for Esquimalt-Saanich (Mr. Munro). The Hon. Member was in the House when I raised the question, which I think is vital in terms of the economic direction in which the country is going, with the Minister in charge of Small Business.

In reviewing the budget and looking at the economic conditions of the country, particularly as they apply to unemployment and even more particularly as they apply to single industry towns and older cities where municipalities have come to rely on established companies for their employment opportunities, does the Hon. Member have any comment to make on the proposal that we have reached a point where corporate decision making is not just simply the responsibility of the directors or for that matter the shareholders of each and every private corporation, that in order to develop a sense of responsibility to the municipality from which corporations derive significant benefit in terms of the infrastructure that is paid for by the citizens of the municipality—the roads, the sewers and the other things that go into making municipalities places where workers work and live—workers and their families who at times are totally ignored by decisions made to close plants—and I am sure that in the area the Hon. Member represents and from his past experience he has seen—

Mr. Deputy Speaker: Order. The Hon. Member will have an opportunity to participate in the debate; therefore, would he put his question to the Hon. Member?

Mr. Deans: Mr. Speaker, I appreciate what you are saying, but the rule says that I may ask a question or make a brief comment.

Some Hon. Members: "Brief".

Mr. Deans: That is fine. Would the Hon. Member support a new code of corporate conduct that would require some prior consultation with those who are most affected in order that some solutions might be found to eliminate the need to close some of the plants that are being closed in this country and thus establish some stability in many municipalities?

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, this is an approach that is very similar to the approach being offered by the Government. What the Hon. Member fails to see is that within the taxation climate with which we are compelled to live, corporations are facing difficulties, grave difficulties. They are quite capable of managing their affairs, carrying on their business, and producing and employing if the tax structure allows them; but this proposal that came across the floor this morning, for example, is just another foot in the door for the socialist horde, if you like: "Let me get a hold of some of the equity of your company, and once we get in, we will take it over".

There is another solution, the solution of tax incentives, tax incentives to employ, to produce and to export. Those are the solutions which give the man who has the initiative pride in his work to expand.

Some Hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): Socialism has not worked. It cannot work. The other solution is the only one.

• (1220)

Mr. Deans: Mr. Speaker, I have a question for the Hon. Member just out of curiosity. If the tax incentive method is the one the Hon. Member is proposing, how does he rationalize it with a budget deficit that must grow as a result of reductions in taxes and as a result of tax incentives? How does he rationalize those two points?

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, that is socialist economics if we ever heard it. The Hon. Member does not seem to realize that with increasing production and increasing employment there will be increasing taxes. It is as simple as that. The socialist approach has been tried in the country by this Government for over 15 years. The Hon. Member is able to talk about corporate responsibility and use that term without blushing. I am suggesting that corporate responsibility is what the Conservative philosophy engenders, encourages and rewards.

Mr. Waddell: Mr. Speaker, I would like to direct a short question to the Hon. Member. He says that the socialist approach is the one being used in the budget. Why is it, then, that commentators are calling it a Conservative budget and the stock market has kind of gone ape over it? The index has gone up and so on. Also he used the term "socialist hordes". Does he think the socialist hordes are at the gates of the Government of British Columbia?

Mr. Taylor: We hope they stay outside.

Mr. Munro (Esquimalt-Saanich): Yes, I think so. I recommend to the Hon. Member for Vancouver-Kingsway (Mr. Waddell) the April 25 edition of the *Financial Times* from which I drew some comments. All the media are not commenting favourably on the budget.

Mr. Cosgrove: Ninety-eight per cent are.

Mr. Munro (Esquimalt-Saanich): If the Hon. Minister wants to go by the 98 percentage, there are other percentages which I could bring to the attention of the House. For example, the drawdown of the earnings of Canadians is a very high percentage with which we should deal. The Hon. Member for Vancouver-Kingsway should not get out on the streets and laud this Budget too highly, because he will come down with a bump one of these days.

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, having just heard from the far right of the House and also from the far left of the House, I would like to say a few words on behalf of the common, practical, middle group in the House.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Hopkins: Let us take a look at the budget and its reality. I, like many other members in the House, have been here for some time and have seen many budgets brought in. We have always witnessed the same procedures prior to budgets, with Hon. Members rising and asking the Minister of Finance questions about what will be in them. When the Minister does not tell them, he is accused of being too secretive; when something happens, he is accused of a leak. Even when it is taken out of his office he is accused of a leak. Following the presentation of a budget, our mail load either lightens or strengthens according to what is in the budget. Of all the budgets I have seen going through the House, my mail load is the lightest it has ever been on any budget in the last 17 years. This is a clear indication that many people out there are satisfied with it and are willing to give it an honest and fair trial period.

I will talk about a number of matters this morning. One relates to a question which I asked the Minister of Finance (Mr. Lalonde) in the House a few days ago about the policies of Canadian chartered banks. I do not want my comments to be portrayed as bank beating. I think it is a problem which must be solved if we are to improve the unemployment situation in Canada. I am referring to the matter of projects financing of small businesses and small industry.

The chartered banks of Canada have lately had policies whereby they will not release funds to small industries to help them pay their labour or buy material so that they can produce manufactured goods, fill contracts and orders. As a result, I know of one company which recently had to turn down a $3 million contract. I want to make it very clear that there is very little sense in the Government putting up billions of dollars in an attempt to promote employment and asking members of the private sector to put their money on the line to try to improve the economy and the unemployment situation, if we do not have the total co-operation of the Canadian financial structure. I hope the Minister of Finance continues his discussions with the Canadian banking community so that small industries can get on with the job of producing goods, paying labour and creating more jobs.

In answer to my question the Minister of Finance indicated that he expected all sectors of the economy to carry their weight. That is the answer to the problem at which I am looking.

I was glad to see in the budget the Extended Youth Training and Employment Program whereby 5,000 young people will be taken into the Canadian Armed Forces to be trained in basic and general trades. The sum of $75 million will be allocated toward this Program. It will also provide vocational training. It will help young people make the transition from school eventually into the work force with trades and vocational training to

their credit. The Canadian Armed Forces has some very good instructors in the fields in which these young people will be studying. I want to tell the military community how much we appreciate the way they welcomed the Program with open arms. I am sure that they will do an excellent job.

I would like to refer to another area of activity which is a relatively untapped resource in the over-all structure of the Canadian economy. I am referring to the tourist industry. Over the years the Provinces have really not had an aggressive policy to develop or assist tourism. Of course, the federal Government is limited by jurisdiction, but I would like to give an example of an entrepreneurial effort that deserves a lot of credit. It is an area of the economy by which we can increase jobs and the tax flow into the treasury of Canada by helping others and providing them with a framework within which to work.

There is a great future in tourism. A case in point is the white water rafting business which operates on the Upper Ottawa River in the Beachburg-Forester's Falls area. Three companies have been playing a lead role in the development of white water rafting on the Upper Ottawa. Last year Wilderness Tours took 32,000 people down the white waters of the Ottawa River. Another company known as Ottawa River White Water Rafting brought down about 12,000 people. Another company, the OWL, Ottawa white water leaders, took down 5,000 people in 1982. In 1983 Wilderness Tours in particular is expected to go from the 32,000 in 1982 to 47,000. That is entrepreneurialship of the first order. This is why I wanted to put it on the record today.

I think both Governments, provincial and federal, must place a great deal more emphasis upon tourism because there is great future job potential. It is not an area which will be totally invaded by technology like industrial jobs. We could provide more jobs for general labour through the tourist industry than through any other existing industry at the present time.

These companies place a great emphasis upon safety. They have outstanding records in terms of safe operations. It is in their best interests for customers to have the benefit of good equipment and expert employees. These employees are well trained and the people who go on white water tours are in safe hands. To date they have not had an accident. This is a relatively new industry in Canada, approximately 12 years old. It is catching on fast and has great potential. The employment potential is outstanding.

• (1230)

There is something the Government must look at and do something about. Companies in the white water rafting business want safety regulations set by Government. This is not to protect their image, which they look after themselves. They want to be protected against others coming in with cheaper equipment which is not safe. This could cause accidents and give the whole industry a bad name.

I have been working with the Coast Guard people in the Department of Transport and with other levels of Government to try and bring this about. The industry will be submitting regulations for our perusal and, hopefully, adoption. That is the route to go. Those in the industry are the experts. Regulations they submit will protect their interests and the safety of people. They know best. This is a good example where industry can work hand in hand with Government, bringing in regulations which will protect an important segment of the tourist industry in Canada.

I will retract a bit to point out that there is no Act of Parliament dealing with tourism safety, something that is needed. I hope we will see something along this line in the Throne Speech. At present, responsibility for regulations governing the safety of this industry is under, of all things, the Canada Shipping Act. Under the regulations of that Act, operators on the Fraser River in British Columbia are covered. There are general regulations which affect all operators, whether they be on B.C. rivers or on the Ottawa River between Ontario and Quebec.

There is need for a second set of regulations which are more technical. Obviously the equipment required on the Fraser River is different from that required on the Ottawa River. There should be two phases of regulations, a section of which should be more technical, related to the geography of an area such as that in which the white water rafters operate.

I wish to add to my argument with regard to how important that industry is to tourism. A large complex is to be built in Ross Township on the Ottawa River. The company building it, Wilderness Tours, will put up $800,000 of its own money. That is how much faith they have in the industry. They have received $110,000 in 50-50 federal-provincial funding from the Eastern Ontario subsidiary agreement. By next year, Wilderness Tours expect to have over 200 employees. That is a sizeable number and shows the employment potential.

Before my time runs out, I also want to deal with airports. Airports have been referred to in some of the follow-up documentation of the capital projects listed in the budget. I want to emphasize this very strongly. I hope the Minister of Transport (Mr. Pépin) and other Cabinet Ministers will take note of this point. Regional airports are very important. Some emphasis must be placed on capital funding for small regional airports. It is part of the infrastructure of those communities. You can try to attract industry, jobs, small and large businesses, but without proper facilities to provide the rapid transit which people demand you will not have the infrastructure which appeals to business leaders.

There are regional airports in Kapuskasing, Cochrane and other parts of Ontario. Pembroke is a case in point. The airport is owned by 12 municipalities. There are two return flights to Toronto a day. These small airports are important because they are feeder lines for the larger airlines. People can get where they want to go. These airports can handle private aircraft, both pleasure and business. Such an airport is an attraction for business.

There is little sense in Government spending millions of dollars on industrial parks and other infrastructure without

providing the total package. We must never forget the transportation factor. Any member of the northern Ontario caucus knows how important the transportation factor is. Flying schools are also very important. Many of these smaller airports provide such instruction. I repeat, these airports attract business to the area.

I do not want to conclude before saying something about forestry. As Hon. Members are aware, the northern Ontario caucus sponsored a forestry conference in Thunder Bay the first weekend in February. It was a major success. Business people from the various sectors of the industry across northern Ontario attended that conference. It provided good input. The Minister of the Environment (Mr. Roberts), to whom the Canadian Forestry Service reports, attended that conference, as did three or four other Cabinet ministers. I thank them. It is that type of interest and personal relationship that builds up confidence in the business community. Business people realize that the Government is interested in them. This is important if we want their help in improving the economy and, therefore, the employment situation in Canada.

At that conference we discussed basic issues involving the forest industry, including tax problems. I know there are special tax measures in the budget for those in the forestry business. There is something crucial in the future for the forest industry.

Those with a basic knowledge of the business realize that one of the major problems over the last number of years has been a lack of forest management. The federal Government is inhibited to a large degree with regard to upgrading our forests because of the jurisdictional problems. I have a note here which is rather revealing. It is headlined "Ownership". Approximately 92 per cent of Canadian forest lands, excluding the Yukon and Northwest Territories, is owned by the Provinces. Seven per cent is privately owned and less than 1 per cent is federal Crown land. That shows how inhibited the federal Government is without built-in federal-provincial agreements to upgrade the forests and put people to work in the forests.

• (1240)

Private ownership in the forest industry is significant in some parts of the Atlantic Provinces, the southern agricultural regions of Ontario and Quebec and in some of the prime forest areas of the B.C. coast. Domestic ownership of the pulp and paper industry was 70 per cent in 1980 and domestic ownership of sawmills and other wood industries was over 80 per cent. Approximately 75 per cent of Canada's combined forest products industries are domestically owned.

While the forestry sector is of obvious value to Canadians, employing over 11 per cent of our work force when in full production, several key variables present a challenge to the industry's continued strength. These include export trade, timber supply and general economic trends. It behooves us as a federal Government to keep in place tax measures that will be an incentive to the industry through difficult times and through good times as well so that a balance can be struck that will keep the industry intact. The forestry sector plays a major role in upgrading the forests in our land. I cannot emphasize the importance of research and development in the forestry field strongly enough.

We must come to grips with the jurisdictional problem in Canada at the federal-provincial level so that the federal Government will be legally able to have greater input into reforestation programs and into improving Canada's forest species, as we now have a situation where there is far too much second and third grade timber. Many operators who have been in the business for years find this a real danger to their future. If there is anything that discourages them from expanding and creating more employment in those areas, it is the poor quality of timber.

Since the Minister of the Environment is here today, I would like to see this particular jurisdictional issue dealing with the forest industry of Canada go to a full-scale federal-provincial conference with forest resource Ministers from the various Provinces and appropriate Ministers from the federal Cabinet involved. I would like to see them come to a sound agreement so that there will be no more jockeying back and forth saying: "You cannot come into my backyard and I do not want you bringing in this money because you are interfering in my jurisdiction," and so on. If we are to have a mature forest, we must act like mature people and develop a good, sound program.

Mr. Roberts: Mr. Speaker, you can understand the interest I have in the last part of the Hon. Member's speech. I was particularly struck by his recommendation of a conference of forestry Ministers who will meet to avoid any irritations or possible objections to expenditures by the federal Government in this area, a request for more co-ordination.

I would first like to salute his speech and thank him for it. However, does he not think that the Canadian Council of Resource and Environment Ministers is the appropriate forum in which those consultations should take place? If he does believe that that would be the case, would he furnish to me some suggestions about which of the issues he has described might be raised with the ministers of forestry under that umbrella?

Mr. Hopkins: Mr. Speaker, I agree with the Minister's suggestion that the Canadian Council of Resource and Environment Ministers would be a good route to go. I would hope that they would consider those strong recommendations and that both levels of Government would indeed act on them, because this is an issue that must not be discussed ad infinitum. I know how strongly the Minister feels about this and I know that that would not be his intention.

Personally, I do not care how it is done as long as it is done effectively, as long as the agreement that is made works smoothly, as long as there will not be continued wranglings down the road, and as long as real emphasis will be put on the reforestation problems of this country in order to upgrade the timber and give businesses a more profitable operation and a better route to go.

Mr. Speaker, I would just say in closing that I appreciate the Minister's question because it is not every day that Cabinet Ministers question backbenchers.

Mr. Deans: Or even ask for their opinions.

Mr. Hopkins: Oh, yes, Mr. Speaker, there is no question that the Hon. Minister asks for my opinion. I will certainly vouch for that and I appreciate that. I would like to give him every encouragement to go ahead with this. I would certainly lend all the support I can to him in his efforts to bring this about. As I say, go the route that will be productive and useful for years to come.

Mr. Penner: Mr. Speaker, I would like to raise a related matter with the Hon. Member. I share his concern about the shortage of fibre which at one point appeared to be reaching crisis proportions in certain parts of Canada. However, because of a serious decline in sales of forest products, the fibre shortage problem at the moment seems to be taking second place to the more serious problem of how the forest products industry can sell their products. The industry has been exceedingly dependent upon the U.S. market, a market that has been very soft as of late. The result in Canada has been very high unemployment in that sector of our economy.

I would ask the Hon. Member if he has made any assessment of other possible markets that the forest industry could look to, and is he satisfied that the Government of Canada is doing all within its power to assist the industry in opening up those markets? If he has thought about this, what areas other than the U.S. market are areas the forest industry could look to with some optimism?

Mr. Hopkins: Mr. Speaker, that is a very good question. The Hon. Member has noted that because of the downturn in the forest industry, there has not been the same demand for forest products. As a result, there is no longer a fibre shortage. That is my understanding of his statement. However, I would have to state that that is a poor way to improve the fibre shortage problem in Canada. I would hope that we would be able to bring in a program that, as I mentioned to the Minister of the Environment, will continue to improve and increase the wood fibre industry in Canada so that we can gear it to a strong economy and fibre will be in supply on a constant basis rather than only during future downturns in the economy.

As for trade, it is rather interesting that the Hon. Member should ask that question as I recently asked the Minister of Industry (Mr. Lumley) who is also the Minister in charge of DREE, a similar question in the Finance Committee. He informed me that his Department, prior to his taking on new duties, and when he was Trade Minister, worked in the Middle East and other areas of the world in an attempt to create more markets for Canadian wood products. I believe he mentioned a program that he recently initiated with the B.C. Government, the federal Government and the forest industry of B.C., each one paying a third of the cost to promote international sales. I believe that program is still ongoing. If the industry is willing to participate in that program, it will be of benefit to the program itself because the industry will want to see a very aggressive policy of searching for markets for their business. I think the fact that they are part of the act will probably cause them to spur on Canadian Trade commissioners and others involved in the process. This is necessary, Mr. Speaker.

• (1250)

The recent problem we have gone through, safely for the time being, with the United States market is one that we do not want to see again for a long time. As the Hon. Member noted, it is a warning that we cannot rely forever and a day on the traditional markets but will have to go out and dig for new markets. Obviously the Middle East has to be one of the areas and the more emphasis we place on this, the better. Because the Hon. Member has raised the question and others have shown an interest in it, I think it would be interesting for Members of the House to receive the official update on where the program stands. We must review our sales programs from time to time in order to make sure that they are working well and that they are producing.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I had been looking forward with some degree of anticipation to the budget. As a result of some of the questions asked by Members of this Party and the answers received, I had come to believe that it is entirely possible that the Liberal Government had at last begun to understand the real problems of the land. I hoped that for the first time in the three years that I have been in this House it would acknowledge that unemployment was a matter of considerable seriousness, and that the majority of the unemployed were faced with severe economic dislocation that could affect many of them permanently. I had hoped that the Government was going to address that particular problem directly as a priority.

I confess to a sense of disappointment on budget night. I listened with interest; in fact, I was rigidly fixed as I watched the Minister go through his budget. I waited, as did many Canadians, at least two million and maybe more, for that point in the budget statement where he would begin to speak about their problems.

Many of these people have worked in factories and offices for 25, 30 or 35 years. They have gone to work every day, doing what they were asked, producing what was required of them. For this they received a remuneration that allowed them to live at an average level and perhaps buy a home some years ago and raise their families. Now they are unemployed at an age when finding an alternative occupation is extremely difficult, if not impossible for some of them. They are unemployed at a time when they were looking forward to building a nest egg for their retirement, at a time when unemployment means a cessation of contributions to the pension plan to which they belong. In the final analysis, that means their pension will be less when they reach age 65 or whatever is retirement age in their occupation. They are people between the ages of 54 and 62 primarily who look to us for some sense of how their problems can be resolved.

The budget did not even recognize that was happening. Neither did the budget recognize that there are literally tens of thousands of young people, some in the 20 to 30 age group, recently married with families to raise and pretty bleak job prospects. There are others who are leaving institutions of higher learning, university or post-secondary schools, who do not know where to look for the employment that we have long said was the desire of this society.

A week ago today, at just about this time of day, I spoke in Hamilton to 300 high school students. They asked me, quite justifiably, what kind of employment opportunities there are for them. They are not able to go on to post-secondary education, nor do they see the benefit of it. Where are the jobs that successive Governments have led them to believe would be available for them? They are willing and eager to work but they do not know where to turn. In many instances their parents are unemployed, so they know that if they are unable to find employment with the experience they have, their own chances are severely reduced. They asked what is going to happen to the country and where it is going.

Why did this come about, Mr. Speaker? It is all too easy to suggest that current economic conditions are the result of decisions made or economic downturns that occurred in other parts of the world. That is a cop out. Of course we were affected by the world downturn, but we did little if anything to try to compensate for that by improving and increasing economic activity in Canada. We took the view that we—meaning the Government, and I might go so far as to say the Conservatives—were not required to support the kind of measures proposed by this Party two years ago when it was evident what we were about to face. They were not prepared to support the kinds of measures that would have resulted in job creation in the municipalities across the country that even then were beginning to show an economic downturn.

When we were talking about building the railroad and providing job opportunities and a decent transportation system for Canada, the Tories and Liberals said it could not be done and that we could not afford it. When we were talking about building homes to accommodate those who could not find a decent place to live at a price they could afford, it was the Tories and the Liberals who said we could not afford it.

When we were saying we ought to be going ahead with the completion of the east-west pipeline in order that we could be truly energy self-sufficient and at the same time create jobs and build an infrastructure that would enable the country to grow, it was the Tories and the Liberals who said we could not afford it. They said that when there were 900,000 people unemployed and the deficit was $11 billion. That is when they said we could not afford it. Now we have two million people unemployed, the deficit will be over $30 billion, and, more important, we are spending about $1 billion per day to keep people unemployed.

When we look at that we must say there was gross mismanagement based upon the Conservative-based policy of fiscal abuse and an inability to understand that investment in Canadians is good investment. The Tories and the Liberals said that we could not afford it.

I will come back to that after one o'clock, Mr. Speaker.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

SHIPBUILDING

SPECIAL RECOVERY PROJECTS—EQUITABLE SHARING AT REGIONAL LEVEL

Mr. Gaston Gourde (Lévis): Madam Speaker, on April 25, 1983, the Minister of Supply and Services (Mr. Blais) announced on behalf of the Minister of Transport (Mr. Pepin) that under the Special Recovery Program, the Federal Government would be spending $630 million over the next four years to renovate the Coast Guard fleet. The program provides for the construction of eleven new ships, refitting of three other ships and the purchase of several smaller vessels. According to the Minister of Supply and Services, both the construction projects and refitting operations will have a very high Canadian content and are expected to create 20,000 jobs between now and 1986.

Madam Speaker, this is very encouraging news for Canadian shipyard workers. However, I am also counting on the Canadian Government to give these recovery projects a more regional flavour, and I therefore hope that in the interest of fairness, Quebec shipyard workers will also benefit, particularly at Davie Shipbuilding Ltd. in Lauzon. Although the Government has shown an interest in awarding contracts to this particular shipyard, Davie Shipbuilding Ltd. is now operating at 33 per cent of its normal employment capacity. I hope that this message will be heard by the powers that be.

* * *

[*English*]

TRADE

CALL FOR ECONOMIC CONTACT WITH TAIWAN

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, the Republic of Taiwan has made great economic strides over the last 20 years. Despite its small size, Taiwan has attained a per

capita income of some $3,000 American, and an ever-increasing economy for the needs of its 20 million people. Their economy and living standards are now second only to Japan in Asia. In an amazingly short time Taiwan has narrowed the gap between the top wage earners and the ones on the lower end of the scale from 20-to-one to four-to-one. There is every indication as well that even this gap will become smaller in the years ahead.

Although Canada has some trade relations with Taiwan, this is only the tip of the iceberg of what could really be accomplished. Taiwan is steadily increasing its economic and political contacts with the West. However, Canada is the only one of the developed countries which does not have trade or liaison offices in Taiwan. The establishment of such trade offices would be the first step and would advantageously increase trade between our two countries. Therefore, Madam Speaker, I call upon the Government to recognize this fact and start immediate negotiations toward this end.

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[*Translation*]

THE BUDGET

ECONOMIC DEVELOPMENT IN SAGUENAY-LAC-SAINT-JEAN REGION AND PARTICIPATION OF PRIVATE INDUSTRY

Mr. Marcel Dionne (Chicoutimi): Madam Speaker, the last budget brought down by the Hon. Minister of Finance (Mr. Lalonde) is an economic recovery budget. Madam Speaker, a $34 million investment project has been announced for Chicoutimi, for the relocation of the port of Chicoutimi and rehabilitation of the port facilities in the centre of town. Since Transport Canada will be vacating seventeen hectares of land in the centre of Chicoutimi, this space will be used to establish parks, and the private sector will be invited to participate in the construction of homes on this truly exceptional site, on the Saguenay. As far as the Port of Chicoutimi is concerned, Madam Speaker, I am very proud to be announcing this project because it is an outstanding example of economic development involving the private sector, for the purpose of developing remote areas. Once again, I was very proud to be associated with this announcement and I am sure that the Saguenay-Lac-Saint-Jean area will benefit from these investments which are extremely important to our area.

* * *

[*English*]

AGRICULTURE

LEVEL OF RESEARCH EXPENDITURES

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, despite the current recession, agriculture continues to be one of the strongest contributors to our economy. Consequently one would expect that the commitment to agricultural research and development, which is so essential to the future viability of this sector, would be uppermost in any well-meaning Minister's mind. However, agricultural research does not seem to fit within the hierarchy of the Liberal Cabinet's priorities.

Over the past decade the annual increase of Agriculture Canada expenditures on agricultural research and development represented about 1 per cent. This lack of growth in spending on research has meant that our country has fallen behind in terms of adequate facilities, equipment, and research staff. Recent studies show that money spent on agricultural research provides benefits to the Canadian society of 30 to 70 times that of the original amount spent. If nothing else, this should make the Liberal Cabinet think twice when it considers further reductions in research investment.

If the present policies of the Liberal Cabinet toward agricultural research and development persist, our farmers will find it difficult to meet the target of doubling food production by the year 2000. The Cabinet must be urged by all Members of Parliament and citizens to abandon its shortsighted measures aimed at short-term political gains, because the long-term implications pose a serious threat, both to our resources and to the country's capability to feed our people and the many peoples of the world.

* * *

RAILWAYS

CROWSNEST PASS RATE—PROPOSAL THAT REFERENDUM BE HELD

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, the Minister of Transport (Mr. Pepin), in his flippant answer to my serious question on Friday, suggested that he had more support for his position on Crow than the New Democratic Party. I would suggest to the Minister that he has not been reading his mail, or else the pressure is getting to him. I challenge the Minister here and now to hold a referendum in western Canada with farmers offered a choice between the Pepin-Gilson proposal and the New Democratic Party proposal.

We have letters and petitions from pool committees, co-op boards, municipal councils, farm union locals, Chambers of Commerce, and from tens of thousands of individual farmers, all opposed to the Pepin-Gilson plan. We have proof presented here in the House of massive approval of our proposal.

The rumours of many drafts and of many meetings of Cabinet on Crow legislation are evidence of a Government furiously backpedalling from an unpalatable and unworkable proposal. I plead with the Minister to stop this process, to take a good look at the NDP plan, which is sensible and farsighted, which will build a revitalized and publicly responsible railroad, and which will provide more jobs in the short and long run as well as providing massive support among farmers in western Canada. The NDP plan should be the one put into law.

THE DISABLED AND THE HANDICAPPED

EFFECT OF CRTC TELEPHONE EQUIPMENT DECISION

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, the CRTC's telecom decision on hearing aid compatibility of telephones, granted residential and business telephone subscribers the right to buy their telephones from any manufacturer, but did not require that the newly purchased phones have the same "fluxcoil" contained in the Bell Canada phones, which allows them to be used by any hearing aid wearers.

• (1410)

The pending proliferation of incompatible phones will require the 200,000 hearing aid wearers to buy and carry around a battery-powered, hockey puck shaped, acoustic coupler and hold it between telephone handsets and their hearing aids. The CRTC decision could also force Bell Canada to stop including fluxcoils, which cost slightly over one dollar, in their telephones, in order to be able to match the prices at which those companies that do not include the fluxcoil will sell their phones.

I view the CRTC decision as a major blow to the hearing impaired and one which contravenes the objectives contained in the 1981 special committee report, "Obstacles", namely, increasing the accessibility and participation by the disabled in Canadian society.

In addition, I feel that fluxcoils in receivers should be treated simply as a basic part of the telephone network, the cost of which all users should share in order to preserve and enhance universality of telephone service.

For these reasons, I urge the Cabinet to consider reversing—

Madam Speaker: Order, please.

* * *

POLITICAL PARTIES

CONDEMNATION OF NEW DEMOCRATIC POSITION ON PROPERTY RIGHTS

Mr. Doug Lewis (Simcoe North): Madam Speaker, on Friday the House debated an amendment to the Constitution which would have enshrined property rights in the Canadian Constitution. The NDP refused to allow the question of property rights to be considered by a committee of the House. The NDP refused to allow this matter to be treated as a non-confidence motion in order that it would proceed. In short, the House and the country should know that the NDP has clearly refused to guarantee property rights for Canadians.

S.O. 21

THE DISABLED AND THE HANDICAPPED

CHANGE SOUGHT OF CRTC TELEPHONE EQUIPMENT DECISION

Mr. Neil Young (Beaches): Madam Speaker, last November the CRTC decided not to require that all telephones meet a technical standard which would ensure that telephones would be compatible with the use of hearing aids. By making this decision, the CRTC missed a golden opportunity to demonstrate leadership in the telecommunications field and to advance the human rights of hearing impaired Canadians.

Telephone accessibility is a vital issue for Canada's 1.5 million hearing impaired citizens. The CRTC's decision will have a profound effect on employment opportunities for the hearing impaired, and on their ability to have contact with family and friends, as well as their ability to communicate within the community generally. To the hearing impaired it also means a frustration of their right to live independently.

The Canadian-Co-ordinating Council on Deafness, the Canadian Hard of Hearing Association, the Canadian Hearing Society, and the Hard of Hearing Club of Ottawa have requested, through a petition to the Cabinet, that the CRTC decision be changed. In all of these circumstances it is inappropriate, and not in accordance with acceptable public policy, to allow this obstacle to be placed before the right of the hearing impaired to equal, universal use of the telephone system.

* * *

DISARMAMENT

SUPPORT FOR ARMS CONTROL

Mr. Paul E. McRae (Thunder Bay-Atikokan): Madam Speaker, a year ago I spoke to 30,000 people in Vancouver at a rally supporting nuclear disarmament. A week ago 65,000 people attended a similar rally. Another 20,000 came out in Toronto and several other communities.

Earlier this year a Gallup Poll showed that of those who had an opinion nearly 60 per cent opted for not testing the Cruise missile.

Last week a Gallup Poll in the U.S. showed that 64 per cent of Americans supported a freeze motion calling for a mutual, verifiable freeze, including a freeze on the testing of nuclear weapons and their delivery systems, which would include flight testing of the Cruise missile. This weekend the American Catholic Bishops called for a halt in the production of new nuclear weapons systems, reminiscent of the statement of the leaders of Canada's major churches last December.

In 1984 Canadians and Americans will be expressing themselves at the polls. Can anyone doubt that the majority on both sides of the border will deal harshly with politicians who are not serious about arms control?

Oral Questions

THE ADMINISTRATION

PLEA THAT ELECTORATE REGISTER DISPLEASURE

Mr. Ron Stewart (Simcoe South): Madam Speaker, it comes to mind that there have been some rather notable and prestigious "Rows". Included among these would be Saville Row, King's Row, and Ontario's former Lieutenant-Governor, Earl Rowe, all evoking thoughts of quality and honour.

How unfortunate it is for Canada that those who occupy the front and centre seats across this Chamber from me have done nothing to command, in this context, equal respect. Rather, they, by their actions, individually and collectively, reinforce my position with respect to the need for capital punishment. The latest Gallup Poll indicates how strongly the vast majority of Canadians share my distaste.

The public realizes that Parliament is being robbed of its dignity, responsibilities, and rights. There is no such thing as freedom of information, only cover-up, corruption, and ineptness. The Government does not uphold the tenets of democracy. It exists only to reward chicanery, deceit, and personal gain, whether that of past or present Ministers. The names Lalonde, Gillespie, and Mackasey are famous or, rather infamous.

The examples of telephone calls to judges, forged signatures, hit and run drivers, lobbying, Senate appointments, free Air Canada passes, the uranium cartel and the refusal to prosecute enemy agents are included on a list which is endless, and everything is condoned by the Prime Minister (Mr. Trudeau).

What we see across from us is not King's Row; it is Skid Row. I appeal and have every confidence that the Canadian electorate will register its displeasure and disgust at the polls when the next general election is called.

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

PRACTICE INVOLVED IN LAYING OFF TERM EMPLOYEES

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is directed to the Minister of National Defence. When questioned about the Department of National Defence layoffs the Minister has implied that at the end of each fiscal year the Department lays off its term employees, and he has insinuated that nothing unusual is happening this year. Is it not true that, for the past many years, the end of March layoffs have been a legalistic bookkeeping operation and that, up until this year, the employees laid off on March 31 have been almost invariably rehired on April 1?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I understand the question of the Hon. Member for Victoria, because many Members of Parliament wanted to ask a question on this subject last Friday during Question Period. It concerns the policy of the Department with respect to laying off term employees versus some of the employees it hired through the NEED Program.

I can very clearly state, concerning this question of the normal employment in the Department versus the NEED Program, that the instructions given to my Department were very clear, and I have them here. The departmental managers of the CTE, which is the NEED Program, have been well warned and also very severely instructed to ensure that the CTE employees are to be employed in jobs that are incremental to those planned by the NEED Program or planned before April of 1983. Therefore, what I have to say on that is that, NEED or no NEED Program, some of our term employees had to be laid off on March 31. Because of the NEED Program which was then implemented and given to the Department of National Defence, we were able to hire some employees to do some jobs which would not have been done without the NEED Program.

NEED PROGRAM—EFFECT ON REHIRING TERM EMPLOYEES

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my supplementary question is directed to the same Minister. First, I wonder if the Minister would guarantee that he will table the document from which he has just been quoting, as is the custom in the House.

Further, is it not true that this year hundreds of so-called term employees, many of whom have worked for the Department of National Defence for several years without missing a single day, have been laid off and are now drawing unemployment insurance? Is it not correct that in many cases, particularly in the low skill trades, their jobs have been taken by people hired under the NEED Program of the Minister of Employment and Immigration?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I would say that the Hon. Member for Victoria is correct in part. Following the question of the Hon. Member for Nepean-Carleton on Friday, I told him that I would send him all the information required to explain the process of the laying off or employment of the term employees, and also the procedures and instructions given by the Department of Employment and Immigration in so far as the requirements which we must fulfil, to employ employees, under the NEED Program is concerned.

Therefore, in one way or another, I can assure the Hon. Member that if we did not have the required amount of money and the help of the NEED Program, there would be more people unemployed than there are at the moment. This is indeed the principle of the issue concerning the NEED Program versus the layoff of some of our term employees.

Mr. McKinnon: Madam Speaker, the Minister forgot to assure me that he would table the document from which he quoted in answer to my first question.

LAY-OFFS AT ESQUIMALT

Hon. Allan B. McKinnon (Victoria): Madam Speaker, on Canadian Forces Base Esquimalt 114 term employees were laid off on March 31, about half of them from the construction engineering department which looks after the maintenance of buildings, roads and grounds, and the remainder from the ship repair unit. This was done in line with a budget restriction on term employees. Since April 1 dozens of replacements have been hired using funds allocated in support of the Minister of Employment and Immigration's NEED Program. Will the Minister not now admit that this is really a totally non productive boondoggle that is going on which will be at a cost of millions of dollars to the UIC fund?

• (1420)

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I do not think that I can question the well thought out NEED Program, which I think is a good one for employment in general. In that respect the question can be asked of the Minister of Employment and Immigration and I think he will defend his Program very ably, and I might add that I agree with whatever he says about it. I believe it is a very good program.

With respect to the document which was requested by the Hon. Member for Victoria, I can give him this note that I have in my hand. I can assure the Hon. Member that we studied Chilliwack, CFB Ottawa, and many other bases across the country, to determine what would happen by laying off our term employees versus the implications of some employees coming in under the NEED Program. I can give the Hon. Member details of what happened in all of these different areas. There will be a letter sent to the Hon. Member—

Mr. Broadbent: I wrote you, too.

Mr. Lamontagne: Yes. Each of your requests will be given an explanation of what happened and why it happened. It is all done regularly in the course of normal practice. We will also stress the fact that the NEED Program has helped tremendously in giving further employment to some who did not have employment, allowing us to carry out work which would have stopped on March 1.

HIRING AND LAYING OFF OF EMPLOYEES AT HALIFAX

Mr. Howard Crosby (Halifax West): Madam Speaker, I wish to direct my question to the Minister of National Defence as well. I first want to point out to him that the matter of the administration of the NEED Program in the Department of National Defence is a real problem involving real people. Therefore I want to put this case to him.

At Willow Park, an installation connected with CFB Halifax, there were four term employees laid off at the end of March. In April, six employees were hired. My information is that they are performing identical services in identical jobs. Given that information, will the Minister now look into the situation to find out exactly what is happening? If these newly hired persons are in fact performing the same work and services as the term employees who were laid off, will he now undertake to take immediate action to rectify the situation? These people need their jobs.

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I understand the intervention of the Hon. Member very well, I know he was one of the first to ask for information about the situation. While I recognize that, Madam Speaker, as I said before we will try to get to all those particular cases at each base.

If you have names, such as the Hon. Member for Halifax West had, who, I know, asked me about a cetain person who had been laid off because of the NEED Program, according to his allegation, whose name is Mr. Dent, I believe, I can give information as soon as it is requested. We have all the particulars. It will be very clear as to why they were laid off and the terms under which they could be re-employed; if for example we had more regular person-years coming in from Treasury Board. As well, we can describe all the benefits that the NEED Program has provided to Defence at the moment.

Mr. Crosby: May I state for the record that the employee to whom the Minister of National Defence has referred is Stephen Dent. He resides in Halifax West. He is the very person with a young family, mortgage, and other debt payments, who was dismissed from his job.

* * *

NEW EMPLOYMENT EXPANSION AND DEVELOPMENT PROGRAM

APPLICATION OF PROVISIONS

Mr. Howard Crosby (Halifax West): Madam Speaker, my supplementary question is addressed to the Minister of Employment and Immigration. Since he has heard the presentation of all these cases in the House of Commons and has heard of the complaints about the application of the NEED Program, and gave an explanation before the committee, what does he now say about these allegations of misapplication of the provisions of the NEED Program? What does he say about these people who are being hired in the name of job creation while term employees are being dismissed from their jobs to make room for these new hirings?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, there is not much that I can add to the explanation already given by the Minister of National Defence, other than to emphasize the fact that the program is established to provide incremental and additional work that would not normally be supplied in terms of whatever business or organization is employing these funds.

If there are cases, whether in federal, provincial, municipal or private sector departments, where there seems to be a transgression of that purpose, we would be prepared to look into them. We have already taken the concerns raised by

Members of the House and met with the Minister of National Defence about them. He has provided the explanation which he has given today which is, in fact, that the term contracts came to an end at the end of April, I believe. That was the reason for the termination. It had nothing to do with the NEED Program.

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EXTERNAL AFFAIRS

CENTRAL AMERICA—REPRESENTATIONS MADE TO UNITED STATES PRESIDENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Prime Minister. A week ago he said that there were, in his view, major differences between the Government of Canada and the Government of the United States concerning policies affecting Latin America. Specifically, he said:

> We object to the interference in the internal affairs of other countries by any major power, even if that power is a friend.

Considering that since the Prime Minister made that statement the President of the United States has said that his Government intends to continue financing and training groups who will be making invasions into Nicaragua from Honduras, does the Prime Minister stand by what he said just over a week ago? Did he make that clear to the President of the United States?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, I do. What I indicated clearly to the President of the United States is that I thought he had made a very positive suggestion when he proposed in his statement to Congress that there be an agreement by all parties, an international verifiable agreement, that neither side—the U.S., Soviet Union, Cuba nor any other power in this case—intervene in the internal affairs of the Central American States. I thought that was a very positive suggestion. I hope it would have the support from my hon. friend.

Mr. Broadbent: I am pleased to indicate to the Prime Minister that that kind of proposal has our unequivocal support. We have said that a number of times.

TRAINING OF INSURGENTS BY UNITED STATES

Hon. Edward Broadbent (Oshawa): Madam Speaker, in the President's address to Congress which seemed to be aimed very clearly at getting additional funds for military related activities in that region, he also said that the reason the United States was financing and training groups in Honduras that were making attacks in Nicaragua was to prevent the flow of arms from Nicaragua to El Salvador. Since then, just yesterday in fact, the head of the largest insurgent group that has been financed and trained by the United States, denied the truth of what President Reagan said. He said in fact that the groups have nothing to do with stopping the flow of arms to El Salvador but that their main purpose is "ousting the present government in Nicaragua".

Considering tht the insurgent groups themselves are saying that, will the Prime Minister follow up on his earlier criticism of such activity by indicating to the United States that the Government of Canada disapproves of this kind of interference that is being encouraged by the United States, and that costs lives?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I made it clear to my interlocutors that, as far as the objectives and historical analysis of the events in Central America were concerned, Canada was not in agreement with the United States, and I know that my colleague, the Secretary of State for External Affairs, also made that point to Secretary Shultz.

With respect to the point of non interference by outside powers in that area, I am very happy to hear that the NDP has stated, and I quote its Leader, "The President of the United States has unequivocal support of the NDP on that point". I think it is important to put that on the record because very often the Leader of the NDP makes light of my support for the President of the United States. I think he should be thanked now for having made it clear that he also unequivocally supports the President of the United States on that point.

CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Madam Speaker, it seems to me that the fact that lives are being lost every day in that region merits a little more concern than scoring what seems to be rather trivial debating points. I indicated our clear support for that part of the statement of the President of the United States where he called for a treaty among all states involved in the region that would be verifiable and would prohibit interference in other States' activities. I also mentioned that the Government of Nicaragua has long indicated support for that.

• (1430)

I come back to my question to the Prime Minister. Will he now make his position clear that the United States activity in financing and training groups—the head of which in the past 24 hours, said that their purpose is to bring down the Government of Nicaragua—must stop, and the Canadian Government takes an unequivocal position on it?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am just as unequivocal as the Hon. Member when I condemn the interference by other countries in the affairs of Central American countries, just as I condemned certain countries in the area for their interference in countries of that area. I think I had the support of the President of the United States when I re-enunciated my expression of Canadian Government policy that what happens in a country is its own affair. When a country begins to export its revolution to other countries then we begin to worry.

The reason I underscored the support of the Leader of the New Democratic Party for the President's policy is not to make a trivial debating point. It is because so often the Leader of the NDP, because we support the Americans in some things, assumes that we support them in all things and that in some way we are in a position of solidarity with their position on Central America. Just as with the NDP, there are some things that we think the United States does well and some things on which we do not support them. My answer was making that quite clear. I am glad I am sharing the same ground as the Leader of the NDP on this.

* * *

NATIONAL DEFENCE

REFUSAL TO RE-EMPLOY TERM EMPLOYEES

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is addressed to the Minister of National defence. I hope he is satisfied of the need under the NEED Program for refusing to employ a number of people who have a good employment record and who are being replaced by people who may not be as well trained to fulfil the jobs they are being asked to fulfil. Can he explain to the satisfaction of this House and to those who have been laid off the criteria for refusing to re-employ term employees and for replacing them with others who may not be appropriately trained to fill the jobs?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I agree with the hon. gentleman that we have some term employees who are very competent and very efficient but they still are, according to us, term employees. It was well understood during the 1982-83 budget year that these people were employed as term employees and that on March 31 their terms would expire and they would be without jobs. Then, at that time, we had a reduction in man-years from the previous year for term employees. Therefore, we had to lay off many of them. Then came the NEED Program which gave us some money and supplementary man-years to hire some people under certain conditions. But the normal term employees are still on the list for recall if we have the man-years to hire them. But the Hon. Member must not mix the two programs together. No program is supplementing the other. The NEED Program should be incremental to the existing program for our term employees.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, the Minister may have satisfied himself that they are incremental to those but he has not satisfied the House nor those who have been laid off. Those people are being replaced by people who may not be qualified.

PLIGHT OF FORMER EMPLOYEES

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, could the Minister of National Defence or the Minister of Employment and Immigration tell us what criteria are used to choose those who are going to replace the people who have been laid off and who have built their futures on the expectation—over many years as the Minister knows perfectly well—of term employment terminating and then being reinaugurated at the beginning of the next fiscal year?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I agree again that some of our term employees have been hired by us for many years in a row, but they were always term employees and they understood, maybe better than the Hon. Member, that at one point their jobs would be terminated because they were not regular employees. This is what I am trying to make the Hon. Member understand. There are two programs. The NEED Program people who are employed are not replacing our regular term employees. This Program is incremental to what is already in existence. Our term employees in 1982-1983 would not have a job anyway on April 1, 1983, because we do not have the person-years to hire them.

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[*Translation*]

CANADA POST CORPORATION

INQUIRY WHETHER COMMEMORATIVE STAMP WILL CELEBRATE 450TH ANNIVERSARY OF DISCOVERY OF CANADA, AT GASPÉ

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is directed to the Hon. Minister of Consumer and Corporate Affairs. Several months ago, I wrote to the Minister to draw his attention to the fact that 1984 will be the 450th anniversary of the discovery of Canada by Jacques Cartier at Gaspé, and I asked him whether the Canada Post Corporation intended to issue a stamp commemorating this event. Could the Hon. Minister inform the House whether he is considering such action, and does he intend to give a favourable reply very shortly to the people of Gaspé and to all Canadians?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I am happy to confirm that the French Minister of Postal, Telecommunications and Broadcasting Operations (PTT), Mr. Louis Mexandeau, and myself have agreed to have a joint issue in 1984 of a stamp commemorating the 450th anniversary of the discovery of Canada by Jacques Cartier.

* * *

[*English*]

NATIONAL DEFENCE

FUNDS FOR CASUAL EMPLOYMENT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, my question is directed to the Minister of National Defence. He knows perfectly well the only reason we have term and indeterminate employees in National Defence is so

that we can lay them off once a year and not pay them pensions from the Public Service of Canada.

Why has the Minister deliberately chosen to cut back on the casual funds for the various branches within his Department, within National Defence, construction engineering being one example where we will lose 35 men because the Government cut back the funds and the Minister is going to replace them, as my colleague from British Columbia has just suggested, with people who are not qualified and trained? Can the Minister tell me why he would deliberately choose to do that? And while the Minister is on his feet, Madam Speaker, will he tell us why there is a clear direction that anybody hired under the NEED Program within his Department may work only three weeks, or that period of time which is required to qualify for unemployment insurance?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I would not like the Hon. Member to mislead this House by saying that our term employees are just hired year after year just so we do not have to pay them pensions or something like that. There is a whole area of term employees. Some work for a month, three months, four months, six months, and sometimes a year. So you see, there is a whole range of term employees.

Mr. Lewis: There are five year term employees.

Mr. Lamontagne: The Hon. Member knows very well that if we could employ them all and make them regular, I would be much happier, but we have instructions from the Treasury Board which year to year asks what our requirements are. We give Treasury Board our requirements. Treasury Board judges whether it can give so many man-years or not. This year, 1983-1984, there have been cuts in man-years as far as term employees are concerned. This is why we have to rearrange our priorities every year. We have to decide where we will use our term employees and where we need them for priority jobs. This is why sometimes there is a shift from one base to another depending upon the priority of the work to be done by the Department of National Defence. It is as simple as that.

Mr. Forrestall: That is balderdash, Madam Speaker.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Forrestall: I do not doubt the Minister's sincerity about wishing he could hire everybody on a permanent basis, but the Minister must not mislead the troops and must not play games with them. The situation is too serious, Madam Speaker.

• (1440)

NEW EMPLOYMENT EXPANSION AND DEVELOPMENT PROGRAM

LENGTH OF EMPLOYMENT FOR WORKERS HIRED UNDER PROGRAM

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I would like the Minister to respond to the second part of my question. Has he, the Minister of Employment and Immigration, or Treasury Board in fact, sent out a directive with instructions that within his or any other Government Department that men and women hired under NEED shall work only for the period of time required to make them eligible for unemployment insurance benefits and that thereafter their employment shall be terminated and they will be replaced under or within the NEED Program? Are those the instructions which he sent out? If so, do they apply specifically to the Department of National Defence, or in fact to all Government Departments where there are a significant proportion of employees under the category of either casual, term, indeterminate, or whatever combination of those terms is applicable?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in answer to the Hon. Member I could categorically tell him that there is no such guideline nor has one ever been promulgated by my Department.

Mr. Forrestall: You should have a chat with your colleague.

Mr. Axworthy: I would like to continue, if the Hon. Member would allow me to answer his question. The guidelines for the NEED Program are very clear. They will allow sponsors to make applications for employment lasting anywhere between 12 weeks and 52 weeks. The range of length of a project is up to the sponsor, whether a federal Department, agency, private sector or whatever. That is the full range of those projects. Those are the guidelines, and no other guidelines have been issued saying that they will be terminated after a certain period of time.

* * *

INCOME TAX

DEDUCTIONS FOR CHILD CARE EXPENSES

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is directed to the Minister of Finance. It concerns the inequities in the income tax policy concerning the child care expense deduction. It is our understanding that in order to qualify for the $2,000 per child tax deduction for child care expenses both parents must be working, unless the lower income spouse is infirm, in an institution, or is a full-time student. Will the Minister agree that this policy discriminates against thousands of unemployed parents who are in a situation quite frequently these days where a father or mother is laid off but he or she must have child care in order to seek employment? Such a family is not eligible to deduct child care

costs nor are the increasing numbers of low-income families who pay little or no income tax. What will he do about these inequities?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have indicated that people who are unemployed and are searching for jobs are obviously in situations where they do not have jobs. This is a situation similar to other cases under the Income Tax Act where some benefits are available only to those in a particular situation. In this case the requirement is that one has to have child care expenses because one is not at home to look after children.

The fact is that most people who are unemployed find work during the course of the year. If we look at the statistics we see this. There is no doubt about it. In order to claim the total Child Tax Credit one does not need to have a high income during the course of the year. For example, a family with two children will be able to claim the full $4,000 child care expense if the lower income earner makes $6,000 in the year. This example demonstrates the accessibility of this particular program and the relative ease with which one can benefit from it.

Mrs. Mitchell: My understanding of the figures is that one out of five unemployed people is unemployed over a year and certainly would be paying very little income tax, and therefore would not be eligible for this benefit.

REQUEST THAT TAX CREDIT REPLACE CURRENT PROVISION

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, we believe that all families, regardless of income, must have access to affordable quality daycare. However, the Minister knows that tax deductions are regressive, providing a bigger break to people with higher incomes and no break at all to families who pay little or no income tax and who can least afford child care costs. I know the Minister is a humanitarian person. Would he consider a fairer system which would convert the child care deduction into a child care tax credit with higher benefits for low-income people? It would not cost any more but it would provide the greatest benefits to those with the greatest needs. How about that?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the responsibility for daycare services is a provincial one, as the Hon. Member well knows. The federal Government contributes to daycare expenses under the Canada Assistance Plan, and has been over the years. However, it is not the responsibility of the federal Government to assume the administration of daycare centres in the country. It is a provincial responsibility.

As far as the Hon. Member's suggestion is concerned, I remind her that in the budget I have maintained the Child Tax Credit at a higher level than would have been otherwise, exactly for the reasons referred to by the Hon. Member. At the same time I think a case can be made for exemptions, credits or tax measures which are related to the incomes of individuals.

IMMIGRATION

PROCESSING OF CLAIMS FOR REFUGEE STATUS

Mr. D. M. Collenette (York East): Madam Speaker, my question is directed to the Minister of Employment and Immigration. He knows there has been great concern expressed by Members of the House with respect to the time required for the processing of claims for refugee status under the Immigration Act. Can the Minister tell the House how he will deal with the problem, and when?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I should point out to Hon. Members of the House that, because of the increasing incidents of difficulty in other parts of the world, the number of refugee claims in Canada went up in 1982 to over 3,500. Obviously that has put a very severe strain on the system that was elaborated under the Immigration Act, 1978, particularly the one requiring that there be a series of appeals from the Refugee Advisory Committee to the Appeal Board. In order to speed up that system substantially we are starting today two major projects—one in Toronto and one in Montreal, the two international centres—in which oral hearings will be allowed in front of the Refugee Advisory Committee. This will substantially increase both the fairness and, we hope, the speed.

Our estimate is that we should be able to speed up the processing by close to a year and therefore make a substantial inroad into the backlog which has developed because of the enormous volume of refugee claims we are now receiving.

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FISHERIES

NEGOTIATIONS ON RESTRUCTURING EAST COAST INDUSTRY

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of State for Economic Development. I direct it to that Minister because he and his Cabinet Committee have usurped some of the powers vested in the Minister of Fisheries and Oceans by a statute of Parliament. Negotiations for restructuring of the deep sea fleet and the plants in Newfoundland and the Atlantic Provinces has been ongoing now for four months. The Minister is charged with the responsibility of these ongoing negotiations. Many of the plants involved have been down for a year or more. On behalf of the thousands of unemployed plant workers, fishermen and trawlermen who are entitled to an answer, when will the Government reach the end of these negotiations? When can we expect a decision? What are the options the Government is considering?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, the negotiations are ongoing. There has been no usurpation of power whatsoever by anyone. I notice the Minister of Fisheries and Oceans is not in the House. If he

were in the House I presume the Hon. Member's question would be directed to him. It is true that I chair a Cabinet Subcommittee charged with over-all direction of these ongoing negotiations which are being actively pursued at the present time.

Mr. McGrath: The Minister put his finger on the problem. The last time we raised a question for the Minister of Fisheries and Oceans on the restructuring we were told that we had to take it up with the Minister of State for Economic Development who now has the responsibility, and that is on the record.

NEWFOUNDLAND PROPOSAL

Hon. James A. McGrath (St. John's East): Madam Speaker, today in St. John's the Fisheries Council of Canada is holding its annual meeting. There is a conference taking place, sponsored by some of the downed plant workers and the Newfoundland Fish Food and Allied Workers' Union. They are expressing their great concern over the failure of the Government to act, and over the failure of the Government to protect the interests of plant workers and fishermen. This Government seems to be more intent on protecting certain corporate interests.

I want to ask the Minister of Fisheries—I am sorry, that was a Freudian slip—I want to ask the Minister of State for Economic Development who has now assumed his role, what position the Government is taking on the proposal which he has now had from the Government of Newfoundland for the past month or more, and on the proposal he already has from a number of the downed plants in Newfoundland, with regard to the management of the fleet and the integration restructuring of some of the affected companies.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I do not think that was a Freudian slip. As I said when I answered the first question, I suspect that had the Minister of Fisheries and Oceans been in the House these questions would have been directed to him. When one talks about the lack of Government concern, one should realize that it is the Government which has taken this initiative. It is the Government which has constituted the subcommittee of Cabinet Ministers to oversee these negotiations. It is the Government which commissioned the Kirby Report, the recommendations of which are on the record, and it is the Government which is addressing the need and the issue of restructuring. How can the Hon. Member say that the Government is not concerned? It is one of our primary concerns, one that we are actively working on and one that we hope to bring to fruition in the very near future.

TIME TAKEN IN REACHING DECISION

Hon. John A. Fraser (Vancouver South): Madam Speaker, my supplementary question is directed to the Minister of State for Economic Development. A few days ago—and it was only a few days ago—the Hon. Minister of Fisheries and Oceans, when asked the very question my hon. friend put to the Minister, said that this question should be put to the Minister of State for Economic Development.

• (1450)

It was a year ago January that the Government announced the Kirby inquiry into the Atlantic fishery. The Government had known that events were difficult and times were troublesome, from the summer of the year before. How can the Minister come into the House at this time and say that this is not a question for him to answer when the Minister heads the very committee that is studying it? How in the name of Heaven can anybody do any planning in the Atlantic fishery while the Minister and his committee dither and dither, and the Minister of Fisheries and Oceans keeps sloughing the question off to the very Minister who is the head of the Cabinet committee which is supposed to come up with some answers?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I am flattered that the Minister of Fisheries apparently referred the question to me to be answered, and I answered it in his absence.

Mr. McGrath: You did not.

Mr. Johnston: The question has been answered.

As far as dithering is concerned, the amount of concentrated effort put in by Ministers, the Minister of Fisheries in particular, Mr. Kirby and the members of the task force, is probably without precedent in trying to bring this problem to a satisfactory solution for all concerned. On that basis I do not think the Hon. Member has really founded his question upon reality.

* * *

EMPLOYMENT

DISCUSSIONS ON CREATING JOBS IN PETERBOROUGH AREA

Mr. Bill Domm (Peterborough): Madam Speaker, my question is for the Minister of State for Economic Development. It stems from the fact that the Mayor, a warden, and a representative from the Peterborough Labour Council have continually tried to get a meeting in Ottawa to discuss job creation in a high unemployment area in the Peterborough region. They have been passed from Minister to Minister.

We read in the paper this past weekend that there was, to use the words in the paper, a private secret meeting between a Minister of the Crown and the President of the Liberal Riding Association of Peterborough, along with two other association officials. The purpose, as reported in the paper, was to discuss job creation in the Peterborough area.

How do you get on the preferred list to see a Minister about job creation in a marketing area of Canada if you happen to be in one of the 135 ridings in Canada that is not represented by a Liberal Member? Do you have to go through the Liberal

riding association president in order to have a meeting on economic development anywhere in this country?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, clearly you do not have to go through the president of any Liberal association, but if Liberal presidents are active in their ridings in trying to support job creation in those districts, they are to be commended.

The fact is that Members of this Government meet regularly with representatives of municipalities, economic regional councils and so on, on a continuing basis. In fact on Friday I met with a group of such representatives in Trail, B.C., working in that area of the Kootenays. If there are any members or people who wish to make representations directly to Ministers of the Crown on job creation, the door is always open to do so.

CRITERIA FOR MEETING WITH MINISTERS

Mr. Bill Domm (Peterborough): Madam Speaker, the Mayor of Peterborough, Bob Barker, Warden Bob Allan representing 18 municipalities of the County of Peterborough, and Paul Crough, member of the Peterborough Labour Council, were referred first to the Minister of Industry, Trade and Commerce, who is not in the Chamber at the moment, and then to the Minister of State for Economic Development. To this date they have not had an answer. Simultaneously, a Minister of the Crown met in a private confidential meeting in the City of Oshawa. How does a mayor, warden, reeve, or elected official from the Peterborough area get a meeting if he does not happen to be a president of a Liberal riding association?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, if the Mayor of Peterborough had called my office, he could have requested a meeting. I have not met with him, but I will be glad to follow the matter up. I can certainly assure Hon. Members that that would be an exception and not the rule. I have met with groups, as have my colleagues, from all across the country, including many areas of Ontario, many ridings not represented by Liberal Members of Parliament. If the Hon. Member wishes to bring the mayor to my office, I will be more than pleased to meet with him.

* * *

THE DISABLED AND THE HANDICAPPED

APPEAL AGAINST CRTC TELEPHONE EQUIPMENT DECISION

Mr. Neil Young (Beaches): Madam Speaker, my question is directed to the Minister of State who is also the Minister responsible for co-ordinating the Government's response to the "Obstacles" report. The Minister knows that last Fall the CRTC made a decision that all telephones in Canada did not have to be made compatible with hearing aids. The Minister also knows that a part of that decision was based on the cost of modifying telephone sets. Since a number of associations representing hearing impaired individuals in Canada have since appealed that decision to the Cabinet and pointed out that the information which the CRTC had was wrong, will the Minister tell us whether Cabinet has made a decision on this question and, if not, when will it?

[*Translation*]

Hon. Serge Joyal (Secretary of State): Madam Speaker, I wish to thank the Hon. Member for his question and confirm that representatives of the Canadian Hard of Hearing Association have written to me in recent months to draw my attention to this very important aspect of the rights of the handicapped in Canada of having the same access to telephone services as their fellow citizens. I personally replied that I was very sympathetic to their request, which I fully supported, and that I intended to support their representations in Cabinet when the decision in question was discussed.

Consequently, I can assure the Hon. Member as well as those who are supporting this request that we shall be very seriously considering the need to give the rights of the handicapped full recognition.

All Bell Canada telephone sets are equipped with fluxcoils that can be activated by the T-switch on hearing aids.

As for telephone sets provided by B.C. Telephone, only 79 out of 1.7 million are equipped with fluxcoils. Madam Speaker, I certainly agree that all handicapped persons in Canada should have exactly the same rights in this respect.

* * *

[*English*]

NATIONAL DEFENCE

EMPLOYEE LAID OFF IN VANCOUVER

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I have a supplementary question for the Minister of National Defence. I have before me a contract of Mr. Edward Hershey, a part-time employee in Vancouver, in my riding. He tells me that he applied for a job, went through the test, and so on. He says that the Department is no sloppy budgeter. Will the Minister please tell me what I should say to Mr. Hershey who said, and I agree with him, that he is a victim of the Government's willingness to lay him off in order to hire some NEED employees so that the Government can pad the job-creation figures? Will the Minister agree that this is unfair to these employees? Is he prepared to do something about it in reply to the letter I wrote him about Mr. Hershey's case? This is now going on coast to coast.

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I suggest the Hon. Member send me the details of the case, and I will look into it very carefully. I do not think there is any question of my Department acting unfairly to any of its employees. We have a very good relation-

ship with our union. I know the union has protested about some cases. We investigate these cases very conscientiously.

* * *

CANADA POST CORPORATION

INQUIRY RESPECTING RURAL SERVICE IN ALBERTA

Mr. Arnold Malone (Crowfoot): Madam Speaker, my question is directed to the Minister responsible for the Post Office. It is a question about big versus small. How is it in a society where urban people can get a multitude of television channels and in central Alberta and west central Alberta they can scarcely get two, where urban people can get telephone service for a fee and rural people do business while their neighbours listen in, that the Minister can justify that our city cousins get free delivery door-to-door while the post offices in the communities of Cadogan, Metiskow, Veteran, Oyen and Hanna, will have rural postal service removed, in the very areas where, by reasons of distance, that is the service that is needed, and actually distance is used as an excuse for taking the service away?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, the service in rural Canada is a service that has been given throughout the years by the Post Office. It is not only an obligation but a goal of the Canada Post Corporation to maintain postal customer service in all areas of Canada, including rural and remote areas, at a price that is equivalent to the one charged in other parts of the country. The Hon. Member will realize that it is much more expensive to deliver the mail in these remote areas of the country than it is in urban Canada. Throughout the years the Post Office has maintained this type of service and will continue in the future, despite the fact it is incurring heavy losses in performing this service.

● (1500)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NON-CONFIDENCE MOTION—AMENDMENT TO THE CONSTITUTION TO INCLUDE PROPERTY RIGHTS

The House resumed, from Friday, April 29, consideration of the motion of Mr. Epp:

That, whereas the Constitution Act, 1982 provides that an amendment to the Constitution of Canada may be made by proclamation issued by the Governor General under the Great Seal of Canada were so authorized by resolutions of the Senate and House of Commons and resolutions of the legislative assemblies as provided for in section 38 thereof;

Now Therefore the House of Commons resolves that His Excellency the Governor General be authorized to issue a proclamation under the Great Seal of Canada amending the Constitution of Canada as follows:

PROCLAMATION AMENDING THE CONSTITUTION OF CANADA

1. Section 7 of the Constitution Act, 1982 is repealed and the following substituted therefor:

"7. Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice."

2. The said Act is further amended by adding thereto the following section:

"60.1 A reference to the Constitution Acts, 1867 to 1982 shall be deemed to include a reference to the Constitution Amendment Proclamation, 1983 (property rights),"

3. This Proclamation may be cited as the Constitution Amendment Proclamation, 1983 (property rights).

Madam Speaker: It being 3 p.m., pursuant to Standing Order 12(3), the House will now proceed with the deferred division on the motion of Mr. Epp, seconded by Miss MacDonald, respecting a proclamation amending the Constitution of Canada with respect to property rights. Call in the Members.

The House divided on the motion of Mr. Epp, which was negatived on the following division:

(*Division No. 320*)

YEAS

Messrs.

Althouse
Andre
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blenkarn
Bosley
Bradley
Broadbent
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
Dick
Domm
Ellis
Elzinga
Epp
Forrestall
Fraser
Fretz
Friesen
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Hamilton (Qu'Appelle-Moose Mountain)
Hawkes
Hees
Hnatyshyn
Hovdebo
Howie
Jelinek
Kempling
Kilgour
King
Knowles
Kushner
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
MacDougall
Malone
Mazankowski
McCain
McCuish
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McKnight
Miller
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nielsen
Nystrom
Oberle
Ogle
Orlikow
Paproski
Reid (St. Catharines)
Sargeant
Scott (Victoria-Haliburton)
Siddon
Skelly
Speyer
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Young—88.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Duquet
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
MacLaren
MacLellan
Malépart
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Penner
Pepin
Peterson
Pinard
Portelance
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Smith
Tardif
Tessier
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan—126.

[*English*]

Madam Speaker: I declare the motion lost.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Petitions presented by Hon. Members on Friday, April 29, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND ESTABLISHED PROGRAMS FINANCING ACT, 1977

MEASURE TO AMEND

Hon. Marc Lalonde (Minister of Finance) moved for leave to introduce Bill C-150, an Act to amend the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977.

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

* * *

● (1530)

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following question will be answered today: No. 4,660.

[*Text*]

CANADIAN UNIVERSITY SERVICE OVERSEAS

Question No. 4,660—**Mr. Stewart:**

1. At any time, did the Cuban government give free airline tickets to any Canadian University Service Overseas personnel and, if so (a) what were the tickets worth (b) does the Government approve of CUSO-funded personnel accepting subsidies from communist governments?

2. At a recent meeting, did CUSO pass a resolution calling on the Government to adopt a neutralist policy and to pull out of NATO and NORAD and, if so, was the intent of the resolution to allow Canada to free itself from commitments that would permit the manufacture of components for the Cruise missile and permit the testing of the missile in Canada?

3. Is Mrs. Iona Campagnolo a member of the CUSO board and, if so, does this membership conflict with her position as President of the Liberal Party of Canada?

4. Does Treasury Board intend to restore a $500,000 cut from CUSO's budget, in light of CUSO's threat to close its Tanzania project?

5. Was CUSO's budget cut by the Canadian International Development Agency and, if so (a) by what percentage (b) does the cut reflect a real dollar reduction or just a reduction in the rate of increase (c) how does the cut compare with cuts by CIDA in grants to other non-governmental organizations?

6. Are CUSO personnel in Zambia involved in support for national liberation (terrorist) movements and, if so, to what extent?

7. What is the Third World Foundation and is this organization being established as a successor to the Futures Secretariat?

8. At a recent meeting, did CUSO consider setting up a United States foundation for fund-raising purposes and, if so (a) was this matter referred to a committee for further consideration (b) does the Government approve of CUSO raising funds in a foreign country?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Canadian Interna-

tional Development Agency and the Treasury Board Secretariat as follows:

1. (a) CUSO, an international development agency, is a private, non-governmental organization and therefore, this question should be directed to that organization. (b) CUSO is a private, non-governmental organization. In addition to any programs which the Government of Canada assists financially through the Canadian International Development Agency, CUSO may undertake programs in developing countries and in such cases the recipient organization, governmental or non-governmental, may contribute to some of the costs of the program.

2. See 1. (a) above.

3. See 1. (a) above.

4. At its meeting of March 10, the Treasury Board considered and approved an appeal from the Secretary of State for External Affairs to restore $522,000 to the approved two-year contribution to CUSO by CIDA.

The Board's decision reflects present expectations concerning the performance of foreign inflation and the provision of a small contingency allowance to provide for unexpected financial requirements associated with emergency and medical evacuations and other unforeseen but urgent demands.

5. No.

6. See 1. (a) above.

7. The possibility of a new organization called the Canada/Third World Foundation, or by another title, is one of a number of options being considered to improve the implementation of Canadian technical assistance programs with developing countries. The foundation has no official status and is at the idea stage only. The suggestion of such an option was raised even before the Futures Secretariat was organized.

8. (a) See 1. (a) above. (b) CUSO is a private, non-governmental organization which raises its own funds from a variety of sources. See also Part 1. (b) above.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, If question No. 4,733 could be made an order for return, this return would be tabled immediately.

Madam Speaker: Is that agreed?

Some Hon. Members: Agreed.

[*Text*]

PERCENTAGE FOOD AID COMPRISES FOREIGN AID CONTRIBUTIONS

Question No. 4,733—**Mr. Mazankowski:**

1. What percentage of Canada's total foreign aid contributions in (a) 1981-82 (b) 1982-83 were comprised of food aid?

2. For each recipient country and as a total, what were the volumes and dollar values for each food commodity supplied by Canada as foreign aid in (a) 1981-82 (b) 1982-83?

3. By commodity, what percentage of Canada's agricultural exports in (a) 1981-82 (b) 1982-83 were represented by food aid contributions?

Return tabled.

[*English*]

Mr. Smith: Madam Speaker, I would ask that the remaining questions by allowed to stand.

Madam Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I was in the midst of putting on the record my views with regard to the complicity between the Tories on the one hand and the Liberal Party on the other hand in an attempt to deprive Canadians of an opportunity to work.

I know that there are in this country a large number of people who, when the budget was presented slightly less than a week ago, were very disappointed. They had hoped to be able to see some signs that the budget would bring about the economic recovery which would ultimately put them back to work. They had also hoped, in the area which I represent, to see some indication on the part of the Government that it understood the destruction which was taking place in some of the older municipalities in Canada as a result of decisions being made by companies, some of long standing, to close their doors and to walk away. Some were leaving to go to other municipalities, maybe because they were being offered additional incentives. Some were rationalizing their enterprises, as they like to put it, in order to maximize profits. Others were moving from Canada altogether, some to the United States, to allow their home base manufacturing operation to have more

of the North American market production, and others still were moving offshore altogether.

Last week, in a question to the Prime Minister (Mr. Trudeau) and in a subsequent question to the Minister of Industry, Trade and Commerce (Mr. Lumley), I suggested that it was time that we in Canada began to understand the devastation created by the unilateral moves being made by these companies. I suggested that it was time for us to demand some quite different corporate behaviour and that it is necessary for the decision-makers in the corporate sector to recognize the investment which municipalities have laid out in providing the necessary infrastructure which made it possible for them to locate there in the first place. It is time for those same corporate decision makers to understand the destructive nature of their decisions as they relate to workers and their families and the problems which occur when the main breadwinner, be it a male or a female, is suddenly found no longer to have employment. Often this happens to them at an age when finding alternative employment is virtually impossible.

Today, when the Minister in charge of small businesses was speaking in the debate, I asked him whether he did not think it was time that the Government presented to the House of Commons some measure on behalf of the people of Canada to try to come to grips with the destruction which has now become a part of all too many communities in every part of the country.

Let me just tell Hon. Members about Hamilton. In the last two weeks, we have heard three major announcements involving companies of some long standing. In two cases, the companies were closing entirely. In another case, the company was laying off its entire work force, with no real date for return in sight. We were speaking of hundreds of people who had put out everything they had on behalf of those companies. In no instance was there prior consultation or opportunity for the employees, their representatives, the municipality representing the taxpayers in Hamilton, the provincial Government representing a substantial investment in our municipality or the federal Government to meet with the companies involved to discuss an alternative.

After years in Hamilton, Consolidated Bathurst sent its employees a letter at Christmas last year thanking them for the hard work they had done which had resulted, in part, in the company having a substantially better year than it had had in many years. In fact, it was enjoying a profit. The letter stated, "We look forward to your cooperation next year in making 1983 an even better year". The company then sat down with those same employees and their representatives at the negotiating table in January and they reached a decision as to the contract. There was not one single hint that the plant was planning to close, not a whisper that it proposed to move out of the community altogether.

In March, not two months later, an announcement came out of the blue that the plant would be closed, the equipment would be sold and the production would be moved to the Montreal base. That is just not good enough. That kind of behaviour is obscene. It was a clear indication of a lack of corporate understanding. If it were one isolated case, one might say that this must certainly be considered, but over and against everything else, it is unusual. However, it is not an isolated case. Just last week we discovered that Allan Industries had decided not to reopen its plant. There was no one single hint that it proposed to close. There was no discussion, no opportunity to consider the possibility of assistance in finding markets. There was no opportunity to discuss whether assistance of one kind or another might enable it to create a more profitable position for itself and, therefore, for its employees. We discovered it was closing because a reporter from the Hamilton *Spectator* called to ask when the company expected to return to production. It was mentioned that the company had prepared a press release dated approximately two weeks previously, which it had not bothered releasing, indicating that the plant was to be closed and that the work was to be done in the parent plant in the United States.

Then, of course, International Harvester was once the mainstay of the Hamilton community, but we find that now it is in dire straits. What do we see? We see these workers accepting a vastly reduced contract arrangement but, even at that, there is still no work for them.

One goes through the municipality and finds that there are places where we could in fact have been creating employment directly. National Steel Car has an idle capacity of almost 100 per cent. The Government could and should be ordering its hopper cars but it has not yet placed its order, keeping those workers unemployed, making it less and less likely that the plant will return to full production. I am saying to Your Honour that there are examples after examples in my community of decisions to close which have detrimentally affected people and where the companies involved have not even had the common decency to discuss the matter in advance. On the other hand, companies which ought to be working at a much greater level of production, or even at all as in the case of National Steel Car, are being impeded by decisions that are either being made or not made by the Government.

● (1540)

The Government has brought forward a budget which states that if a company wishes to retool its operation to make it more productive, the Government will help. But that is not the problem in this country. There is up to 30 per cent or 35 per cent of unused productive capacity now. Who in his right mind who has a plant with 30 per cent of its capacity idle would borrow money to create an entirely new productive capacity far in excess of what he has now and have 50 per cent or 60 per cent of it sitting idle? That is not where the problem lies. The problem is at the consuming end where consumers have lost confidence in this Government. Consumers have lost confidence that the Government's measures will help them in any beneficial way.

Interestingly enough, the Government is supported right down the line by its Conservative allies at every single turn. When we proposed that there ought to be stronger measures to make it more profitable for consumers to purchase now and

better measures to get plants into production now, all that we heard from both the Conservatives and the Liberals was that we cannot afford it.

We should not ask whether we can afford to embark upon the necessary projects in this country that will create work, establish a strong and viable infrastructure in order to transport our goods and have the port facilities capable of handling those goods, to make ourselves energy self-sufficient from coast to coast and be able to use our skilled industries properly. Rather, the question should be, can we afford not to do it? Our answer is clearly that we cannot afford not to embark on projects like that. They should be undertaken now so that people can be put to work instead of being paid to sit at home.

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, in rising to support these measures I would first like to commend my colleague, the Minister of Finance, (Mr. Lalonde), for the imaginative approach to the economic challenges which face us. Many of the measures which he set out are meant to encourage Canadians to invest in their own industries, to facilitate the growth of our productive capacity and to create the type of climate in which productive enterprises will thrive.

The Minister of Finance has made it clear that the Government's first concern is to help those Canadians who want to work and cannot find jobs. That goal calls for what the Minister of Finance has described as a new partnership for recovery, involving labour, business and Government united by a sense of national purpose.

This is what this Government has done in housing. It has provided incentives and encouraged Canadians to purchase and repair their homes. In fact, the annual rate of starts has increased from 86,000 last summer to 177,000 in March. This improvement in housing starts translates directly into jobs. Given the estimates by the industry associations, these figures suggest that employment related to residential construction will increase from about 176,000 to approximately 354,000.

Yet that is not the full story. The Government's home renovation assistance has added a further 20,000 person-years of employment. These achievements clearly demonstrate the Government's concern for the unemployed.

We have taken a realistic course and one which will see jobs created. But it is a course that recognizes that any sustained growth must come from the private sector. This budget recognizes that no matter how well the private sector may operate as an engine of economic growth, there will be people who still need help to provide for themselves the necessities of life. In difficult times their lot is painful. I share my colleague's pride that this Government has not removed the social program protection for those who need help the most, especially for those who are not organized in order to negotiate from a position of strength.

I particularly welcome the measures which strenghthen our traditional social programs and make special provisions to assist low income families with the raising of children. The Government's commitment to economic recovery and job creation and its concern for those in greatest need apply equally in one of my areas of responsibility, which is housing. A total of $335 million in additional resources over the next 18 months has been allocated to housing in this budget. It is designated for the purpose of stimulating economic activity, creating jobs and extending assistance to those people, including native peoples, who are living in inadequate, crowded or unaffordable accommodation. This is in addition to over $1 billion that has been channelled into housing measures over the past year, over and above the regular CMHC budget of some $2 billion.

I welcome the decision to allocate another $30 million to the Canadian Home Ownership stimulation Plan because this extension will enable assistance to be available to small builders, in particular to those who could not start houses through difficult winter conditions. This new allocation will approach the figure of $750 million as the total Government investment in the home ownership plan, and that means that already more than 200,000 Canadian households have been assisted in buying a home.

The Minister of Finance also announced significant modifications to the Registered Home Onwership Savings Plan. These changes will encourage those who have invested in Registered Home Onwership Savings to use these savings to purchase a new home and furniture and appliances. It will continue the stimulus that has already been provided to the housing sector. It will encourage savings to be taken out of bank accounts and put to work creating employment, generating housing starts and demands for furniture and appliances.

This measure has been criticized as being inequitable and as offering greater benefits to the wealthy. Let me say that over 80 per cent of RHOSP contributors have incomes between $10,000 and $30,000. Less than 2 per cent have incomes over $50,000. First-time homebuyers are not wealthy.

As I said earlier, starts in March were at an annual rate of 177,000. With the extension of the Home Ownership Stimulation Plan and the additional incentives provided through the changes that I have just described, we will have a good chance of exceeding the 150,000 starts predicted for 1983. I think we might go well beyond that mark if we can continue to instil confidence in the housing market, especially if there are no jumps in the interest rate situation that we have at present.

The housing industry associations have responded very favourably to these measures. The Housing and Urban Development Association of Canada has said that it is very happy with the budget and has predicted that these measures will increase housing starts by as much as 10,000. This means an additional 20,000 to 25,000 person-years of employment.

[*Translation*]

Mr. Speaker, besides, the Chairman of the Retail Council of Quebec stated that the changes in provisions with respect to furnishings and household appliances will provide a new stimulus for the purchase of expensive items which has been a major problem in the retail trade during the last eighteen months. The Director General of the Quebec Furniture Manufacturers' Association, an organization representing about 500 furniture

manufacturers, said that the Budget would make a big difference to them.

I also would like to point out that the Government has not forgotten tenants. There has been an encouraging improvement in the vacancy rate recently, but there is still a shortage of rental accommodation in certain areas. I shall recall, if I may, that the Canada Rental Supply Plan introduced last year was, in fact, aimed at correcting local shortages. To date, some 14,000 rental units have benefited from this plan and 16,000 more may do so in 1983.

I would like to add that our Home Ownership Stimulation Plan, by helping tenants to purchase a home, is helping to increase the number of housing units available. As I mentioned before, the Government has not forgotten its social responsibility. In the housing area, steps have been taken to implement programs that will help Canadians with low or modest incomes to improve their homes or to acquire one. These measures are also helping to create jobs. Some $325 million has been provided in the budget for helping low-or middle-income families through home renovation programs, non-profit housing programs, co-operative housing and Indian on-reserve housing.

• (1550)

[*English*]

Our housing stock is getting older. More and more attention will need to be paid to maintaining and improving the existing stock. Close to one million houses are in need of some major repair. The Government's decision to provide an additional $160 million for home renovation combines good housing policy, its concern with low and moderate income households, and job creation.

Of this $160 million, $120 million has been provided for the Canadian Home Renovation Plan. This has proved to be a popular and successful program. It is very effective in generating employment and stimulating economic activity since home owners are required to put up $3 of their own for every $1 of Government grant. By those terms, the additional $120 million announced by the Finance Minister will result in a total new investment of $480 million. The average income of households benefiting under this plan has been assessed at between $20,000 and $24,000.

A further $40 million has been allocated to the Residential Rehabilitation Assistance Program, commonly known as RRAP. RRAP helps low income households maintain their homes in a safe, healthy and satisfying condition.

The RRAP Program is a sensitive Program, preserving both the housing stock and the social fabric of the community. In fact, one of my colleagues at an international conference said recently that under the Program houses are repaired with the use of the wheelbarrow and not the bulldozer.

I know all Members of this House will agree that our native people face housing conditions which are often unacceptable. This Government has provided a further $40 million for building and improving housing on Indian reserves. That program is administered by the Minister of Indian Affairs and Northern Development (Mr. Munro), but in terms of my own portfolio, I want to tell Hon. Members that funds for the rural and native housing program were recently increased by $6.7 million for 1983 and by $20 million for 1984 and succeeding years.

But the budget did not stop there, Mr. Speaker. The budget increased by 2,500 to 25,000 the number of units that will be supported this year under our social housing programs. This represents a commitment of some $125 million over the life of these projects.

It is easy to talk about these housing measures in terms of units and dollars and it is easy to speak about this in a somewhat impersonal way, but these measures affect real people, real households, in a direct way. They are not just dollars. They dramatically affect the well-being of low income households, be they in our cities, in our rural areas or on reserves. We are talking about programs which assist the elderly. Yesterday in my own riding I saw the opening of some 20 units for the elderly. These programs also assist the disabled. I recently saw a co-operative housing project which counted among its occupants a good number of handicapped people. These programs assist single parent families, victims of family violence, and our native peoples. There can be no doubt that this budget, while good for business, also addressed many pressing housing needs faced by low income Canadians.

During the year ahead, as in months past, housing will continue to play a vital part in putting more people to work, not just on the building sites but in all those sectors of business which produce building materials and supplies and which make and distribute the furnishings, appliances and household goods and services that people buy when they move into a new house. These materials, supplies, goods and services are mainly produced in Canada. Through housing, the Government has provided economic stimulation while at the same time rendering an essential social service by providing good, affordable shelter in a safe community environment.

Mr. Deputy Speaker: Are there any Hon. Members rising to ask questions?

Mr. Blackburn: Mr. Speaker, I have one or two questions for the Minister. While we in this Party welcome several of the initiatives in the budget to stimulate the housing industry in general and we agree it will generate a fairly significant number of jobs in the construction, home appliances and furniture sectors, I would like to come back to what I asked the Minister in Question Period last week or the week before with respect to the housing envelope. I am sure the Minister is doing what he can within Cabinet to promote the construction of a sufficient number of units for low rental accommodation, but he knows that in this country we need, over the next five years—and this is not a ballpark guess, it is a pretty close figure—50,000 units a year. I am not suggesting that we build new ghettos, as we have come to call some of the old housing, but an equitable mix in our various communities. Could the Minister give me any encouragement that the figure he men-

tioned in his speech for social housing for low-rental people will be increased, and increased significantly, in the next two or three years? This is a very serious matter, Mr. Speaker. I have one supplementary question to follow.

• (1600)

Mr. LeBlanc: Mr. Speaker, I do not think the Hon. Member and I disagree on the issue; I think we may disagree on some of the wording. I take issue with him somewhat when he refers to social housing being limited to the 25,000 units, as important as they are. I might say that some $160 million—and I would have to check the exact figure—is spent under RRAP which is really directed to low-income families. It provides forgivable loans and in many cases allows people in rural areas—and I have seen some in my own Province—to remain in their own homes and in fact continue to enjoy the milieu in which they have grown up and spent their adult lives. In a way this program is a social housing program as well.

The condition of the housing of native people certainly allows me to refer to the very considerable budget increased by $40 million by the Minister of Finance a few days ago. This is social housing of the highest priority. Because of the per unit cost of the program, in other words the cost of finding a housing solution for a relatively small number of people compared with the need, my predecessor ordered an evaluation of social housing programs. That evaluation is now in our hands. I hope it will be made available to Hon. Members who are interested in housing in the coming weeks or months so that we may have a discussion. Organizations including the co-operative housing movement recognize that we must find a way to bring in more people under social housing programs. As the Hon. Member indicated, the queue of people waiting is very long.

I do not want to return to the creation of ghettos. I do not think anyone in the House would want that. As I said a few days ago, we must find a way to get a bit more bang for the buck. I recognize this and I continue to impress it on my colleagues, but I think it will require a fair amount of imagination by all those concerned in the area of social programs to find a way, be it a rental allowance that has some pros and cons or some other, to accommodate more people who are waiting.

Mr. Blackburn: Mr. Speaker, I have a supplementary question for the Minister. It is a more specific question. It relates entirely to the City of Montreal. I know there are housing needs in every city small or large across Canada, but Montreal has the highest density of renters per capita of any Canadian city. It also has the most critical housing shortage for low-income families. It is reaching critical proportions. The high figure is estimated at between 300,000 and 400,000 people in the City of Montreal who are in desperate need now of adequate geared-to-income housing.

What specific initiatives is the Minister presently addressing for the City of Montreal? Could he also inform the House if any groups in the City of Montreal have approached him or his departmental officials directly requesting a broader program and a more liberal program, if you will pardon the expression, to assist the 400,000 people who are in desperate need of adequate and decent housing in the City of Montreal alone?

Mr. LeBlanc: I have had some discussions with the representatives of the City of Montreal in past months. I will meet with them again. The Hon. Member is correct when he says that Montreal with its high percentage of renters presents special problems. In fact, the City itself is addressing this issue. In co-operation with the City we were able to bring forward 2,400 units in the past year. Also the City has rather imaginative projects which it is bringing forward, including the use of some former railway land. We are discussing as well a way to improve the situation in terms of older stock of small apartment blocks of three units or six units where the owner resides in one and rents the remaining units. A lot of this housing, if it were upgraded, would afford perfectly good housing in communities or in parts of the city from where residents simply do not want to move or where they prefer to remain.

We are taking an approach which is as flexible as we are allowed under the law, recognizing that Montreal's problem is not exactly the same as that of other large cities which have peculiar and particular problems. Perhaps I have not been precise enough. If the Hon. Member wants to be more precise, I will try to answer him.

Mr. Blackburn: Mr. Speaker, I just have one more question. In his speech the Minister made passing reference to co-operative housing. Some time ago I asked him a question on co-op housing and I believe that his response was to the effect that it was the most expensive kind of social housing. Of course that point is debated by the Canadian Co-operative Housing Association. Its figures tend to differ from the Minister's departmental figures, but I do not want to get into that kind of an argument at this point. Since the Minister is responsible for that kind of housing initiative, would he be prepared to sit down soon with representatives of the Canadian Co-operative Housing Association in Ottawa to see if they could get their figures more closely together, to see who is right and who is wrong? Perhaps both are wrong or both are right; I do not know. Would he be prepared to meet with them to explore better ways of expanding the co-operative public non-profit program? To my way of thinking, it may be expensive—

Mr. Deputy Speaker: Order, please. If the Hon. Member expects a response, he should allow some time for the Minister.

Mr. LeBlanc: I will try to be as brief as possible. I said recently that social housing, because of its very nature, is expensive. I simply mean that the program which writes down interest rates to 2 per cent over a 35 year period will obviously be costly. I do not apologize for that. As I said earlier, my concern is to try to get as many people as possible covered by the program or by the amount of money, which will always be finite, even if we doubled the number of units in the social housing program.

The co-operative housing group falls under the general umbrella of 25,000 units. I understand their feeling. Perhaps they are not getting as many units as they would like. I have had discussions with them. In fact, I met at some length with a co-operative group in Toronto. We had what I thought was a very positive discussion on the number of units that should be assisted housing or low-income housing. We tended to define the ideal situation as being between 15 per cent and 25 per cent. I think the co-op movement has made an interesting case. I listened very carefully to its suggestion of increasing the percentage of assistance to apartment or home dwellers in order to cover a larger percentage of people when we invest in a large project. That discussion will continue. I have certainly met with them and I will meet with them again. I think the debate on whether or not—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but his allotted time has expired. He may continue with unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

An Hon. Member: No.

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, since the presentation of the budget on April 19 many Hon. Members who have spoken in this debate have dealt with many of its varied aspects in very concrete ways. Therefore, in order not to be repetitive, I will direct my comments on this budget to two specific areas, agriculture and tourism. In real terms, the Minister of Finance (Mr. Lalonde) gave only token assistance to these two sectors of the economy that today face serious difficulty. With regard to agriculture, the extra $100 million available in the budget is available only to farmers in distress. This is characterized by many producers as nothing more than a band-aid solution since in Ontario there are only 5,000 to 8,000 farmers who would qualify as being in dire straits.

• (1610)

With regard to the Finance Minister's announcement that he will allow farmers to carry their losses over ten years instead of seven, this too is not much more than a band-aid solution. If the Minister were inflicted with a serious physical wound, I am sure he would expect more than a band-aid, yet that is all he offers to the farmers in distress, many of whom are being forced to leave farms which their families have occupied for generations.

Members opposite have asked what our Party would do and what solutions we have for agriculture. First, our Party would provide up to $100 million to assist producers in re-negotiating their existing high interest loans to levels more in line with current rates. We would establish farm financial review boards which would be used as an advisory and appeal mechanism and would be set up in each Farm Credit Corporation region.

In addition, we would implement the agri-bond concept which would encourage retired farmers and others to invest their savings with the Farm Credit Corporation and thus provide tax incentives, including a waiver of capital gains tax. This would pave the way for stable and low interest rates and a continuing source of available capital for agriculture. As this House knows, the agri-bond concept has wide support across the country, including the Canadian Federation of Agriculture.

We also advocate the elimination of the 9 per cent federal sales tax on farm fuels. Although Canadian farmers use only 3 per cent of all energy consumed in Canada, they use 6 per cent of the gasoline and 10 per cent of the diesel fuel. About one-quarter of the farm operating expenses are owing to the direct and indirect cost of energy. The removal of the 9 per cent sales tax would reduce the cost of diesel fuel by 20 cents per gallon, and the elimination of a natural gax and gas liquids tax would result in reducing the price of natural gas and fertilizers, thereby lowering the general cost of farm operations. All these measures Canadian farmers would have welcomed from the Minister of Finance with, I dare say, open arms.

In today's desperate economic conditions, many farmers have been forced to engage in other off-farm activities to maintain a semblance of cash flow and to help maintain their farm operations. Therefore, we support repealing Section 31 of the Income Tax Act which is being used by Revenue Canada as a means of reclassifying such farmers as part-time farmers, thereby limiting farm loss to only $5,000. This reclassifying has resulted in many farmers being hit with back taxes in the thousands of dollars at a time when many such farmers are on the brink of financial collapse.

We strongly urge the Minister of Finance, the Minister of National Revenue (Mr. Bussières), and the Minister of Agriculture (Mr. Whelan) to take a long, hard look on what this section is doing to the agriculture industry. Indeed, because of the present Government's over-zealous enforcement of Section 31, many in the agricultural industry have the impression that the Government's secret goal is to replace the independent family farm with the large corporate farm.

I would be remiss if I did not mention tourism as far as this budget is concerned. There is a conspicuous absence of any concrete mention of tourism in this budget. Tourism is an industry that needs a lot of help and support, but it is not getting it from this Government. It gets lots of rhetoric, lip service, but no concrete assistance. This was well expressed by a constituent of mine, Mr. Gordon Canning, president of Blue Mountain Resorts Ltd. of Collingwood, Ontario, in a letter dated April 25, in which he said to me:

> We are certainly having our problems as an industry in being recognized by the federal Government. The recent budget just reinforces our unhappiness and exasperations. In a brief to the Hon. Paul Cosgrove, Minister of State for Finance, the Tourism Industry Association of Canada asked simply for a recognition in the budget that tourism was of vital importance to Canada's economy. That recognition was not given and indeed the policies announced have a negative impact on the tourist industry or give support to other industries. For example, the tax on liquor has been increased—and although we can claim tax credits for certain kitchen equipment, other equipment such as snowmaking, grooming and chair-lift equipment did not apply because they are not used to produce goods for sale or lease. Prior to the last budget we were allowed full capital costs allowance in the first year on new investments, but that was reduced to half and no change was made to that ruling in last week's budget.

He went on to say that in helping to do its share, the provincial Government has already committed $12 million for municipal services in the Blue Mountain/Craig Leith area. The official plan for the development of the area, if it occurs, will involve over $100 million worth of construction.

The acceleration of this plan will depend on the federal-provincial tourist agreement that has been forthcoming for the last two and a half years. This is indeed a long time to discuss any agreement. In the meantime, everything is at a standstill just because some politicians and some bureaucrats cannot make up their minds. This is indeed a sad state of affairs.

The plight of the tourist industry in Canada was well documented in the debate that took place in the House of Commons on Thursday, April 13 of this year. Possible solutions were well documented. The Minister of State for Small Businesses and Tourism (Mr. Rompkey) took part in the debate and seemed to be in accord with many of the recommendations made in the debate. It only remains to be seen what action will spring forth as the result. All of us hope, for the sake and for the survival of the tourist industry in Canada, that some long-awaited positive initiatives will be undertaken.

Although I stated that my comments will be mainly directed to agriculture and tourism as dealt with in the budget of the Minister of Finance, there are other areas of this budget that require a brief comment. For example, there is the bleak prospect for the unemployed to whom the Minister of Finance offered yet another band-aid. Today over two million Canadians are unemployed. Unemployed people want to work but cannot find jobs.

It is hard to take the Minister of Finance seriously when one considers that by March 31, 1983, only 32 per cent of the greatly-touted NEED Program was committed, never mind spent. Regardless of how you look at it, the bottom line of this Program is not really to get people back to permanent work but to help them re-qualify for UIC benefits. The unemployed want real and lasting jobs, not Government handouts. By and large this new budget does nothing to give the unemployed any real hope for bona fide jobs.

As for youth unemployment, this is indeed a national disaster. On budget night, the Finance Minister proudly announced an extra $70 million for this summer's student employment program. However, when one considers that in 1982 the program was cut from $120 million in 1981 to $100 million, this budget's $170 million program really represents only a $50 million increase from 1981.

The Minister of Finance is playing a numbers game regarding the 621,000 unemployed young Canadians under the age of 25. Perhaps what is even more serious is that this Government by its policies seems to be trying to create the idea among young Canadians and saying to them, "Don't worry, we'll find you a temporary Government-sponsored make-work job. When that runs out, we will give you unemployment insurance. When that runs out, we will introduce another Government program just long enough to requalify you for Unemployment Insurance benefits once again." I wonder about the lasting effect that attitude will have on our country's future productivity levels and on the young people of Canada.

● (1620)

It should also be noted, Mr. Speaker, that despite the Finance Minister's glowing description of the employment programs, the true fact is that in 1984, there will be 55,000 fewer people with jobs than there were in 1981.

As we are all aware, a great concern of our Party is the financing of this budget. There is the old saying that there are two things a person cannot escape in this life, death and taxes. There is a third word that this administration will add to that old saying, and I will return to that in a moment.

To finance this recovery program, the Finance Minister announced that the 1982-1983 deficit will be about $25.3 billion and in 1983-1984 will be $31.3 billion. To help finance this so-called budget that is supposed to get business going and increase employment, he will increase the federal manufacturers' sales tax from 9 per cent to 10 per cent effective October 1, 1984. As this tax is imposed at the manufacturer's level, it will be a hidden tax. This also means that this increase will not filter down to the retail level until a few months later, in plenty of time for the 1984 election to have come and gone. In addition, this increase will probably be passed on to consumers who will likely blame the merchant, not the Government. How does the Minister of Finance expect to get business going in these economically precarious times with a policy of increasing the costs of business? How does he expect the embattled and cautious consumer to spend money when he raises the price of products?

I have never before heard of a policy that will get consumers to spend, make industries more productive and lower employment by increasing production costs and that is just what this tax increase does. In fact, this tax increase violates the main theme in the Minister of Finance's budget of getting the unemployed back to work.

The third word which the Minister of Finance has inserted into the old phrase is deficits. "All Canadians can look forward to death, deficits and increased taxes." This is how he and his predecessors have changed this old phrase. To help finance his so-called $4.8 billion recovery program, he will increase the 1983-1984 deficit to $31.3 billion.

Many economists tell us that there are not enough private savings or private sector moneys available to finance this deficit without interest and mortgage rates rising as they did one and a half years ago. So the Canadian consumer has another bright prospect to look forward to. In addition to record high taxes and record high unemployment, we now have record high deficits, an unsavoury epitaph in memory of a Government's term of office and one that is regarded by most Canadians today and will be regarded by many Canadians in the future as a terrible episode in Canada's history. It is a terrible nightmare that it will take us a very long time to overcome. It will take a long time to make right the terrible damage and terrible afflictions that this Government has forced upon the country and upon the people.

Mr. Blais: Mr. Speaker, I am very pleased to have been present to hear the address of the hon. gentleman. Since the Member was very positive the day after the budget in his own analysis of the budget and its provisions, I wonder what since then has had him change his views. I am amazed that the hon. gentleman who represents an area that includes the Collingwood Shipyards would not have commended the Government for its initiative in introducing a major program of acceleration in shipbuilding which undoubtedly, because of the highly competitive nature of the Collingwood Shipyards, would provide them with an opportunity to get a portion of that business.

Mr. Mitges: Mr. Speaker, as I said, I did not comment on the whole budget in my speech. I more or less emphasized its impact on the agriculture and the tourist industries. The agriculture industry, as I mentioned, is still in dire straits and needs a great deal of assistance.

The budget contained a few provisions that I did not think were too bad at all. Commenting on the assistance to the Collingwood Shipyards, my main concern is the 1,300-foot drydock that we have been trying to get now for many, many years. This has been sloughed off by perhaps both the federal and the provincial Governments claiming that more and more studies are needed. This has had a detrimental effect on the shipyards, and we are no closer to a solution to the problem than we were several years ago. This does not take away from the fact that we did get some assistance for a new crane at a value of some $2.5 million, for which I would like to thank the Minister. I have no objection to that.

Mr. Neil: Taxpayers' money.

Mr. Mitges: As the Hon. Member has said, it is taxpayers' money, money that is going to a good cause and will create more jobs. However, the bottom line is the drydock. Now that the Minister has spoken about this, I wish that something would be done to make the drydock a reality rather than a lot of rhetoric.

Mr. Blais: Mr. Speaker, I am pleased that the hon. gentleman referred to the drydock and also to the assistance provided relating to the crane. I am also sure that the hon. gentleman has noted the public announcement relating to the two floating crane contracts for direct export that have been obtained by Collingwood as of April 20 last. Again, of course, the Government is pleased to have been involved, along with the Canadian Commercial Corporation and the export supply directorate which negotiated the contract.

I am pleased that the hon. gentleman has raised the question of the drydock because I would like him to advise me whether he has made representations to the Province of Ontario relating to their joining the federal Government in the market survey affecting the necessity of a floating drydock. The hon. gentleman will recall that, on the occasion of my last visit to Collingwood, there was an indication that we were ready to proceed with that market survey. No market survey had been conducted before to my knowledge. There was also an indication that while the obligation of the provincial Government was only $6 million, the obligation of the federal Government would be in the vicinity of $25 million. I suggest to the hon. gentleman that he might approach officials of the Province of Ontario and ask if they would like to switch positions with us. We will pay the $6 million and the Province will pay $25 million. Then perhaps we would not need a market survey.

Mr. Mitges: Mr. Speaker, I am not questioning the Minister's $6 million and $25 million figures. I think they are bona fide figures. For his information, I have made representations to the provincial Government to have this market survey done, but I would also like to point out that, if the Minister will remember, I talked to him on that very occasion back in Collingwood. At that time, I asked him whether, if the market survey showed a favourable position for a 1,300-foot drydock and the Province went along with its share, he would be inclined to go ahead with the federal Government's share of the $25 million. I do not think I received a direct answer from him in that respect.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie)—Charter of Rights—Administration costs. The Constitution—Cost of patriation; the Hon. Member for Esquimalt-Saanich (Mr. Munro)—Fisheries—Negotiation of North Pacific Salmon Fishing Agreement—Protection of Chinook and Coho species. (b) Dangers arising from over-fishing; the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen)—Penitentiaries—Request for public inquiry into correctional service.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government.

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, it is my pleasure to be able to comment on the budget statement.

I would like to begin by talking about the amount of money that is being invested by the Government of Canada on behalf of the people of Canada to help us continue on the road to recovery. I think all Hon. Members and the country recognize that at last we seem to be on the road to recovery. Everything indicates that it will continue if we behave responsibly and recognize it will be a slow and fragile recovery.

● (1630)

The Government has put out $4.8 billion in investment money to try to assist that recovery as appropriately as possible. The danger in tossing big figures around is that they sound impressive and certainly a great of capital is going back into the system.

What pleases me about the budget is that the Minister has recognized that all we can do is take funds and try to use them for leverage in the private sector so that we can have a permanent recovery with permanent jobs that will last for many years to come. We recognize, even though we do not always articulate it, that Government by itself can do very little to create long-term jobs and that they must come from the private sector. As a nation we must have confidence in our ability to look after ourselves and compete in world markets.

While a great deal of money goes into immediate job creation—and I will go into the reasons why I think that is appropriate in a moment—I think that is one of the salient features of the budget. It is part of a necessary trend in the country that I hope will continue. It is part of the consultation process.

The truth, whether we are being politically partisan or worrying about our vested interest as businessmen, as labour leaders or educators, is that there is a tendency to fall into the trap of working in a vacuum. We know that it cannot work that way but we all have our individual horse to ride. We have to be concerned with whatever our constituency might be.

In the long run it takes a lot of honest disagreement to come together in the right forum of discussion, starting with the idea that we agree to disagree but will still communicate with each other so that a consensus can be reached. We can then start to move in the direction of looking after the common good of most of the people in Canada.

I believe we see, to a very large degree, the fruits of the proper consultation that has taken place across Canada in the last budget. Many Hon. Members feel that they are part of the consultation process, as I do having had the opportunity to work with many groups in my constituency of Thunder Bay-Nipigon and to hear their concerns and ideas and transmit those to the Government. I believe that some of those ideas and thoughts are represented in a budget that makes a lot of good sense to the people of Canada. It is not perfect, but there is not much perfection in this world as yet, Mr. Speaker.

I think people have recognized that a budget has been put together that takes steps to try to create jobs immediately and do the necessary work to put the country in a position to do better in the future and to create long-term jobs. It has also established a climate whereby business, labour, Government and educators can work together to create those jobs and build upon the upturn that we see in the economy.

There are many general benefits to Canada in this, Mr. Speaker. The consultation process is one very important and often overlooked device that has been improved upon in the budget. We are concentrating on putting Canada in a position of better competition. We are going to build the infrastructure of the country in such a way that we can better serve the people we want to serve. More important, as a trading nation we are doing those things that will put us in a more competitive position to meet the changes that are rapidly taking place in international trade.

As a trading nation I think the fact that the budget addresses ways to help us identify new markets is very basic. It will help us to be more competitive in finding those markets and it will help us be more sophisticated in our approaches to foreign trade in more parts of the country. Thunder Bay is a world port, a national port, the second busiest in Canada, so it is very much concerned with what happens in world trade.

During the economic downturn many people have asked why we blame our problems on people offshore. When you live in a part of the world where about 80 per cent of the product goes offshore, whether it be to the United States or to other nations of the world, you begin to realize that you are a part of a global community. You welcome items in the budget that will help the Export Development Corporation to be more aggressive, to work more closely with the manufacturers and suppliers of services in regions such as Thunder Bay. You also become very interested in DRIE which is the device that will bring together the indicators in the economic field that will more properly address the regions of the country and help them share in the development of industry. It will play a major part in the economy of Canada but will also be available to the people of the regions who are alert enough to want to secure export markets.

To digress for a moment, Mr. Speaker, let me say that throughout this budget and other budgets there is a threat that has to be remembered and that is, that Government can do certain things to help but the prime motivator of the economy is the entrepreneurial spirit that is present in the business community with labour leaders and educators, and that is important. Therefore I would urge people in my region and in other regions of the country to seek ways to work in harmony by utilizing existing Government programs, examining options in business that will lead to future development, remembering all the while that it takes the entrepreneurial spirit of the people of Canada to achieve this. That, in turn, will bring about the long-term receovery that we want and will help us face an even more confident future.

The national training program and the additional moneys going to help youth is a very important aspect of the budget. We will make that money available to students who have to borrow in order to complete their education. The Minister of Employment and Immigration (Mr. Axworthy) has identified the need to work harder with the young people of the country so that we will find options and be able to look confidently to

the future. I think we cannot spend enough money in that area. There is never enough money for it. As a nation, we must look at how we treat our youth, how we encourage them and what values we give them so that they can join in the spirit of the entrepreneur and be able to find their future.

I should like to speak about some of the comments I have received in Thunder Bay and northwestern Ontario about the budget. In all honesty, I have to tell you that the comments by and large have been very positive from all groups. We will always have an element that wishes for more, but there are some measures in the budget on which I should like to comment. There are efforts to stimulate home building, home renovation; for example, the allowance within the budget that first-time purchasers, if they are not ready to buy their home right now, will be able to buy furniture and appliances. These stimulation methods have been applauded, Mr. Speaker, not because of what they do right now but because of what they will accomplish in the future. Home construction and apartment construction have increased in Thunder Bay and are continuing to do so. That is the kind of enterprise which really turns on the economy in a fast way and in the short term. I can see our sawmills becoming busier, our retailers becoming more active. I can see the very positive effects of a sudden upturn in the sale of homes, whether brand new homes or resale homes. Once people start moving in that direction, the spin-off effect is well known. That is happening now in northwestern Ontario, and that is why I am happy to see that the budget zeroed in on that crying need for housing.

● (1640)

A while back a comment was made about the shipbuilding program. We have a shipyard in Thunder Bay and I have been in contact with them to ensure that they will be alert in bidding for any new contracts which will be forthcoming. However, I would just like to make a point about programs such as the shipbuilding program which is getting under way in Canada. It is not always possible to target the money to a specific yard. The important thing to remember, however, is that once that industry becomes busy, such as the Collingwood yard, then Thunder Bay automatically becomes busier. I would hope that some of the direct orders can be placed in our particular yard, although that would depend upon a number of factors; the position of the yard to compete for a particular program, its desire to get into it, and so on. But as soon as one very important sector of the economy, such as the shipbuilding industry, becomes busy, all yards gain. So that program, besides answering a very particular need right now, will do many parts of Canada great good because whether a shipyard receives a direct order or not, it will still benefit from that program.

Recently, Mr. Speaker, a seminar on forestry was held in Thunder Bay called "Focus on Forestry". All these people were gathered in Thunder Bay, educators, environmental people, labour people, as well as six Ministers. We invited everyone we could think of who would be interested in the forestry industry, an industry which forms so much of the wealth of northwestern Ontario and of Canada. We had a long, serious discussion to see how the Government of Canada could become more involved in encouraging that particular industry, and we have seen some positive results. One of the items discussed was the need to provide more protection for our forests, to protect them from disease, to protect them from fire, and so on. Therefore, the purchase of more water bombers, which was announced, is very important to the forest industry in northwestern Ontario, as well as to all of Canada. We see annually too many of our trees going up in smoke which could be used to better serve the economy of this nation. I would like to see many more things come out of the "Focus on Forestry" seminar and I detect signs of that in the budget.

The community of Nipigon is most interested in a forestry research station for northwestern Ontario. Quite naturally, they would like to see it in Nipigon, and so would I, if it is at all possible. I believe that we have to spend more money on forestry research. Whether or not it is located specifically in Nipigon—although I make the plea for it to go to that community—the main point is that the Government of Canada is moving more and more into increasing its already fairly substantial assistance to the forest industry. Research will be of great benefit to the entire forestry industry in Canada. Forgive me if I sound parochial, but I would be pleased to see northwestern Ontario considered as the site for such an enterprise.

Northwestern Ontario has several universities. Lakehead University is already benefiting from increased dollars going into forestry research through programs which it has in place. I would like to see more done in that area, and I make the pitch for Thunder Bay and northwestern Ontario simply because we have such a large percentage of that industry. I believe, however, that there are other economic benefits for the forest industry which are inherent in the budget, and that is that we are encouraging people to examine ways to manufacture more products for various industries, including the pulp and paper industry. What I believe is happening as a result of the budget is an upturn in the economy. People are finding more confidence in themselves and saying, "We have gone through difficult times. It is now time to go ahead." Since the budget, I have received a large number of representations from business people within northwestern Ontario, and I am pleased to say there is a very positive response from various levels of Government, asking, "How can we work with you? How can we help you to develop this new product line for the pulp and paper industry? How can we help you to export your lumber products, your paper products more efficiently to points around the world?" I also have found that the business community, in line with the budget, is saying, "We have to expand our thinking. We have to think of finding a better balance of markets around the world." That is an area where we can more properly work with the federal Government, and that industry is beginning to do so. I believe that that is materializing out of the budget. However, the budget itself, Mr. Speaker, is a guide.

I believe we in northwestern Ontario have already recognized that there is much good in the budget, and that there is

room for more suggestions, for more improvements. I am hearing from constituents on that score also. I believe we must recognize that the budget has tried to identify where the most good could be done for the business community of Canada, to help create permanent jobs while at the same time not abandoning our need to maintain the social services of the nation. In that respect, the verdict seems to be "Northwestern Ontario", and it is very positive.

The Acting Speaker (Mr. Blaker): Questions, answers, comments?

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, it is a great pleasure for me to have the opportunity to speak today on the budget. There have been many before me who have spoken well on measures contained in this budget, putting forth excellent argument in favour of it and also about what the budget fails to do. I do not profess to be an economist. Indeed, many in this Chamber are not. The Chamber is made up of Hon. Members with various areas of expertise. However, as the elected Member for Leeds-Grenville, I do feel the need to put on the record the feelings of my constituents, which indeed are the same as those of many Canadians across this country, with respect to how the measures in this budget are going to affect their lives.

Canadians have been putting up with months of frustration, dejection and hardship in the fervent hope that the much anticipated April budget would provide them with some relief. In many cases they were disappointed. Canadians were even more disappointed with the circumstances surrounding the bringing down of the budget, a budget we hoped would give Canada new direction.

• (1650)

After years of high unemployment, high interest rates, record bankruptcies, sky-rocketing deficits, two disastrous budgets and financial statements, it was understandable that so many voters were demanding a new, sound fiscal policy to put Canada on the road toward economic recovery. Canadians were desperately wanting to place their trust again in the Government. They were waiting to hear that, with perseverance, things would get better. The last thing Canadians wanted to hear was the call for the resignation of the Minister of Finance (Mr. Lalonde) because of the careless budget leak. Canadians were looking to the Minister of Finance for responsible action on their behalf, not the irresponsible action of a Minister seeking headlines. Yes, indeed, he did receive those headlines, but not the kind that he expected.

The Minister of Finance attempted to do what he could to salvage a sagging economy, a direct result of past Government policy. Of course, there are some positive aspects to the budget. Hopefully, by utilizing the private sector, we can maintain that slight progress which has been made toward economic recovery.

In introducing his budget, the Minister acknowledged the seriousness of the unemployment situation by saying, "We must do all we can to relieve the anguish and hardship that unemployment is inflicting on Canadian workers and their families". Although the Minister would have us believe that he is genuinely concerned about the plight of so many of Canada's citizens who are struggling to survive these devastating economic times, he has failed to do more than just acknowledge this. What he has done has been to sugarcoat a budget which miserably fails in addressing this vital problem. He has done nothing to relieve the anguish and hardship being felt by unemployed Canadians.

Today unemployment is at an incredibly high rate of 12.6 per cent. according to the Government's official rate. Sadly, however, the Government has neglected and ignored the other .5 per cent of Canadians who have become so dejected and despairing that they have given up on their search for work. They are desperate people who have a right to have jobs. They are two million Canadians living in absolute fear of their futures, with no security. That does not speak well of the Government's record.

The Minister of Finance fell short when he addressed the unemployment situation and beamingly predicted that he expected the unemployment rate to continue to be over 10 per cent by the end of the fiscal year 1986-87. In other words, he was telling us that he expected we would still have high unemployment. The prediction was based on a growth rate of 4.5 per cent. If we consider the other side of the coin and do not maintain that 4.5 per cent growth rate, we will be in an even graver position.

Unemployment and its effects permeate every aspect of Canadian life. It is not only imperative to put people back to work, but also to keep them working. How can the Minister of Finance expect us to put our faith and trust in a budget which contains measures we know have failed in the past?

The job creation programs are not new. They are perhaps reorganized, but they are definitely not new. We have heard of Summer Canada Programs, Work Experience and NEED, all short-term job creation programs, and we should be considering long-term employment opportunities. These job creation programs are designed to help create jobs immediately, but experience has taught us to know better.

The NEED Program is a prime example of how quickly the Government can move on its urgent job creation initiatives. Announced last November, in 18 months it was to have started 60,000 jobs, but six months have gone by and only 10 per cent of those jobs have actually been created. It was only with the constant pressure of the Opposition that the Government was forced to come good with its promise and get these jobs started. But how many new jobs are actually being created by this program? In fact, some of these jobs are ones which, under normal circumstances, would be filled by people already employed by the federal Government or other agencies.

In a desperate attempt to make itself look good, the Government has approved projects en masse and juggled figures with abandon. One wonders again how the Government can expect the Canadian people to trust and have faith in it.

I am deeply concerned about the type of jobs the Government is creating for our unemployed. These jobs are averaging up to 20 weeks in length, just long enough to qualify the recipient for Unemployment Insurance benefits. Short-term employment might work well for students, but for a parent with mouths to feed and a mortgage to pay it will only offer temporary relief. I desperately want to see these people off the unemployment lines, as much as they do themselves, and that thought is shared by everyone in this Chamber.

Record rates of unemployment are placing a serious drain on the Unemployment Insurance fund. The Government has already added to the large deficit by borrowing money to meet the high demands of this fund. If unemployment does not drastically decrease, the Government will be required to borrow more and more to meet the ever-increasing demands. We cannot afford to continue to fuel a deficit which has already reached proportions never before known. Reducing unemployment would reduce the deficit and halt this trend which can only lead to permanent debt and ruin for Canada.

The Minister has predicted a deficit reduced from $31.6 billion this year to over $25 billion for the fiscal year 1986-87. It is certainly not a very optimistic outlook. Canada can no longer sustain an accumulated deficit which is expected to reach over $282 billion by March 31, 1987. Again, this is all based on the expected growth rate of 4.5 per cent being achieved.

Of special concern to me are the youth of our country. Over 30 per cent of our young people will be unemployed this year, a disastrous situation for the future of our great nation. Without the energy and new ideas of our young people, Canada has no future. As that energy stagnates, enthusiasm wanes and new ideas crumble into a feeling of frustration and anger, with Canada's future becoming bleaker and bleaker.

The future of Canada is in the youth of today, and they need all the encouragement that we can provide. However, the economics of youth unemployment are matched only by the devastating social and psychological effects of this constant struggle on hundreds of thousands of young people who are just plain giving up. Soon we will be faced with a massive group of young people with no spirit, drive, ambition or experience. We cannot continue to allow them to pay for the effects of a sluggish economy. We should be nurturing the minds and spirit of our young because they hold in their hands Canada's future. They need optimism to meet their dreams and ideals, and opportunities to allow them to utilize their initiative. We must be very careful not to stifle their natural willingness to produce. They, too, were hoping once again to be able to replace their dejection over the Government with faith and hope contained in measures in the budget. The Government has recognized the problem and budgeted $95 million for wage subsidies for employers who take on young workers on an internship basis to provide training.

Even the Minister of Employment and Immigration (Mr. Axworthy) has said that the youth employment situation was to reach a danger point this fall when new graduates would discover their job prospects were very scarce. Let us hope that this program will help to head off that very grave situation.

Let us consider what the Minister included in his budget which would supposedly bring about immediate employment. The new Special Recovery Capital Projects which are being announced faster than the notices can be printed are supposedly to be of high priority and of an urgent nature. However, the first of these projects will not get under way until next fall, six months from now. This is the Minister's response to the serious situation facing two million Canadians. Most of them cannot afford to sit around and wait until next fall for jobs.

• (1700)

In his speech, the Finance Minister indicated his support for incentives to the private sector to help it increase productivity and create long-term jobs. It is only by restoring consumer and investor confidence that Canada can once again begin to grow. Fortunately, the Finance Minister has taken heed of the many economists and the Opposition Members who have stated time and time again that the key to economic recovery is in the private sector. We now have a Finance Minister who is willing to put his faith and trust in the private sector.

However, his incentives for small business do fall short of achieving the stimulus needed to promote growth. He has, in effect, ignored the desperate financial state of many of our small businesses today. Businesses which are already on the verge of bankruptcy cannot go out and spend money they do not have on new equipment to get a tax credit. We have what I call a "spend now pay later budget". On the one hand there are incentives to stimulate the housing industry and provide employment. Fortunately we are already beginning to see the effects of that incentive since real estate is beginning to pick up appreciably. On the other hand, the Finance Minister will curb that stimulus by imposing a one per cent increase on the cost of construction materials.

We are also receiving a left handed stimulus through the Registered Home Ownership Savings Plan where funds can be withdrawn from the plan to purchase items for the home without being subject to income tax, thereby stimulating the need for products and services, but next year we will see that stimulus curbed with the imposition of a one per cent increase in the federal sales tax.

We all know that revenues are desperately needed to meet the spending needs of the Government but I question the way with which this Government is collecting those revenues.

The best way to increase Government revenues is by putting people back to work, having them contribute to the public trough and stimulating the need for services and products through their increased purchasing power. Of course, the means of doing this is the most difficult task of all, but I believe there are many areas that have not been looked into with a view to realizing this goal. As my colleague, the Hon. Member for Grey-Simcoe (Mr. Mitges), so adequately pointed out earlier, the tourism industry was sadly neglected and the farming community received an additional $100 million

through the Farm Credit Corporation to finance farmers who are already in debt.

The Finance Minister's task is not easy and his budget can only succeed if the people of this country have trust and faith in their Government. A budget which was brought down in the manner that it was has destroyed that faith and trust and destroyed the confidence which Canadians were hoping to regain. A budget that had the possibility of doing so much for the confidence of Canadians lost it when it was brought down with the shuffling of figures to bail out a Finance Minister's reputation.

In conclusion, I want to read into the record a copy of a letter that had been addressed to the Minister of Finance. It was sent to me and I feel that it expresses very well the opinion of many Canadians. It says:

> It is 8:22 p.m. April 19/83 and it is in utter frustration and desperation that I write this letter to express my total humiliation at your disgusting performance of the past 24 hours. Very briefly put, you have leaked a budget on Monday evening and in Parliament, in front of the entire Canadian populace, told me that you 'were forced' to change certain figures to take care of your 'fiscal responsibility'. Just to fully insult me, you laughed at me while you heard the honourable (compared to you and your band of hoodlums) Opposition express their disgust at your actions.
>
> All this while, after doing nothing for any business community in this country except tax them more and more for Monique Bégin's social handouts, you hand me a $31 billion deficit budget, higher than world price oil costs, endless expansion of the bilingual Civil Service and day to day demonstration of the Liberal inability to operate in any but a cover-up mode.
>
> You and your Government are beyond words. You are living proof that absolute power corrupts absolutely.
>
> In total seriousness—

He signed his letter. His wife added a P.S. which is very indicative of the feelings across Canada. It reads:

> If my husband and I ran our household like you run our country, we would be out on the street in rags. The Liberal Party's complete arrogance in their attitude towards the people who support them through taxes, leaves me aghast. My only weapon is my vote and you can be sure I will use it.

I conclude with those comments which I do feel have been very indicative of the lack of trust, confidence and faith that the Canadian people have in their present Government.

Mr. Blais: Mr. Speaker, I listened to the hon. lady's speech with a great deal of interest. I found that her comments were very objective and thoughtful for the most part and, taking into account the necessary partisan attitude that must be taken in this place, tended to be very constructive.

However, the letter which she read from one of her constituents tended, in my view, not only to be rather inappropriate but undoubtedly motivated by philosophies that the hon. lady just does not share. By reading that letter is she attempting to indicate that she supports the comments and allegations that are made within that particular letter?

Mrs. Cossitt: Mr. Speaker, I appreciate the Hon. Minister's comments with respect to my remarks. This letter was sent to me but it was addressed to the Hon. Minister of Finance. Of course it would be interesting to learn of the response that he has given to my constituent.

While I may be very objective in my view of the measures contained in the budget, I do agree with many of the views contained in this letter, such as that the budget does miss some very important ways to bring about continued employment in Canada.

The letter is here, if the Hon. Minister has challenged its content and validity. If he would confer with the Hon. Minister of Finance, I am sure that he could get a copy of that letter from his files.

Mr. Blais: Mr. Speaker, the question was whether the hon. lady agreed with the comments made in that letter. There are two areas in it which, in my view, she would want to reflect upon. One concerns the author's remarks which indicated that he considered the social security system in Canada as being "Bégin's handouts", if memory serves me correctly. The second area was with reference to the Government's misspending funds for bilingualism. Knowing the area from which the hon. lady comes, I trust that that may be a popular view. I was wondering if those were her views?

Mrs. Cossitt: Mr. Speaker, the general thrust of this letter is certainly one with which I agree. The Hon. Minister brings up the matter of bilingualism. As he well knows, in the area of Leeds-Grenville that I represent, bilingualism has been a very volatile issue. It is an issue that I would not want to comment on at this particular time because it cannot be dealt with adequately in a space of a minute or two. It encompasses a great deal, not just with respect to bilingualism in the Public Service but to the whole aspect of unity within Canada, both of French and English Canadians. As I said, it cannot be commented on adequately in a couple of minutes' time.

[*Translation*]

Mr. Jean-Claude Malépart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I am pleased to be taking part in the debate on the Budget that was brought down by the Minister of Finance (Mr. Lalonde) on April 19 of this year.

First of all, I would like to congratulate the Minister of Finance, for two reasons. My first reason is that before bringing down his Budget, the Minister arranged for consultations with various socio-economic partners across the country, during which he met with directors of financial institutions, heads of large corporations and small- and medium-sized businesses, and labour officials across Canada. Secondly, I wish to congratulate the Minister of Finance for having brought down a Budget that not only meets the needs and aspirations of all Canadians but also, and first and foremost, deals with our main problem here in Canada unemployment since the Minister has given us a Budget aimed at economic recovery and job creation.

Mr. Speaker, the Budget contains a special recovery program that provides $4.8 billion, over the next four years, to accelerate economic recovery and provide new capital facilities that will increase competitiveness and generate the new jobs

Canadians need. The program provides $2.4 billion in investment support to stimulate job creation through the private sector. First of all, it will allow businesses fuller use of the investment tax credit, which will cost more than $1 billion.

Second, the scope of investments qualifying for the 7-percent investment tax credit is being broadened to cover heavy construction equipment, thus providing about $125 million of tax support.

Third, a special investment tax credit will be refundable and will allow companies which otherwise would have been unable to claim the present tax credit to be refunded a portion thereof, which represents a cost of about $400 million.

Fourth, a special recovery share-purchase tax credit will reduce the cost of new equity issued before 1987 by firms undertaking investments after the budget and this will cost about $240 million.

Fifth, a $300 million special recovery investment fund will be used to provide additional assistance for economic development projects of national and regional importance.

Sixth, a special recovery export financing fund will provide $180 million to help Canadian exporters.

Mr. Speaker, this program also includes public investment projects worth $2.4 billion. About 100 public projects will be implemented throughout Canada, and last Friday, I joined my colleague, the Member for Verdun (Mr. Savard) and the Minister of Consumer and Corporate Affairs (Mr. Ouellet), in announcing a $40 million investment project for the Société du vieux port de Montréal, which will be used to build capital facilities and cycle paths and a pedestrian walk along this area. I feel that this investment will enhance tourism and create jobs, and I am sure that further announcements of this kind will be made in the Montreal area to help the people of Montreal.

Mr. Speaker, as far as employment is concerned, with a more vigorous, more dynamic and more productive private sector, new employment opportunities will be created for Canadians. The Canadian Government is trying to create an economic climate that will promote and stimulate the creation of permanent and productive jobs. However, the Government is aware that it is also necessary to provide assistance to the million and a half Canadians who are unemployed but willing to work. In 1983-84, more than $1.5 million will be spent by the Government on direct job creation. This is the largest program of its kind ever introduced in Canada, and under this program, nearly $900 million more will be spent than last year. The Canadian Government has given serious consideration to the basic needs of Canadians who have been exposed to prolonged periods of unemployment. Last October, the NEED program was an initiative that was very successful, contrary to what our Progressive Conservative colleagues may have said, and the provincial governments have also provided financial support for this job creation effort. In Quebec, however, the PQ Government has refused to co-operate. Nevertheless, Quebecers will not lose out, because the Canadian Government and all the Liberal caucusses from Québec will see to it that these funds are distributed through the job creation programs of community organizations or through the private sector.

The Government of Canada has decided to provide $280 million more for the NEED program and an additional $150 million goes to the Special Employment Initiatives Program for increased spending on employment intensive projects under existing construction programs and so on. An increase of $100 million is approved for expenditures on job creation projects under the Unemployment Insurance Act, which allows laid-off workers to continue to receive UI benefits when doing voluntary work on community projects.

The Canadian Government is meeting the needs of Canadians, despite our present economic problems. The Liberal Government has kept its promise to help Canadians who need help most. Canadian young people are among the groups that will benefit most from the Lalonde Budget. The Canadian Government has recognized the need for a co-operative strategy for manpower training involving all governments, business and workers. The purpose of this new strategy is to help ease the difficult transition from school to work. That is why the Canadian Government has decided to commit an additional $280 million to meet the needs of young Canadians who have not been able to find jobs. A sum of $60 million will be added to the Canada Student Loans Program, raising total funding to $141 million. This year, some 185,000 students will benefit from the program.

● (1710)

Mr. Speaker, the Minister of Finance did not forget Canadian families. The Liberal Government realizes that child care expenses can put a considerable burden on single-parent families. The child tax credit has therefore been increased in order to help families that need it most. At the present time, single parents and working mothers may deduct child-care expenses for which they have receipts, totalling $1,000 per child up to the age of 14. The Budget proposes to double that amount by raising the ceiling from $1,000 to $2,000 per child, to a maximum of $8,000 for a family. In addition, the new Budget has maintained the child tax credit. This year, it will be $343. The threshold of family income, below which the maximum credit will be paid, will be $26,330. Mr. Speaker, farmers and fishermen also stand to benefit from this budget. Although it may seem rather surprising that a Member from downtown Montreal should be referring to the benefits for farmers and fishermen, like all consumers I am well aware that by helping farmers we are helping consumers, because if the Government does not meet the needs of these people, we consumers in the urban areas would have to pay more for what our farmers and fishermen bring on the market.

In fact, farmers will derive benefits from the Minister of Finance's budget because an additional $100 million will be provided this year for special FCC loans to farmers in financial distress. Eligible recipients will be entitled to interest rebates of four percentage points for the first two years. A particular advantage to them will be the special provision allowing farming losses to be carried forward ten years rather

than the seven years applying before. Farmers and fishermen will be benefitting from the same measures, and they will now have more time to make their operations commercially viable, before the period during which losses suffered during the last year of operation can be deducted expires.

Mr. Speaker, we must not forget small businesses. Hon. Members are aware that the small business sector is one of the most important industries in Quebec as far as economic activity is concerned, and some of the proposals made by the Minister of Finance are aimed at this sector. Small businesses have always been one of the most dynamic and creative elements in the Canadian private sector. The Canadian Government wanted to do something for them and allow them to take immediate advantage of all the proposals contained in this budget. With this in mind, a Special Recovery Refundable Investment Tax Credit of 40 per cent has been provided. The Government has also decided that they alone would be immediately eligible for the three-year carryback provision. Finally, there will be major changes in the terms of reference of the Federal Business Development Bank to enable it to play a more dynamic and supportive role in advising small businesses on their total financial needs and assisting them in meeting those needs. It is readily apparent that this budget is the result of intensive consultations between the Government and representatives from the private sector, labour, business and industry. Another very important area which affects every Canadian man and woman is housing. In his budget, the Minister of Finance has committed $335 million over the next 18 months to promote housing, create jobs and provide assistance to those of our fellow-citizens who are harder hit.

I am pleased that the Government has decided to allocate $30 million more to the Canadian Home Ownership Stimulation Plan. This increase will enable small contractors who were unable to make new housing starts during the winter to get the assistance they need and allow thousands of Canadians to buy a home. These new allocations will bring up to nearly $750 million the amounts invested by the Government in this program, which has already helped over 200,000 Canadian families to buy a home.

The Minister has also announced significant changes to the Registered Home Ownership Savings Plan. These changes will encourage those who have invested in a RHOSP to use their savings to buy new homes, furnishings and appliances. The impetus already given to the housing sector will thus be maintained. Canadians will be encouraged to withdraw their savings from the bank and use that money to create jobs, promote housing starts and create a demand on the furniture and appliance market.

Last March, the annual rate of housing starts was 177,000. With the extension of the Canadian Home Ownership Stimulation Plan and the further incentives provided by the changes to the RHOSP's, we are confident that the level of 150,000 housing starts forecast for 1983 will be exceeded.

Another very important program, Mr. Speaker, is the Canadian Home Renovation Plan, which provides grants of up to $3,000 to people wishing to renovate their homes and improve their housing conditions, but which is also very effective in creating jobs. Indeed, $120 million of extra funding were announced by the Minister of Finance, bringing total new investments to $480 million. This will create 20,000 new jobs, and the average income of families benefiting from the program ranges from $20,000 to $24,000. Moreover, an additional amount of $40 million was added to the very important Residential Rehabilitation Assistance Program. The RRAP is helping low income families maintain their homes in adequate health and safety conditions. Certainly all Members here recognize the importance of that program and will welcome as I do the extra $40 million to be expended over the next two years. In addition to creating jobs, the RRAP program helps low income families improve their homes and maintain safety standards.

There is another important aspect for low and medium income people, those I call LMIP, just like small and medium-sized businesses are referred to as SMB. The Minister of Finance has agreed to add 2,500 units to the social housing program, which will bring the total target to 25,000 units all across Canada. This represents a commitment of some $125 million to be spread out over the duration of those residential projects.

● (1720)

Mr. Speaker, before I conclude, I would like to remind you and Hon. Members of what the Canadian Government has done in the area of housing in Quebec. We seldom can rely on the PQ Government to show what the Government of Canada is investing or doing in Quebec, so I think it is important today to remind all of our fellow-citizens of what the Canadian Government is doing in the area of housing. First, since the inception of the Canadian Home Renovation Plan, which provides for individual grants of up to $3,000 for house renovation, that program has been available to citizens who own a single-family dwelling or what we call a duplex. I can state that in recent days, further to the representations made by my caucus colleagues from the Montreal area where the so-called triplex and quadriplex buildings are popular, I have asked the Minister and the management of the Canadian Mortgage and Housing Corporation whether the program could not be amended in order that a larger number of people may use the program. I can state that since its inception, the program has helped well over 14,000 families for a total expenditure of $24,332,000.

I should mention another very important program, intended for the renovation and improvement of housing throughout Quebec, namely the RRAP program, involving as it does 13,294 families for a total of $42 million in the Province of Quebec alone. Those two programs have been set up to improve housing conditions and create jobs.

I also wish to point out another really efficient program accepted by Canadians, by Quebecers generally, that is the Canadian Home Ownership Stimulation Plan. Indeed, since its inception, 45,000 families have taken advantage of the program thanks to $135 million in grants earmarked for Quebec.

An Hon. Member, that is my colleague from Chicoutimi (Mr. Dionne) has pointed out that the Loginove Program in Quebec seems to be effective. I wish to say to my colleague that under the Canada Home Ownership Stimulation Plan, 30,025 new housing units have been financed. Recently I read a report where with reference to a statement made by a spokesman of C.N.T.U. Construction, it was pointed out that the Loginove Program had been a fiasco since the construction of 50,000 units had been expected under that program and unfortunately there had been only 3,800 units. If we compare those 3,800 units with the 3,000 financed by the federal Government I think that the latter can be proud of having stimulated the recovery of the building industry in Quebec.

Another major program is the program for subsidized housing which is being implemented under Section 56(1) and which can be either public, that is, administrated by non profit organizations, or private, that is, administered by co-operative organizations. Part of subsidized housing becomes a provincial responsibility.

In 1982, some 6,807 housing units were built in the province of Quebec, some 3,456 of which were turned over to the Government to be used for low cost lodging or shelter. Again, unfortunately, we could not rely on our PQ colleagues, for either through dishonesty or ignorance, they never acknowledge the fact that these funds are coming from the Canadian Government. Also, there is the home building program which provided the province of Quebec with 1,000 new units at a cost of $7 million.

To conclude, Mr. Speaker, and considering that my time is almost expired, I should like to say that over $245 million were spent by the Canadian Government on construction I suggest, in view of the additional funds which the Minister of Finance has provided in 1983, that there is evidence of recovery in the housing industry and better housing prospects in Canada, as a result of the Canadian Government's policies.

The Acting Speaker (Mr. Blaker): The Hon. Minister of Supply and Services (Mr. Blais) has the floor.

Mr. Blais: I wonder if the Hon. Member could advise the House of the situation in the building industry in Montreal and whether he is aware of the recent increase in the number of new starts in his own region as a result of this Government's policies in the area of residential housing.

Mr. Malépart: Mr. Speaker, as I was saying a moment ago, statistics show that the $3,000 grant to people buying a house has certainly resulted in a significant rise in the number of housing starts in the province of Quebec. There is also collaboration between the Canadian Government and the municipalities. As an example, the City of Montreal has also established a program of grants within the framework of a project calling for the construction of 20,000 dwellings and called—and as the minister responsible for Housing said earlier, there have been meetings with representatives of the City of Montreal in order to establish some coordination in the planning for house building and renovation. Just last Friday, I had the pleasure of meeting with the heads of the construction section of the FTQ and with the Minister of Consumer and Corporate Affairs (Mr. Ouellet) in order to consider another possibility in the area of house building in Quebec—although there was a salary increase—a possibility which would help some elements of the population, some people who are experiencing difficulties in the renovation sector. I am convinced that the meeting was quite productive and will have positive results.

I gave some figures a few moments ago. If we draw a comparison with the Corvée habitation program under which 11 per cent financing over three years was then available, only 3,800 units were built under that program, whereas Quebec recorded 30,000 housing starts mainly because of the $3,000 grant per unit and thanks to the Federal Government. I think that all building associations spokesmen will agree with that. But there is another aspect which people have a tendency to forget, namely our housing rehabilitation programs which are not accounted for under housing starts. It is therefore important to recall that when we talk about housing starts we should keep in mind that a good many contractors in the home rehabilitation field create jobs which are not reflected in statistics on housing starts.

• (1730)

[*English*]

Mr. Fisher: Mr. Speaker, in my riding as well people are very interested in housing. I come from a suburban area just west of the City of Toronto. The housing industry is one of our major employers. I must say, as a quick comment, that the $3,000 grant, together with the lower interest rates last year, gave an enormous boost to the housing industry in Mississauga. It is also important to note at this stage that the continuing commitment this Government has to social housing has been very well received in Mississauga. We have an active co-operative movement, a good non-profit agency for the city and a good private non-profit organization. They take advantage of the social housing units that we have included, and the 2,500 extra were very welcome.

Can the Parliamentary Secretary tell us about some of the mechanics of the RHOSP Program for new home purchasers? Some people in my riding are very interested. On the weekend I received a complaint that it might take a month or two for this program to be set up and operated. Does the Parliamentary Secretary know when the Program will come into effect and how quickly people can start to take advantage of it?

[*Translation*]

Mr. Malépart: In answer to the Hon. Member, Mr. Speaker, I think he is right when he suggests that the Canadian Government has been active on the social housing market, and the Minister of Finance did add 2,500 units to meet the demand in that area.

As to the new RHOSP Program, I know that there were some meetings recently to open up lines of communications with various circles and to keep people informed. I feel confident that in the near future all Hon. Members and Canadians

generally will be made aware of the application procedures for this program so that people will be able to benefit as early as possible from the grants the Government made available to home buyers.

Another very significant initiative is the Home Ownership Program for Canadians which is designed to spur the construction industry and under which loan insurance is available. Last year, more than 24,000 Quebec families took out loan insurance through the Canada Mortgage and Housing Corporation program. Some 24,000 families were able to buy a home and guaranteed loans amounted to over $7 million.

That is just another program which deserves mention because it is available throughout Canada and has given encouraging results, not to mention the $3,000 grants and the home rehabilitation projects. In that respect, I think we can be proud of those programs, as well as of our staff and of the Canada Mortgage and Housing Corporation officials who play a major role and keep people well informed.

[*English*]

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I always find it interesting to listen to Members opposite and Government Ministers talk about what the Government has done or what their program has been. They take the credit and overlook the fact that if it was not for the taxpayer of Canada, who pays the taxes and who pays the interest on the tremendous amount of debt that this Government has incurred over the years, these programs would not be available. Therefore, the thanks should go to the taxpayers of Canada rather than to this Government.

I listened with interest on Tuesday, April 19, when the Minister of Finance (Mr. Lalonde) presented his budget in the House. It was interesting to hear him say that much will depend on the collective behaviour of Canadians and on the response of the private sector to the measures that he was proposing in his budget. It has taken the Government about 15 years to understand the importance of the private sector as it relates to the economy of our country.

One of the largest parts of the private sector, the free enterprise sector in Canada, is the farming community. When I came into the House to listen to the Minister present his budget, I anticipated there would be something of substance in it with respect to the farming population. Quite frankly, I was disappointed because it was not until the Minister reached page 9 of his budget that the question of farming was raised, and then it was very disappointing. Those things that Members on this side of the House and the farming community in general had hoped would be in the budget just were not there.

There were two items, basically. One is referred to on page 9. It refers to the provision which allows farming losses to be carried forward ten years rather than the seven years applicable to other businesses. If you are not making any profit and there is no profit in sight in the immediate future, the fact that you can carry forward your losses for a period of ten years is of little satisfaction to those in financial difficulty.

The second item in the budget on page 10 refers to an additional $100 million which would be made available to the special Farm Credit Corporation loans to help farmers in financial distress. That is important. When I listened to the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) say how great the budget was with respect to the farming population, I wondered what budget he was referring to. Then I realized that he really does not represent a farming area; he represents an area in the City of Montreal, and I suspect that his knowledge of farming and of the problems that farmers and the farming community are facing today is very limited.

● (1740)

That the Minister of Finance has ignored agriculture in this budget is not surprising or unexpected. Over the years, agriculture has not had a high priority with the Government. This sector of our economy has been ignored by the Government despite the fact that agriculture is the backbone of our country. For example, grain sales are one of the largest factors with respect to our balance of payments.

Without a healthy agricultural economy, we cannot expect to have a healthy economy throughout the country. When agriculture is in the doldrums and things are tight in the agricultural economy, machinery manufacturers and dealers throughout the country suffer, the manufacturers of cars and trucks suffer, those in the retail trade suffer—

Mr. Munro (Esquimalt-Saanich): Fertilizer.

Mr. Neil: Fertilizer, as my hon. friend has said, and those in the small business area—

Mr. Blais: He is always talking about fertilizer.

Mr. Neil: The Hon. Member on the other side has said that my colleague is always talking about fertilizer. I would suggest to him that there is a great deal of fertilizer on the Government side and it is not a very productive type of fertilizer.

Mr. Speaker, I would like to make it clear that the agricultural community does not expect handouts. It is a free enterprise system, and all it asks is the opportunity to produce, to sell and to make a reasonable profit.

Some Hon. Members: Hear, hear!

Mr. Neil: Increased production in the agricultural area requires research and development. What has happened in agricultural research and development over the last ten or fifteen years? The portion of the budget dedicated to agricultural research and development has increased at a rate of approximately 1 per cent per year. In other words, it has fallen behind the rate of inflation in the country over this period of time.

The Minister of Agriculture (Mr. Whelan) does not seem to be interested in research and development. Some $9 million has been available from the Prairie Farm Emergency Fund since 1972, money that belonged to the farmers, and an attempt was made to persuade the Minister and the Govern-

ment, first, to pay interest on that money because it was in a non-interest-bearing account and, second, to turn that money over for research and development. I submitted a Private Members' Bill in the House which was referred to committee. Subsequently, the agricultural groups in the West created an association for research and development, yet it took the Minister over two years to release the funds. He said, "I do not know how we can do it. It is complicated. I would like to give you the money, but," he said, "Treasury Board says that it does not know how to do it." It was finally done two or three weeks ago. I do not know how he did it, but it was a simple process. If he had problems, all he would have to do is bring a simple Bill into the House repealing the old Prairie Farm Assistance Act and turn the money over to the research group. But he did not understand that.

Today the farmer is faced with a cost-price freeze. Grain prices are lower than they have been for many years. There have been increasing input costs year after year, not only with respect to farm machinery, fertilizer and fuel oil, but everything the farmer buys has gone up in price. Yet the price of grain has gone down. It is becoming increasingly harder for the farmer to carry on.

One of the biggest features of input costs to many farmers has been interest costs, which in many cases have been as high as 25 per cent. Even the Farm Credit Corporation, a body that was set up to enable farmers to borrow on relatively easy terms, was charging interest rates in excess of 16 per cent. Presently that rate is down, of course, to 12.125 per cent. On the other hand, farmers who borrowed money from the Farm Credit Corporation at those high interest rates are locked into them for ten, 15 and even 20 years.

Doing a quick calculation, Mr. Speaker, it means that on an acre of land at a purchase price of $1,000 an acre with an interest rate of 12.125 per cent the interest per year is $121.25. The farmer will not receive $5 a bushel for his wheat this year, but if you consider the price of wheat as being $5 a bushel, he would require a yield of 25 bushels to the acre to pay the interest alone on the purchase price of that acre of land. The farmer would have to farm his land on a continuous crop basis in order to generate enough money on an annual basis. Most farmers operate on a two-year crop rotation cycle. They summerfallow half and they crop half. In other words, only half of the farmer's land is producing grain in any one year. If this is the case, then you must double the yield on that land. At a 12.125 per cent interest rate on land for $1,000 an acre, a farmer would have to produce 48 bushels per acre just to pay the interest. He would not be paying anything on the principal, he would not be covering his fuel costs, his fertilizer costs or the other input costs.

Interest rates have been a concern of our Party for many years. Over the years, we have put forth proposals to the Government and to the Farm Credit Corporation that would see the Farm Credit Corporation acquire money at very reasonable rates so it could loan it to the farmer at probably half the rate being charged at the present time. We recommended the agri-bond program whereby an individual in the farming area or a retired farmer could lend money to the Farm Credit Corporation at a low interest rate on the basis that the interest that he received would not be taxable, or at least would be taxable at a lower rate than normal. We also recommended a capital gains investment program whereby a retired or retiring farmer would invest the capital gains portion of the selling price of his land with the Farm Credit Corporation at a low interest rate for a period of five years and the capital gains tax would be waived. Such programs would eliminate the need for the Farm Credit Corporation to borrow offshore. This is precisely what it did. On February 21, 1983 the Minister of Agriculture, through the Farm Credit Corporation, made this announcement, and I quote him as follows:

● (1750)

Agriculture Minister Eugene Whelan today announced that Farm Credit Corporation Canada has undertaken its first venture in the international capital markets.

FCC has issued $50 million worth of notes at 12⅛ per cent due March 31, 1993. The notes are non-callable prior to maturity and have been listed on the Luxembourg Stock Exchange.

The Farm Credit Corporation has tied itself to 12⅛ per cent for ten years. The Government has refused to consider the recommendation from this side of the House for the agri-bond program or the capital gains investment program. This means that the Government is prepared to subsidize offshore lenders, probably for a period of ten years, but is not prepared to consider cheap money from a source where it is readily available.

It is interesting that before the budget came down the Minister of Agriculture and the Manager of the Farm Credit Corporation appeared before the Agriculture Committee and were questioned with respect to the agri-bond and the capital gains investment programs. We asked if there was any possibility that these programs, a combination of them or some other relief, would be dealt with in the budget. While they said they were not privy to the budget, they indicated that they had made presentations to the Minister of Finance with respect to these programs and were optimistic that something would be in the budget to enable the Farm Credit Corporation to obtain funds within this country at a low rate of interest, in this way enabling it to service the farming population. It must have been a great disappointment to them when they listened to the budget speech on April 19 and learned that there was nothing in it with respect to these programs. It would appear to me that the Government is more interested in subsidizing foreign lenders than it is in doing a proper job for the farming community.

I spoke earlier about the cost-price squeeze with respect to farmers and about low grain prices. A short time ago the Minister in charge of the Wheat Board announced a reduction in the initial price over the previous year. As well, the Minister of Transport (Mr. Pepin) made an announcement which indicated that the cost of transporting grain from western Canada to the shipping points would double in three years and would increase five times by the year 1990. If the Government continues in power and continues to ignore the agricultural

community it will do a great deal of harm to those people who are the backbone of the country.

I hope that the Minister and Members of the Government will give some thought to what can be done to help the agricultural community. I assume that this Session of Parliament will end shortly and that we will have a Speech from the Throne in the fall. I hope that by that time the Government will have listened to some of the advice and the pleas offered by Members on this side on behalf of the farmers.

Mr. Blais: Mr. Speaker, I should like to put a question to the hon. gentleman. In view of the fact that he claims the Government is not interested in agriculture, when it introduced one of the most important initiatives in this House relative to agriculture, why did his Party systematically oppose passage of that measure? I speak of the Canagrex Bill which has been systematically opposed by the Official Opposition. Could he explain why that Party is opposing that very, very progressive piece of legislation?

Mr. Neil: Mr. Speaker, I think the Minister's knowledge of agriculture and farming is limited. If he had read the debates or the proceedings of the Standing Committee on Agriculture when we dealt with Canagrex, he would understand our concerns. He would also understand there are few if any agricultural organizations left which support Canagrex in the form in which it was presented to the House.

A short time ago the Minister of Agriculture cited the Canadian Federation of Agriculture as an example of a national organization that was behind him 100 per cent with respect to Canagrex. If he had read the news reports he would have noted that the support was qualified. It did not support the Bill in the form it now takes.

I could stand here for an hour and tell the Minister why we do not support Canagrex, Mr. Speaker, but it is all on the record.

Mr. Blais: Mr. Speaker, if that is the case then why is it that on another measure—although it is a transportation matter it has a great deal of implication for the agriculture industry—which was introduced by the Government for the improvement of the transportation system and which would save agriculture—the Tory Party has not supported the Government in the handling of the Crow? Why does it not insist that the Crow be dealt with expeditioulsy so that the legislation can be in place in time for the next major grain season starting in August of this year?

Mr. Neil: That is an interesting question and an interesting observation by the Minister. The legislation he refers to is not before the House. All we have are statements the Minister of Transport made to us three months ago which were followed by a Government advertising campaign worth almost $1 million, to try to sell the program. The advertising in the Province of Quebec said one thing and the advertising in western Canada said entirely the opposite.

How does the Minister expect the Opposition to support any program until it knows what is in it? We do not know. It is rumoured that what was announced two or three months ago is going to be entirely different from what he will bring before the House, if he ever does.

• (1800)

Mr. Blais: Mr. Speaker, the hon. gentleman has agreed by his comments that indeed Canagrex is a major agricultural issue which this Government has introduced. The hon. gentleman has agreed, in dealing with the Crow issue, that it is a major initiative that this Government has introduced which impacts on agriculture. How can the hon. gentleman then honestly say, having recognized that we have introduced major agricultural issues and having recognized the initiatives which we have been instrumental in bringing forward, that this Government does not care about agriculture?

Mr. Neil: Mr. Speaker, the Crow rate changes as proposed by the Minister of Transport have not been introduced in the House. The Minister is reading into my answer his own conception from his Liberal mind. He makes his own decisions and tries to twist things around to make them agree with what he thinks.

As far as Canagrex is concerned, had the Minister of Agriculture listened and accepted the amendments which we proposed, that legislation could have been passed a long time ago. However, the Minister of Agriculture has been so stubborn that he will not listen to the Opposition Members and accept any amendments.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CHARTER OF RIGHTS—ADMINISTRATION COSTS. THE CONSTITUTION—COST OF PATRIATION

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, on November 17, 1982 I asked the Minister of Justice (Mr. MacGuigan) what the total cost was going to be for administering the Charter of Rights and repatriating the Constitution. The Minister of Justice would not give us the cost. I followed up with a question to the President of the Treasury Board (Mr. Gray) as to whether he had conducted a cost-benefit analysis in these instances. Again, I did not receive an answer. Canadians have a right to answers regarding how their tax dollars are being spent, and for what reasons. They also have a right to know what, if any benefits Government expenditures will give them.

The Auditor General has said that the Government has lost control of the public purse. The Auditor General has also reported sloppy accounting practices in the Government. The estimated deficit for the fiscal year 1983-84 was $29 billion. But, with the new budget, the Liberal Government has once again broken its record. The projected deficit is now $31.3 billion. Negligence on the part of the Government has given rise to various inefficient and costly Government policies. Cost-effectiveness is not a consideration.

On November 9, 1976 I cautioned the House that the Government should investigate Canadair expenditures. I also said the Government should table all documents regarding Canadair aircraft and how many tax dollars are committed to Canadair.

On December 2, 1976 I warned the Government again of Canadair's disaster course. I said the Government should come clean and state its plans and expectations for Canadair and that the Government should start revealing true information about Canadair's financial position.

On February 24, 1977 I moved that the then Minister of Industry, Trade and Commerce be instructed to appoint an independent committee to investigate the structural problems Canadair was then experiencing with production of new aircraft.

Here I am again, seven years later, reiterating my warning. Once again, the Government is bailing out Canadair, another Crown Corporation, which is, and has been, on a disaster course. Last fall Canadair's financial assets were turned over to another Government-owned company, the Canada Development Investment Corporation. Since that time a financial report has been prepared but the Prime Minister (Mr. Trudeau) has refused to make it public. The Prime Minister has told Canadians that "We would be on the road to financial disaster if nothing was done to bring spending under control". In spite of these comments, the Liberal Government is allowing further funding of this Crown Corporation which has consistently mismanaged its finances. We now learn that Canadair is planning to lay off 570 people by mid-July. The taxpayers' bill to bail out Canadair will amount to $2.3 billion.

The Liberal Government has lost control of spending. The taxpayer does not know where his tax dollars are going. The Liberal Government's lack of accountability and lack of cost-benefit analysis has been reported time and time again by the Auditor General. In 1962, there were only 28 Crown Corporations, controlling $8.4 billion in assets. Today there are over 300 Crown corporations controlling $67 billion in assets. Revenues of Crown corporations in the most recent fiscal year were $31.9 billion and expenses were $33.6 billion.

• (1805)

In 1982, the Auditor General reported the following concerning Crown corporations:

> Most corporations are virtually known even to the best informed members of the tax paying public. Yet . . . they represent a hole in the taxpayer's pocket . . . a consistent negative return on investment.

There are no adequate provisions for Parliament to review the budgets of over 300 corporations in which the Canadian public has an interest.

The next excerpt from the Auditor General's report of 1982 is a true representation of what is occurring in Canadair, innumerable other corporations and, no doubt, in many federal Government departments and agencies:

> Without public exposure, the temptation is overwhelming to send good money after bad in the hope of reversing the situation, no matter how hopeless the situation has become—

The Progressive Conservative Government wanted tighter control over Crown corporations by Government. We started introducing legislation to act upon the recommendations along these lines from the Lambert Commission, the Auditor General and the Public Accounts Committee. As we were defeated, we could not implement the legislation.

The Government owned Canada Mortgage and Housing Corporation wasted more than $20 million in public funds developing a computer system which was technically impossible to use.

On April 26, 1982, I informed the House that the National Energy Program drove investment out of the country, which resulted in a loss of approximately 60,000 jobs across Canada. The Liberal Government could not possibly have been considering cost effectiveness when implementing this program.

As the House is aware, the Liberal Government and the Secretary of State (Mr. Joyal) made public their intention to make Canada a French state. Cost benefit analysis has received absolutely no consideration in this regard, as demonstrated by the Secretary of State in the following excerpt from his speech:

> Francophone rights cannot be bought, sold, substracted from, divided or multiplied in terms of dollars and cents in the budgets of a troubled economy, and that will apply, I promise you, for as long as I am Secretary of State of Canada. If I have to cut back some programs—and I've already done so—there is one area in which I have no intention of using the scissors: the advancement of Francophone rights in Canada. Another thing that needs to be said: as we say in French, "like it or not", it is going to take a little more money—

There has been no White Paper or Green Paper on the proposal to make Canada a French state, and no permission from the Canadian people. In the future, all Government programs should have a cost benefit analysis done before being implemented.

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I intend to address the matter raised by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) in a supplementary question of November 17. I do not intend to address the various spurious allegations which he has made with regard to numerous topics, from Francophone rights to Crown corporation policy, from the Auditor General's Report to Canadair, et cetera. I will try to keep my response relevant to his original question which related to spending on the Constitution.

A number of events and activities were immediately associated—

Mr. Mitges: Author.

Mr. Lang: —with the proclamation of the Constitution Act on April 17, 1982. Parliamentary authorization for supplementary spending in the amount of $1.8 million has been approved by Parliament to offset the cost of these, including the cost of the visit of Her Majesty The Queen. The $1.8 million also provided for costs incurred by the Canada Broadcasting Corporation in covering the proclamation ceremony and in mounting the gala concert which celebrated the proclamation. It also provided for costs incurred by the National Arts Centre, the Department of National Defence, Public Works Canada, Parliament itself, the Prime Minister's office and the Conference Centre. These funds voted to the Secretary of State of Canada are to reimburse the Departments and agencies I have just noted.

● (1810)

In addition to funding the visit of the Queen, the Secretary of State of Canada also funded various official receptions, lunches and dinners, including the dinner for young achievers hosted by the Prime Minister; travel and living expenses of senior officials from Britain who were our guests; travelling expenses of guests invited to the dinner for young achievers; expenses of the choirs from Calgary and Moncton which entertained during the ceremonies and the printing of programs, menus and invitations.

These items are only those for which the Government has obtained supplementary authorization from Parliament. Additional expenditures were incurred by several departments and agencies, including the RCMP, National Defence and the Canadian Unity Information Office which were covered out of appropriations voted by Parliament in relation to Main Estimates for 1982-83.

All of this relates, of course, only to the proclamation itself. Patriation has taken time and the process goes back at least a decade. Over the last ten years or so a series of federal-provincial conferences have been held in relation to the constitutional question. The last of these prior to the proclamation resulted in expenditures by the Canadian Intergovernmental Conference Secretariat of about $113,000. The constitutional reviews leading up to patriation involved some costs, mostly in the form of legal fees for lawyers consulted on the significant issues involved. About $1 million has been spent by Justice Canada on legal costs over recent years.

As the Hon. Member himself has pointed out, the effects of patriation will also be felt into the future. Would one wish or expect otherwise? The Department of Justice will be spending $3.3 million in 1982-83 in order to review its statutes and regulations in relation to the Charter of Rights. Undoubtedly, additional costs will emerge, perhaps within Justice, perhaps within the courts themselves, or perhaps elsewhere.

FISHERIES—NEGOTIATION OF NORTH PACIFIC SALMON FISHING AGREEMENT—PROTECTION OF CHINOOK AND COHO SPECIES. (B) DANGERS ARISING FROM OVER-FISHING

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker. I notice that the Member from the Government side who will presumably be the spokesman on behalf of the government for the fisheries question is the Parliamentary Secretary to the President of the Treasury Board (Mr. Lang). He knows even less about fisheries than the man who answered the original question which I am debating today.

I wanted to ask the Minister of Fisheries and Oceans (Mr. De Bané) a question on April 27. I waited for some time to do so. I eventually had to direct the question to the Secretary of State for External Affairs (Mr. MacEachen), who knows a little bit about international relations but not very much about fisheries. Therefore I feel I am being slighted. The parliamentary process is not working properly when we cannot get someone who knows about fisheries to answer questions about fisheries.

It was known that my questions today would be about negotiations of the North Pacific Salmon fisheries. These questions are quite detailed. The questions I asked were about the regulations related to the fishing season that is now in process and the dangers of the absence of an agreement between Canada and the United States. That question was originally designated for the Minister of Fisheries and Oceans. He was not in the House. The Secretary of State for External Affairs and Deputy Prime Minister answered the question, but he obviously was not listening to it. He was talking about the treaty. I knew that the treaty had not been ratified. Everyone on the West Coast knows that the treaty has not been ratified. He dealt with my first question, which was purely domestic, by telling me that the agreement had not been ratified between Canada and the United States. I knew that.

● (1815)

My second question related to the international agreement in the absence of ratification. However, I find it absolutely intolerable that I should be expected to accept a reply from a Minister who is landlocked in the middle of Ontario, knows nothing about West Coast fisheries, but gives me a prepared statement in answer to my question. Therefore, I feel I am entitled to withdraw from this particular operation today, the late show or whatever it is called now, be allowed to rise again soon and have someone who knows what he is talking about answer the question I tried to ask on April 27, as reported at page 24901 of *Hansard*. I do not feel there is any point in the world listening to any reply that has been written for the Parliamentary Secretary.

Mr. McDermid: He does not know what he is reading either.

The Acting Speaker (Mr. Blaker): The Chair is not in a position, under the Standing Orders, to prohibit a reply by the Parliamentary Secretary to the President of the Treasury Board (Mr. Lang). The Parliamentary Secretary may choose to try to assist the Hon. Member for Esquimalt-Saanich (Mr. Munro) with a later reference, and as he suggested, I am really not empowered to recognize points of order or questions of privilege during the adjournment motion. I shall recognize

the Parliamentary Secretary and we shall have to take it from there.

Mr. Munro (Esquimalt-Saanich): Without preventing me from raising the question again, Mr. Speaker?

The Acting Speaker (Mr. Blaker): I am not able to assure the Hon. Member for Esquimalt-Saanich (Mr. Munro) that he will have an opportunity to raise this question again in any way other than in the ordinary course of events. I think his points have been understood. It is not up to the Chair to rule on whether or not this question for debate ought to be made the subject of another question to be heard earlier than those of other Hon. Members.

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I regret that the Hon. Member for Esquimalt-Saanich (Mr. Munro) is not satisfied with the answer even before he has heard it. The Department has taken the time to investigate and has come up with a response to the questions he has asked. I understand the purpose of the late show is to respond to a question in more detail when an Hon. Member is not satisfied with a first response. I will give him the response that has been prepared by the Department of Fisheries and Oceans.

The draft Pacific salmon treaty between Canada and the United States was initiated in its present form by the two countries' negotiators on February 1, 1983.

Mr. Munro (Esquimalt-Saanich): I know.

Mr. Lang: The negotiators submitted the text to the two Governments with the recommendation that they approve the drafts and take action to implement the treaty's provisions beginning in 1983.

Mr. Munro (Esquimalt-Saanich): That I know too.

Mr. Lang: The treaty itself contains fishery management annexes which set out how the two countries should manage their intercepting salmon fisheries in 1983.

Mr. Munro (Esquimalt-Saanich): Exactly.

Mr. Lang: However, it quickly became evident that there was a great deal of opposition to the draft treaty in the State of Alaska.

Mr. Munro (Esquimalt-Saanich): What about the fish?

Mr. Lang: The new Alaskan governor responded to this discontent by establishing a three-man task force to advise him on to whether or not Alaska should support the treaty. The task force reported negatively, and the Alaska governor informer the U.S. Secretary of State on March 28, 1983 that there were six areas in the treaty which required, in his words, renegotiation.

In the meantime, the Governors of the States of Washington, Oregon and Idaho—

Mr. Munro (Esquimalt-Saanich): What about the regulations?

Mr. Lang: —all of which have a key interest in the treaty, came out with strong public support for it. The support by the Governor of Washington overrode considerable opposition in that state from fishing interests which felt they would be adversely affected by the treaty's provisions.

Mr. Munro (Esquimalt-Saanich): None of this is new.

Mr. Lang: Despite this support, the United States has indicated its desire to see changes to the treaty in a number of areas, most of which correspond to the areas of concern identified by the Governor of Alaska.

Mr. Munro (Esquimalt-Saanich): Meanwhile the fisheries will be destroyed.

Mr. Lang: Canada indicated in early March that if the U.S.A. could not or would not implement the Treaty's terms on a provisional basis in 1983, nor would Canada. Therefore, on April 27, 1983, the Department of Fisheries and Oceans announced fishing plans for 1983 that are not entirely consistent with the treaty. This action was taken after careful consideration and discussion with the industry advisers who had served as members of the Canadian negotiating team. Many of these advisers have been part of the delegation since negotiations began in 1970.

Canada's action in not implementing the treaty could have significant effects on the conservation of chinook salmon in particular.

Mr. Munro (Esquimalt-Saanich): Exactly.

Mr. Lang: Unless a treaty can be put in place, Canadian catches of salmon bound for the U.S.A. are likely to increase, and our catches of our own Fraser River sockeye and pink salmon will far outweigh expectations in the U.S.A., which normally shares that harvest inside Juan de Fuca Strait.

Canada remains hopeful that accommodation can be reached, but the United States cannot expect Canada to accept unbalanced changes to a treaty which took much effort to negotiate and demanded many compromises.

Mr. Munro (Esquimalt-Saanich): But meanwhile?

Mr. Lang: It is clear that the treaty would be in everyone's interest and would lay the groundwork for significant benefits to be gained by the fishermen of both countries in the future.

Mr. Munro (Esquimalt-Saanich): No question.

Mr. Lang: And it is the only route which will allow us to prevent the kind of misunderstandings that have guided the opinions of Alaskan fishermen.

The Acting Speaker (Mr. Blaker): There was a third question under the adjournment motion standing in the name of the Hon. Member for Surrey-White Rock-North Delta (Mr.

Friesen). That Hon. Member is not present and I would presume that his question will be placed back on the list in the normal course of events.

That being the case, I do now adjourn the House until eleven o'clock tomorrow morning.

At 6.21 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, May 3, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Monday, May 2, consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government.

The Acting Speaker (Mr. Corbin): The Chair should inform Hon. Members that when the debate was adjourned yesterday there were six minutes left in the period allotted for questions, comments and answers following the speech by the Hon. Member for Moose Jaw (Mr. Neil). Therefore I should inquire at this time whether there are any further questions or comments before recognizing another Hon. Member.

Mr. Taylor: Mr. Speaker, I have a question for the Hon. Member for Moose Jaw (Mr. Neil). The Hon. Member has had extensive experience in banking. He carries a law degree and is also a farmer. It is very thrilling to see the emphasis which the Hon. Member for Moose Jaw puts on farming. I enjoyed his remarks very much indeed but the Hon. Member for Moose Jaw did not have time to deal with the Western Grain Stabilization Fund. Does he have any suggestions as to how we can make the Western Grain Stabilization Fund a little more palatable to the western Members?

Mr. Neil: Mr. Speaker, at the present time the Western Grain Stabilization Fund pay-out is based on a five-year average. It does not appear there will be a pay-out this year. The farmers in the west are suffering from financial difficulties because of low grain prices and high input costs. If the Government were prepared to bring in an amendment to the Act which would base a pay-out on a three-year average rather than a five-year average, there would probably be a payment of $150 million this year which would be quite an injection of money into the economy of western Canada. This would not only help the farmers but the machinery dealers and the whole economy of western Canada.

Mr. Taylor: Mr. Speaker, I do not have a further question for the Hon. Member for Moose Jaw but because of his extensive knowledge of agricultural matters I would like his comment. At the present time many farmers in the Province of Alberta, I suppose all through western Canada and perhaps right across Canada, are having such a difficult time on the land that they are taking other jobs to keep their farms viable and ongoing. When a farmer works out he puts himself in a position under the Income Tax Act where he can claim only a $5,000 loss. Does the Hon. Member for Moose Jaw have any suggestions with regard to the Income Tax section?

Mr. Neil: Mr. Speaker, it appears to me that many of the farmers who are taking extra jobs are doing so because they are having difficulty meeting their financial commitments. It would require just a simple amendment to the Income Tax Act to enable farmers to benefit from the write-offs of their usual expenses in farming. I can understand the situation of hobby farmers not being entitled to claim their full deduction of expenses in their farming operations, but certainly where a bona fide farmer is doing his utmost to raise money to keep his farming operation going, the Government, I think, is obligated to bring in the necessary amendment to enable him to write off his normal expenses.

• (1110)

Mr. Bloomfield: Mr. Speaker, I have a question for the Hon. Member.

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Member is not in his seat; therefore I cannot recognize him.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Mr. Speaker, it is indeed a privilege to rise today to express my support, optimism and enthusiasm for the budget which was presented in the House by my colleague, the Minister of Finance (Mr. Lalonde). The budget offers strong medicine, not only to deal with the acute problem of unemployment today, but also with the chronic problem of slow productivity growth that Canada has experienced over the past decade.

Technology development is central to both these issues. I am confident that the proposals I present today for a technology policy for Canada will restore our ability to confront the demands of the 1990s with a healthy, productive and vigorous economy. I am pleased that the budget has dedicated over $700 million for technology development in the next two years. Never in the history of the country has such an effort been made to enhance the Canadian technology base.

Technology is changing many dimensions of our lives at an unprecedented pace. Communications, automation, new materials and consumer electronics are all having a profound effect on our livelihoods and on our view of the world. Some of

these changes we welcome; some we resist. But either way they represent a force that we cannot ignore.

[*Translation*]

Technological innovation in the work place may create new jobs and new wealth, but it may also eliminate existing jobs. This Government is determined to show leadership in supporting the development of new technology that will be to Canada's best advantage. We are also determined to have all Canadians share in the benefits that new technologies will bring. Changes are always upsetting and can often be painful. On the other hand, we must realize that we have no choice. We must keep pace with developments and change when the world changes. If we want to continue to enjoy the high standard of living we have today, we must be ready for the opportunities tomorrow will bring. Canada is not the only country that is faced with this climate of uncertainty.

[*English*]

At the Economic Summit held last June in Versailles, this issue was of such priority that a special working group was established to address the world-wide concern about technological change and development. The group reached a consensus on many issues, especially on the awareness of the profound effects of technological change on all nations. Its final report emphasized the theme that technology, while not a panacea for our economic ills, is a powerful instrument which can forge a better future for us and for our children.

Any period of transition such as the one we are now experiencing through technological change is exacting and stressful. The working group emphasized the need for a special program to promote the flexibility, adaptability and mobility of labour. Its report is optimistic that technological innovation will build the jobs of tomorrow. Canada has been quick to respond to this challenge, and, over the past few months we have been examining how a technology policy can best work for us. We have had to take a hard look at the nature of technology itself and to take an equally hard look at how technology interacts with our Government and with our economy.

Technology is all-pervasive. It touches each and every aspect of our lives. Any policy that addresses technology development must recognize this. To be fully effective, a technology policy for Canada has to act with and through economic, fiscal and industrial policies. Technological advances give the lifeblood to our manufacturing and resource industries, but a technology policy also has to influence, and be influenced by, our social policies. It has a profound effect on employment, our health, our environment and even our general lifestyles.

Nor can technology policy be considered in isolation from science policy. The basic research fundamental to scientific progress has often provided the inspirational source for remarkable leaps in technological development. The time has passed when we can comfortably address each of these areas separately. If we are to compete in this increasingly competitive world, and still maintain our standing of living, we must have a forum that can address technology development as an integrated policy with separate but synergistic components.

• (1115)

Because, as I said, science policy and technology are all-pervasive and because at the federal level science and technology range across programs in all major Departments—Communications, Environment, Agriculture, Energy, Fisheries, Health and Welfare, National Research Council, to name a few—I am pleased to report that the Prime Minister (Mr. Trudeau) has established a special subcommittee of Cabinet on technology development which will be dedicated to achieving the integration of policy elements and to advancing technology development in all sectors. Each Minister of the subcommittee has the authority, the resources and the influence to bring about the required changes through creating new programs or through adapting existing ones to specific policy areas. Each Minister contributes a unique and essential point of view to the continuing development of a technology policy for Canada.

The first task of the subcommittee has been to confirm our policy direction for technology development in Canada. This has been done. Our objectives are set. Indeed, some of these objectives have already been translated into action in the budget. We have also, however, established a policy framework which will maintain the budget momentum, guide our progress and concentrate our energies on long-term objectives. It is this technology policy which I would like to present to my colleagues in the House of Commons today.

The first objective of the technology policy is to strengthen the Canadian economy through the creation, application and diffusion of state of the art technologies. Second, we intend to manage the process of technological development so that Canadians are aware both of the opportunities and the problems that may arise. Well-informed Canadians will make the right choices for themselves and for this country. Third, we must ensure that the benefits of technology development are shared equitably among all Canadians in every region. Last, but by no means least, we must encourage a social climate that places a premium on scientific and technological excellence, curiosity and innovation. These are the values that will guarantee our progress.

[*Translation*]

These are the general objectives for technology development in Canada and they set the parameters of the party by which we shall be guided. A detailed technology policy, however, must also consider the contribution that each sector of our society can make to technology development and the impact of technological change on every aspect of our lives. In this respect, the Federal Government has specifically defined the objectives related to each particular sector. Here are a few of the objectives that illustrate the extent of the present Government's commitment to our technological future.

[*English*]

Our objectives relating to the business sector reflect the primacy of the private sector in initiating innovation and new

investment. We will support the initiatives of the private sector by encouraging an over-all business environment that supports investment, innovation and enterprise. Our commitment here can be seen in the tax structure we have established to encourage investment in research and innovation. Canadian tax incentives for research and development, even before this budget, have been among the world's richest. We can look at Japan, West Germany, United States, France, Great Britain or Sweden and we find that, with the single exception of Singapore, Canada has the most beneficial over-all tax structure for research and development. Tax benefits for industry in terms of forgone revenue to the Government are calculated to be over $200 million in 1983.

The budget has significantly enriched this package. It has, for example, introduced important changes to the investment tax credit which will particularly benefit small firms and significantly broaden the application of the tax credits. The budget has also made proposals which, as a former tax lawyer, I am particularly pleased to see as they simplify the research and development tax incentives and make them more effective. These proposals are expected to contribute a further $100 million in industrial incentives for research and development. They have been put forward in the form of a paper for consultation which calls for comments by July 1, 1983, to ensure early implementation of the proposals.

• (1120)

Another federal Government objective in relation to the business sector will ensure that current industrial support programs for technology development continue to be effective and that Canadian firms have access to the most productive, up to date technologies available. In support of this objective, the Government will spend $20 million over the next two years to expand the National Research Council's Industrial Research Assistance Program. In particular, the Field Advisory Service and the Technical Information Service will now expand their current services to include small and medium-sized businesses, greatly assisting the diffusion of needed technologies to all companies across Canada. This is one part of the $100 million that the Government has committed to new technology initiatives over the next two years.

[*Translation*]

As far as labour is concerned, the federal Government's main objectives concern our ability to predict the effects of technological change in order to minimize its negative aspects. Mr. Speaker, I am convinced that most people will welcome the realization that new technologies will do away with many boring and repetitive tasks. I have every reason to believe that people are eagerly waiting for a chance to get one of the interesting and better-paid jobs that will be created as a result of new technologies. In fact, under the heading of training assistance, the Budget has earmarked an additional $155 million for human resource development programs.

[*English*]

Another objective of our technology policy is to encourage labour-management mechanisms on all levels to encourage joint planning for technological change. We will also support organized labour in its study of issues brought about by this change and its preparation and efforts to deal with them. The federal Government has approved $10 million to be spent over the next two years to encourage business and labour to establish a centre for productivity and employment growth. Negotiations with respect to the establishment of this centre will be led by my colleagues, the Hon. Charles Caccia, Minister of Labour, and the Hon. Ed Lumley, Minister of Regional Economic Expansion.

The federal Government would also like to foster a core of excellence within the university structure which conducts research relevant to industry. To support university research and enhance its contribution to technology development, the federal Government will increase the funding of the Natural Sciences and Engineering Research Council by almost $27 million over the next two years.

It is also an objective of our technology policy that industry become more aware of the research done in universities, and at the same time that science in the universities and federal laboratories be better attuned to the opportunities in the industrial world. The federal Government will spend $9 million over the next two years to strengthen joint university-industry research and technology efforts.

[*Translation*]

This Government intends to make sure that R&D carried out in federal laboratories will support the requirements of industry within the framework of our economic objectives. Our programs and policies will be designed in accordance with these objectives. We shall be examining federal research programs to find out whether there are certain areas in which they could be better attuned to the needs of industry. The communications sector is one in which we are particularly interested. Canada has a world reputation for excellence in this field, and so that we may continue in this direction, my colleague, the Hon. Francis Fox, who is in the House today, the Minister of Communications—

The Acting Speaker (Mr. Corbin): Order! This is the second time the Hon. Minister has mentioned the name of one of his colleagues in the House. I must remind him that he should refer to his hon. colleagues by their title, the name of their riding or their position and not by their own name.

Mr. Johnston: I apologize, Mr. Speaker.

The Minister of Communications (Mr. Fox), who is in the House right now, has proposed establishing a non-profit corporation that would belong to the Government and others and would carry out R&D in the related fields of telecommunications, space technology and information processing. A task force, consisting of representatives from industry, the universities, and Government, will be established to assess the

viability of this proposal. We have earmarked $250,000 for conducting this study.

• (1125)

[*English*]

The federal Government is also determined that Canada meet the challenge of the emerging new technologies.

To make sure that Canada benefits fully from new developments in the increasingly important field of biotechnology, the federal Government is committing $22 million toward implementing a national biotechnology strategy. This strategy will support research networks—involving Government, universities and industry—which will concentrate on using biotechnology to improve the use of Canada's resource base and industrial development.

Microelectronics is also an important area for Canada's technological future. The federal Government will be establishing an initial fund of $7.5 million over two years to support the development of a national microelectronics design network. The funds will help establish a university-based, computer-linked network of design and testing stations for very large scale integrated circuits. About thirty universities are expected to participate in the expanded design network which will be closely integrated with the current work of industry in the microelectronics field. These facilities will help train the manpower critical to the expansion of the Canadian microelectronics industry and make an important contribution toward the creation of a technologically oriented work force for Canada.

Success in all these initiatives depends on the awareness of science and technology on the part of the public.

I am pleased to announce that the federal Government will sponsor a national "Canada Tomorrow" conference in the fall of 1983 which will highlight the effective management of technological change, especially as it affects the working Canadian and industry and trade in this country. This forum will bring the various sectors involved in technology development together—that is, labour, business, universities and Government—to form a deeper understanding of each other's requirements and concerns.

[*Translation*]

The provinces also have an important role to play in the technological development of our country. Over the last few years, our activities in this field have increased tremendously. The federal Government intends to work together with the provinces in order to achieve a co-ordinated and harmonious blend of objectives, policies and programs that will launch Canada's recovery.

[*English*]

The Government's commitment to technology is evident, both in the level of current support to research and innovation and in the strong support which the budget has given to research and technology.

The Special Recovery Capital Projects Program has allocated $290 million over the next four years to establish 15 new or expanded research and training facilities. Projects are expected to substantially expand research capabilities to serve the forest products, fisheries, agri-food, manufacturing and mining industries. In addition, $180 million has been allocated for the accelerated procurement of high-technology electronic and communications equipment.

As part of this program I am pleased to inform the House that my colleague, the Minister of National Defence (Mr. Lamontagne), has just announced today in St. John's, Newfoundland, the purchase of high technology communications equipment for the Canadian Forces valued at more than $67 million. These purchases include: $19.5 million for the search and rescue satellite project which will provide advanced technology to help locate aircraft and ships in distress; $38 million for a military aeronautical communications system which will be installed at various bases across Canada; $5 million for new high frequency receivers to upgrade the current communications networks; and $5 million for new CW20 microwave communications systems at selected bases across Canada. In addition, the Minister of National Defence announced the allocation of over $20 million to improve helicopter search and rescue capabilities in Canada.

As I said at the outset, over $700 million has been set aside in the budget for technology development. This is in addition to the $3 billion that the federal Government had already budgeted for technology support in the 1983-84 Estimates. It also does not include, and I emphasize this, the $200 million of forgone tax revenues for current R and D expenditures, nor the $185 million the new tax changes and proposals would add to that basic figure.

• (1130)

We must now turn that large and important investment into action. Central to this success is the concerted, co-operative and combined action of all sectors. We now have the policy structure and the fiscal support to push forward Canada's technological advance. It is now up to us to take advantage of the opportunities at hand to build towards a prosperous 1990.

Mr. Thacker: Mr. Speaker, I have two questions for the Minister. One of the most recent high technology programs which could be brought in by the Government is the long baseline radio telescope which is proposed for across the country. Does the Minister know if that project is going to go ahead? Second, would its headquarters be at the University of Lethbridge, which I gather from the scientific data is the logical place for that headquarters?

Mr. Johnston: Mr. Speaker, there has been no decision taken as yet with respect to the baseline array. Much interest has been expressed in the Hon. Member's own constituency of Lethbridge. I myself, as the Hon. Member may know, have met with representatives of that community, including the President of the University of Lethbridge. Of course, it is a very exciting proposal and a very expensive proposal. It is, indeed, one that deserves close study and that is being done, I understand, by the National Research Council at the present

time. However, no decision has been taken with respect to that particular project.

Mr. Thacker: Mr. Speaker, the Minister might comment as to whether he, in his own mind, believes that it is a high technology project and whether it would fit within the 100 projects which the Government has envisaged. However, my second question goes on to another very important research facility in my riding at Lethbridge called the Animal Diseases Research Institute. The Minister knows from his days in the Treasury Board that we have some very top scientists working under very antiquated conditions and in outdated buildings. I am wondering if one of the 100 projects would be new capital spending for the Research Institute in Lethbridge.

Mr. Johnston: Mr. Speaker, as the Hon. Member probably knows, I have over-all responsibility for the Special Recovery Capital Projects Program in terms of its moving forward and its co-ordination and implementation. I have said in the past, and would reiterate today for the benefit of Hon. Members of the House, that the specific projects will be announced in the very near future, as they become ready for announcement, by the line Ministers responsible in each case. I would hope that all of the projects will be announced within the next several weeks. I would only ask the Hon. Member for Lethbridge-Foothills (Mr. Thacker) to bide his time and await those announcements as they are made.

Mr. Deans: Mr. Speaker, yesterday I asked the Minister's colleague about the whole question of plants which just simply close down and move away without any concern for the community or the workers involved, and there are many examples. The Minister speaks about technological changes which must take place and the new technology which must be introduced into Canada. I do not disagree with him for one moment. However, has he addressed the question of what corporate behaviour we could require from those companies which operate here, which receive considerable benefit from our tax structure and which demand in many ways that communities expend tax dollars to create an infrastructure which enables them to operate efficiently and effectively? And how do we demand from them a level of corporate behaviour which requires them at least to sit down with the people most affected, the Governments, the employees, the municipal officials, to discuss their plans in advance and the way in which they might live up to their responsibility to those communities?

Mr. Johnston: Mr. Speaker, I would emphasize that, with respect to this whole question of management of technological change, I doubt that there is any area more important and of more concern to the Government, and obviously to the Hon. Member, than the issue of appropriate measures for labour adjustment. That is why there has been proposed the establishment of a national technology productivity centre, whatever the name may ultimately be, to address the very issues which the Hon. Member raises in his question. I am convinced, and I believe members of the community who are very familiar with technological changes as they are taking place across the western world are convinced, that the pace of change and the capacity of our system to take advantage of change in order to improve our productivity would depend very much on the extent to which we address that very issue.

We intend to move forward and do everything we can, Mr. Speaker, to identify the extent of the problem which, as the Hon. Member probably knows, is a subject of some debate—the extent to which these changes will impact on the workplace in the short term and, perhaps more importantly, in the long term. We see short-term impacts, for example, in the clothing, textile and footwear sectors.

As the Hon. Member knows, we have established the Canadian Industrial Renewal Board which has as one of its mandates attempted to address adjustment, to bring new industries into communities affected either through the reduced activity in plants or through the modernization of plants. Because both have their impact on employment levels; there is no doubt about that.

All I would say, Mr. Speaker, is that the question raised by the Hon. Member is very much on our minds and is specifically addressed in the technology policy paper, and will be specifically addressed by my colleagues, the Minister of Labour and the Minister responsible for DRIE, the Department of Regional Industrial Expansion, as they go forth to try to set the terms and conditions among labour and industry leaders for the establishment and operation of the centre.

Mr. Blackburn: Mr. Speaker, as the Minister knows, microtechnology, microprocessing and robotronics will be replacing assemblers in many of our industries; in fact, they already have. This is a process which has been going on for a number of years. In fact, Alvin Toffler told us about it five years ago. In view of the fact that it is estimated that some 400,000 assemblers in Canada will be displaced by robotics and microprocessing by 1985, in view of the fact that at the present time there are virtually no facilities for retraining anywhere in Canada which would accommodate a substantial number of employees, and in view of the fact—and I will give a specific example—that in Brantford, Ontario, at Mohawk College, if your Unemployment Insurance benefits have run out, if you are on a retraining program in high-tech, if you are married and have two children, you receive $106 a week to exist on, I would like to know what the Minister and his Department are going to do specifically to address this problem of 400,000 assemblers being displaced by robotronics and microprocessing, with woefully inadequate facilities not only at the present time, but which will continue to be woefully inadequate right down to 1985? What is being done to assist them?

Mr. Johnston: First of all, Mr. Speaker, I am not certain that I can verify the number of 400,000, but whatever the number may be it is clear, as I mentioned in my earlier response, that Government, industry, the labour movement itself and the provincial Governments all have to be brought together in a concerted action plan to address the issue of job displacement and retraining.

I infer from the Hon. Member's question that he feels that steps which have been taken today have been inadequate. I believe the programs which have been designed and brought forward by my colleague the Minister of Employment and Immigration (Mr. Axworthy) have been very creative and very effective. In fact, I doubt that at any other time in the history of this country, or in the history of many other countries, there has been such ambitious programs brought forward to address the very problem which the Hon. Member raises in his question. I point out that in the budget speech of the Minister of Finance, when dealing with the issue of technology, the Minister said, and I quote from *Hansard* at page 24667:

> Moreover, workers will have to acquire new skills and knowledge throughout their working lives. With this in mind, I am allocating tonight an additional $155 million for human resource development programs. This will bring to $1.2 billion this year the funds allocated for skills development in occupations that are significant for economic growth.

I would suggest, therefore, Mr. Speaker, that indeed the Government has made a very important and major contribution in addressing the very problem which the Hon. Member raises.

Mr. Bockstael: Mr. Speaker, the Hon. Minister of State for Economic Development (Mr. Johnston) referred in his talk a little earlier to the budget proposals to create industrial incentives for research and development. I would like to ask if these industrial incentives are to take the form of a tax incentive for research and development. This may be applicable to some corporations but there are corporations which may not want, or be in a position to take advantage of, tax incentives. Are there any recommendations which the Minister wants to make in that regard?

Mr. Johnston: Well, Mr. Speaker, it is not so much a question of making a recommendation; it is a question of identifying what is being provided. There are special tax investment incentive provisions provided, including the flow out of a tax incentive to new equity purchasers of corporations, which I suggest could be very valuable indeed to some of the firms who are not in a position to take advantage of some of the write-offs which would enable them to acquire effectively more equity.

In addition to that, of course, I referred during the course of my comments to certain specific proposals—

The Acting Speaker (Mr. Corbin): I really regret to interrupt the Hon. Minister, but the time allotted for questions and comments has expired.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, there is a lot wrong with this budget. It is a real travesty. It is shortsighted. It looks up to the next election, but it does not look much beyond it. It does not look to the long-term future of the country. Therefore it is irresponsible. It is unfair. It continues the practice of "Those who have, get more", and it is hypocritical. It is full of contradictions throughout. There is the appearance and then there is the reality when you look underneath the appearance and see who actually is going to pay for the programs and is going to benefit from them.

[*Translation*]

This is not a recovery budget, it is a wait-and-see budget. As an instrument for creating jobs, it is entirely inadequate and powerless. The special recovery program will spend $4.8 billion over the next four years, in other words, an average of $1.2 billion per year. However, if we consider that the Government's monthly bill for unemployment insurance benefits is over $1 billion, the so-called recovery program is certainly not much, compared with this country's unemployment problem. This is wait-and-see, not recovery. We are waiting for the economy to recover elsewhere, especially in the United States, Japan and Europe, and then Canada will resume its traditional role as a supplier of natural resources. The budget mentions programs to encourage research and development in industry, but the proposals it contains will, in our opinion, be totally ineffective. When a problem is not fully understood, the remedy is often useless, due to poor diagnosis. In this case, the Minister has failed to realize that the reason for the lack of research in industry in Canada is the multinational system. Canadian branch plants and multinationals do not invest in research and development here, because their parent companies do not want them to.

The budget goes on to mention that it is not the fault of Canadian tax incentives, because they are at least as substantial, if not more so, than in other countries. So what does the Government propose to do. Increase tax incentives! There is no mention of the structural reasons for a lack of investment in research and development, and there is no discussion of the real problems. It is a fact that countries like Japan, the United States, Sweden and the Federal Republic of Germany devote a far greater percentage of their gross national product for research and development than we do. Let us consider countries that are financially more independent than we are, where the economy is controlled by that country's citizens, and where companies tend to invest more in research and development than we do with our financial dependent economy, that is controlled from outside by the multinationals. I am afraid that unless we tackle the basic structural problems, we shall not be able to provide the remedies that are required.

• (1140)

[*English*]

There are two parts to this Special Recovery Program; Public Works and Special Recovery Capital Projects. While these may be good in themselves and some projects will certainly be useful, they are generally small projects because it is a pork-barrel budget. These projects are opportunities for Cabinet Ministers to tour the country to announce projects, hold press conferences, turn sod and cut ribbons.

There is no doubt that some needed work will be done; facilities will be built, transportation improved and tourist facilities upgraded. But in certain respects the budget reveals a serious lack of understanding of what is essential, especially

with regard to research and development and high technology procurement.

In this respect the budget is drastically in error by what it does not do. It does not begin to ask why we do not conduct adequate research and development in Canada, why we do not export enough and why our enterprises do not have enough incentives to do this. The budget does not address the root causes. However, the budget attempts to be more than just a summary of expenditures and revenue for the next year. There are four-year projects mentioned. There are copious supporting documents. There are projections and analyses, but these are self-serving analyses. No matter how many appendices, tables and graphs are provided to the Minister, they will do very little good if the right questions are not asked.

There are Special Recovery Incentives for Private Investment. This is where the budget moves from a slight touch of Keynesian economics to an enthusiastic endorsement of Reaganomics. The rich have to be bribed with ever more generous gifts to invest their money while low and middle income Canadians are called upon to make sacrifices for national recovery, as in the six and five program or later in the budget when there are tax increases.

This part of the budget is wrong not only because of its inequities, it is misguided. Incentives are provided for businesses to expand but Canadian businesses are working at an average of only 70 per cent capacity. They could be expanding considerably now, a full 30 per cent, without adding any new capacity simply because of under-utilization.

As well, there is the Special Recovery Export Financing Fund. Certainly we are all in favour of stimulating exports, but what this budget proposes is hopelessly inadequate because it does not address the real structural problems inhibiting export in the multinational system. Many branch plants are forbidden to export because they are not to compete with the companies in the parent system.

The Minister is concerned in this program about increasing the deficit and crowding out investment in future years when the recession will presumably be over. Therefore, he has funded it by a special recovery tax. Who is to pay this tax? Consumers are to pay. There is an increase in the manufacturing sales tax from 9 per cent to 10 per cent and a similar increase for construction materials, alcohol and tobacco, although not to be effective until October, 1984 or probably after the next election. An increase in the sales tax is wrong because it certainly is regressive. People with lower incomes pay a higher proportion of their income in sales tax than those with higher incomes. It continues the trend of Liberal Governments to raise taxes mostly from individuals. We will see more evidence of this later in the budget.

The next part of the budget consists of tax giveaways to corporations. Again, we see the trend continued with the manufacturing sales tax where the tax burden on corporations is reduced and increased on individuals. During the 1950s, taxes in Canada were paid roughly half and half between corporations and individuals. Presently, four-fifths are paid by individuals and only one-fifth by corporations.

There are changes to the mining depletion allowance, which is already high. It will be made deductible against non-resource income of those who finance mining ventures. While we are all agreed that mining is an important industry, should it be given this much favouritism? Mining has been hard hit not for lack of investment but because of the world recession. It is already highly favoured in taxes compared to other Canadian industries, such as the textile industry, which is an important employer in Canada and pays a much higher proportion of its income in taxes than do mines. Mining provides jobs in the mines and associated services but does not provide manufacturing jobs where there is a better return for the investment dollar in terms of job creation.

• (1150)

Furthermore, Canada imports almost all of its mining machinery and equipment, so that means that we will be providing more jobs for people in other countries, mainly the United States and Europe. Yet we have been given as a reason for not cutting income taxes the fact that Canadians would purchase imported goods. It seems the Minister does not realize that corporations import too, and mining companies import enormously. This is why the NDP has advocated in its industrial strategy the development of a manufacturing sector that could serve our resource industries instead of developing natural resources only. The two should go together; but we see no attempt to move in that direction in this budget.

In housing we see the continuation of the principle that "those who have get more". There is an increase of only 2,500 units planned in the 1980s for social housing. This is an area where we badly need additional housing, certainly in my riding and across the country. But most of the program is devoted to those who can afford to buy a new home.

The demand for more co-ops is often met with the argument that middle-income people are subsidized in co-ops, people who do not need it, yet here we are seeing subsidies of $3,000 in home owner grants to people who can afford a new home. There are provisions in the RHOSP Program, which is a system of tax deductions and as such is an advantage to people who are better off. This plan allows people to withdraw funds for the purchase of furniture and appliances. Certainly we are in favour of stimulating consumption to get people back to work but our concern would be to find efficacious and equitable ways of doing it. Using the tax deduction system to do it is regressive and unfair.

In child benefits, again we see that the appearance and the reality are different. Measures are announced "to provide additional income support for lower income families, working parents and others in need". The child care expense deduction is increased and this, of course, is welcome for the reason that existing provisions were certainly inadequate. But the way the additional relief has been given in objectionable. Tax deductions benefit high earners more than low earners, and people below the taxable income level not at all.

A great commotion was made over continuing the Child Tax Credit, which is advantageous to low and middle income

earners. It will be continued at the present level when otherwise it would have been dropped. But this is simply giving back what had been taken away. Why was the Child Tax Credit increased? Well, because the Family Allowance was reduced. If the Minister had not reduced Family Allowances in the first place, he would not have had to get into this juggling act of changing funds from source to source.

The Minister is paying for the so-called additional benefits by deindexing the child tax exemption. Since the exemption system is regressive, this is not a bad idea; but a better way would have been to reform fundamentally the whole child support system. It is fraught with inequities and this budget does not address those inequities; it does not come up with a better system, which is what we need. The end result is that people with children will be paying higher taxes in the future, so that this so-called additional income support disappears. The net gain to the Government over the next four years is $585 million from people with children. It is a juggling act. The Minister bounces money from one hand to another, and in the end he ends up with more and families end up with less.

Finally, the budget announces a few innovations which are presumably supposed to make us think the Government is really looking to the future and dealing with basic problems. We are going to have a national centre for productivity and employment growth, and who can be against that? But what confidence do we have that it will even direct the required attention to the real problems? Certainly the budget does not. Is it just going to be another bureaucracy putting out glossy annual reports? Is it going to focus attention on productivity of the worker and not on the structure of industry? Is it going to follow the advice of the Minister of Employment and Immigration (Mr. Axworthy), who does not seem to be against importing mining machinery from Sweden or foreign control of our economy, but becomes a positive nationalist when it comes to looking at other countries for their ideas on how to control their own economy. We recommend considering social democratic experiments in Western Europe and looking at the low rates of unemployment. According to him, it is not Canadian to look at social democratic countries in Western Europe, but it is okay to import massively from them and not develop our own economy. If this is the kind of thinking we are going to see at the national centre for productivity and employment growth, we can predict it will not do any good.

To conclude, Mr. Speaker, there is a lot wrong with this budget. It is a Conservative budget, full of giveaways to corporations. It is a sly and tricky budget, a pork-barrel, pre-election budget. It is unfair. It continues the trend of shifting the burden of taxation on to individuals from corporations. It is shortsighted and does not deal with the real problems of our economy.

The Minister's kerfuffle with the zoom lens has been a boon to the Tories who otherwise would have had very little to criticize in this budget. But to anyone concerned with long-term welfare in this country, it is a pitiful miserable exercise.

I must compliment the Minister for the opportunity he has provided to Cabinet Ministers to pretend something is happening and the clever way he has disguised tax increases in delayed sales taxes and deindexing deductions. But I want to assure him that my Party will do all in its power to expose these sneaky tricks and provide constructive criticism, to outline alternatives, and to direct attention to the real problems undermining our economy and to stress equitable ways of raising taxes so that the burden of running our national economy will be fairly shared. We have an entirely different approach to the budget from what we have seen so far, Mr. Speaker, and we will continue to work for those kinds of alternatives.

Mr. Friesen: Mr. Speaker, I note with interest the comments of the Hon. Member for Broadview-Greenwood (Ms. McDonald), and I must say that I would agree largely with her general comments regarding the budget. But she referred to the provisions regarding housing, specifically the $3,000 grant to the people who want to buy a house, and then compared that to the minuscule amount provided to co-op housing. Does the Hon. Member know what the subsidy is for co-op housing per unit on the life of the mortgage, since she is casting aspersions on that program?

Ms. McDonald: Mr. Speaker, I could not give a figure and no figure is given in this budget. No amount is given, even for the assistance to co-op housing, simply the number of units; 2,500 units are specified at no particular amount.

Mr. Friesen: Well, Mr. Speaker, if she will check with CMHC officials, she will understand that this is 2 per cent money we are talking about concerning co-op housing. That is, the Government pay in subsidy form all the money on the mortgage except for 2 per cent which the co-op picks up. When interest rates were highest the subsidy per unit was in the area of $500,000 over the life of a mortgage. Now, with rates lower. I am sure it must be down to about $250,000 or $300,000, which is still a substantial subsidy for those co-ops. It is by no means low-cost housing. It may be low rent housing but not low-cost housing.

I ask her to comment on the relative subsidy comparison between the $3,000 grant for first-time home buyers and a subsidy for co-op housing which could be as high as $300,000 over the life of the mortgage. I then ask her to comment as to whether or not the provisions of CMHC are adequate in making sure that only low-income people live in those co-op housing units, because I can assure her that many middle-class people are taking advantage of that good benefit.

Ms. McDonald: Well, we have to compare unit by unit. To my knowledge CMHC does not provide the necessary material to do this. Right now co-ops normally have a 25 per cent limit on the number of people at subsidized levels. Many co-ops would be quite happy to go up to 50 per cent but the rules forbid them from doing this, so they would have a much higher proportion of people with low incomes in them. Co-ops certainly in my riding are comprised on average of low-income people but the Member certainly is right, there are some people in the middle income level.

I think CMHC should provide data so that comparisons can be made in a careful way. CMHC does not do this. They do not analyse their subsidies by income level at all. There is no ceiling on this and we do not know to what income group the subsidies are actually going. I tried to find out at the time I was housing critic and the information was not available. CMHC had never collected the information. So I am afraid I cannot answer questions when CMHC does not collect the data.

• (1200)

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): Mr. Speaker, I am pleased to be able to rise on this occasion to deal with the question before us in the House today, which is the introduction of the new technologies into the structure of Canada's productive machinery; in other words, our economics in Canada.

First, I would like to outline several of the measures that have been taken in the past which bring us to this point in our discussion of the budget today. In 1979 we decided that Canada's performance in terms of research and development was far too low. In 1967 we had reached a level of 1.2 per cent of Gross National Product that was being spent on research and development of the new technologies. From 1967 to 1976 this level of 1.2 per cent of Gross National Product fell to an all-time low of .96 per cent of Gross National Product. In 1978 and 1979 in a responsible fashion we set out to do a great deal about this. We set new, realistic targets. We set a target of 1.5 per cent of Gross National Product by the year 1985 that would be devoted to the new technologies through research and development.

This is not something which the NDP would like perhaps because it is not all being done by the Government alone, but by the Government and the private sector. We felt the major responsibility for creating new research and development in Canada rested with the private sector, that it rested with those firms making the products and having the responsibility for marketing them. Fully one-half of our increased commitment of 1.5 per cent of GNP would have to be satisfied by the private sector. One-third would come from the federal Government and the remaining one-sixth would come from universities, foundations and provincial Governments.

I am very pleased to announce today that we have more than met our targets to date. At the end of 1982 we reached 1.34 per cent of GNP being spent on R and D. I project that we will surpass our 1.5 per cent target by 1985, and I am pleased to announce that both the federal Government and the private sector have exceeded their targets in bringing us to this level.

I must respond to some comments made by the Hon. Member for Broadview-Greenwood (Ms. McDonald), primarily because I think she is doing a disservice to the people we are endeavouring to serve and because she is in total conflict with the official Opposition critic of the New Democratic Party, the Hon. Member for Kamloops-Shuswap (Mr. Riis).

I want to talk about the $2.4 billion in programs that we are using to generate immediate employment. We have been in favour of infrastructure improvements in order to get jobs going and to accelerate the deployment of capital to bring the jobs onstream now that have been waiting a couple of years on shelves in various areas. These are things that are needed to improve our competitive structure. Perhaps they are institutions which we have to have but which might have been delayed because of the tough economic times we have been facing. We are bringing these forward with $2.4 billion in projects. For the Hon. Member from Broadview-Greenwood to have the audacity to criticize this type of thing—the job creation, the infrastucture improvements and the improvements that will take place in our competitive position because of what we are doing in this area—is, in my view, nothing more than cheap politics.

The Hon. Member from Broadview-Greenwood failed to mention the Special Recovery Program of another $2.4 billion which will be directed over the next three years to help accelerate our recovery from this recession. This includes many incentives for the private sector to help it build up equity bases and to help sell equity capital, to help investors get involved and to increase our exports. What I am particularly proud of is the help this program will give to our industrial infrastructure based on numerous technologies.

Why, I ask in this House, must we always be looking for the cheap shot and why must we always be against something? I have heard some good ideas from Opposition Members in the past. Certainly our capital works project is one project that is agreed to by the official NDP Finance critic. I think when we face serious economic times we should pool our collective expertise, not make cheap political points. We should try to find solutions to the problems that we face.

I would like to comment on what I think are some of the roads that we should be taking in the future so as to increase Canada's productivity and our ability to compete. If we cannot compete internationally, then I am not really sure that we will ever be able to make an economic recovery. We are a trading country. We are dependent upon foreign markets for our produce. But just as important as our raw materials, we are dependent upon foreign markets for the type of manufactured goods that will create jobs in the future. Here again we get into the whole area of high technology.

I believe the public sector and the federal Government have an opportunity to lead in implementing new technologies and in making the public sector more productive. The taxpayers have a right to the best productivity that we can generate. The new technologies, computers, word processors and so on will help us here.

There is a second aspect to the federal Government's role in this area. By using the capacity we have—because we are a huge employer of white collar workers—and by using the federal Government as a laboratory, not only do we improve our own productivity but we can set the lead for the private sector to follow in terms of the new techniques that we can develop which can in turn be passed to the private sector. In other words, we have an opportunity to be leaders in the public

sector in terms of increased productivity by utilizing new technologies.

I was somewhat alarmed to learn the results of a study done by the Ontario Government task force on microtechnology. It indicated certain attitudinal barriers in Canada, that Americans are much more optimistic about what new technologies will do for workers. Canadians, on the other hand, are much more afraid they will be displaced by new technologies and that they will lose their jobs. Americans felt that new technologies will increase their productivity and will make their jobs more interesting. They are far less concerned about displacement.

I want to address that issue particularly because it affects a great number of women in our workplace today. There is a fear that women will be displaced by utilization of new technologies, new machinery and new techniques. To those who are concerned generally and to those who might have concerns arising out of the Ontario Government's task force report, I would refer them to the commission of inquiry into technological change in Australia. That study indicated that there would be an adverse impact on female employment in areas such as telephone operators, bank tellers who are being replaced by the Green Machine, or cashiers being faced with automated cash registers. On the other hand, the study found that there would be incredible opportunities for women in the work force because of the new technologies.

• (1210)

Recent studies conducted in Ontario pointed out that this depended upon the structure of our industry and our business. For example, there are 46,000 charitable organizations in Canada, each of which has at least one female worker. They will not be displaced by new technologies. They can become more productive, more efficient and accomplish a great deal more using the new technologies. They will not be replaced.

Another study indicated that in Ontario the average number of employees in a firm was only four. Almost every one of them employs women. These women will not be replaced by machines which can do things ten times as quickly as the old method. They will have their productivity improved; they will not be replaced. We have to ensure that each new business in Ontariao or, for that matter, throughout Canada has access to the new technologies and knows how to use them.

Approximately 40 per cent of businesses are using updated or newer technologies at present in Canada. This means there is a tremendous market for new machines, new software and new programs. Also this means that many more people have to be trained in how to use them. I am not sure whether this should be strickly the responsibility of the federal Government, as the New Democratic Party implies. It seems to me that the vendors of this equipment who want to have it in the workplace, sell it or lease it, can play that role very adequately. They can train people in the new technologies. This does not mean that the Government does not have a role to play in retraining. Despite the fact that it is not within our constitutional confidence we, the federal Government, by default have had to make enormous commitments to new training techniques.

I look to a higher level of sophistication and specialization by women in the work force. Their role will not simply be to process data but to interpret it and to make management decisions which are necessary and inexorably flow from the new technologies and data they produce. The education of women is of some concern to me. By 1985 it is predicted that we will need 8,000 engineers and Ph.D. graduates in science and will fall short of that mark by 50 per cent.

The Science Council of Canada has just published an excellent booklet entitled "The Science Education of Women in Canada". It shows that girls in high school 15 years of age and under who drop out of the sciences, physics and maths are doing so at twice the rate of boys. In other words, women are not taking those subjects in high school which will equip them to deal with the new types of technologies which Toffler's "The Third Wave" has brought upon us. This deprives many women of flexibility in career choices. Also it means that in the future we will have fewer women who are capable of assuming management and leadership roles in universities, Governments and industry. We have a duty to bring this type of information to the attention of young people who are at that critical path in their lives when they must determine their career opportunities.

We have a great opportunity in our service sector not to worry about losing jobs but actually about increasing them. "The World Challenge", published by Jean-Jacques Servan-Schreiber, referred to the opportunities that align us, the developed world, by helping to develop the Third World. Not only do we have a moral obligation to see that the Third World becomes industrialized, developed and that its people achieve a higher standard of living, but in so doing there lies tremendous opportunities for Canadians.

I do not want to see our foreign aid budgets cut back, particularly as they apply to Canadian consultants being hired to go abroad and help disseminate these new technologies which will have the possibility of elevating the standard of living of the Third World. In so doing they will also increase the ability of the Third World to buy Canadian technology and services.

Another route at which we should look is one which would take advantage of Canada's unique position in North America and the existing strength of our service sectors. By looking creatively at our system of international tax treaties for the avoidance of double taxation and which deal with withholding taxes, international capital flows and amendments to the Income Tax Act, Canada could become an international financial capital centre, and multinational companies around the world would use Canada as a basis for servicing their capital. They would be taking advantage of our financial institutions, banks, trust companies, loan companies, insurance companies as well as our accountants and legal profession. Money would be coming into Canada which would otherwise have never had an opportunity or a need to come here. This type of approach could vastly increase employment in our

service sector and it could put Canada at a crossroads in international capital flows in order to bring Canada even more to the centre of what is our true destiny, that is, a leader in international business and international trade. It could bring our country even more to the forefront of what really is our true future.

I have tried to address what I think are some of the concerns I hear expressed by the electorate of Willowdale and by people who come to see me. The point has been raised by Opposition Members that the new technology is something to fear because it will get rid of jobs. It will require new investment in human capital. It will require individuals themselves to make the effort to learn new ideas and to retrain themselves to cope with the new world they face. I do not look upon this as a threat. It is a challenge and a tremendous opportunity for Canadians to increase their productivity by bringing onstream the new technologies, by working with them, and by using them as our servants in order to increase our standard of living and our ability to compete. We can do it. It is an opportunity that is not a threat. The new technologies are the bit that we will use to drill our way into a new world of international competitiveness based upon exports, long production runs, manufacturing, and a much greater use of the new technologies.

I am pleased that the thrust of the new technologies is one of the linchpins of our new budget. It is one of the reasons the budget was so well received by Canadians from all walks of life.

• (1220)

Mr. Neil: Mr. Speaker, I do not very often congratulate a Member of the Government on his comments, but the Hon. Member's speech was very constructive. It was a good speech. I agree with him about the importance of research and development and to make public corporations and the various levels of Government aware of that importance.

I have one or two questions I would like to put to the Hon. Member. He indicated that the Government had met its target as far as expenditures on research and development are concerned. He gave a figure of 1.5 per cent of the Gross National Product. Could he indicate the Government's target for research and development in agriculture and whether he feels that target has been met?

Mr. Peterson: Mr. Speaker, I would be pleased to obtain that information. I do not have the figures on the specific breakdown. I know that we have taken a lead in terms of the new installations in Saskatchewan in dealing with hydrology and the very important impact that has on agricultural producers. You cannot produce crops in Saskatchewan without having a very good reading of the types of soil conditions and particularly the water content.

I am proud to say that Canada has been a leader in the area of agriculture. Our agricultural sector deserves a tremendous compliment. The Holstein cow, for example, is regarded throughout the world as probably the best giver of milk. With the new open transplants and the ability to preserve and ship semen around the world, Canadian cows are probably in almost every country of the world that is a milk producer.

We have in the past developed the single best type of wheat, No. 1 Northern. This has required a great deal of innovation, research and development. It does not mean that we have achieved everything we want to in the realm of agriculture, but the agricultural technology developed in Canada is probably without parallel in the world.

Part of our CIDA program involves disseminating this new technology for agriculture around the world. The Hon. Member makes a very valid point. There is probably as much value added in science and technology that goes into producing that kernel of wheat which is now a world leader in export markets as in some of our newer manufacturing plants.

If the Hon. Member's point is that we are going to neglect our traditional industries as they may not appear to have high-tech involved in them, it is a misunderstanding and I hope Members on all sides of the House will address and deal with that directly.

Mr. Neil: Mr. Speaker, there is no question that the research that has been done by the Department of Agriculture over the years is some of the finest in the world. Unfortunately, however, if one examines the Estimates over the past number of years, one will note that the increase in the budget for research and development in agriculture is about 1 per cent. It has fallen far behind the rate of inflation in this country. This is unfortunate, because if we are to increase our production of grain and other crops, we must not only keep up to date but keep ahead of other countries as far as research and development is concerned. If nothing else, I hope that the Hon. Member will impress upon the Minister of Agriculture (Mr. Whelan) and the Minister of Finance (Mr. Lalonde) the importance of research and development in agriculture, not only by the Government but by the private sector.

It is rather unfortunate that it took the Minister of Agriculture a number of years to release some $9 million of prairie farm assistance money to an organization in the prairies interested in research and development. The matter has been discussed for several years. Only today a news release came across my desk showing that some $9 million had been turned over to this organization from the old PFRA fund, $9 million of farmers' money that had been held since 1972, non-interest bearing. If that money had been turned over years ago for research and development, just think of the progress that could have been made in the private sector in co-operation with the public sector.

Mr. Peterson: Mr. Speaker, I am not familiar with the particular issue raised by the Hon. Member but I will certainly be pleased to look into it. The point he makes about the necessity for continually re-evaluating what we are doing in the field of agriculture is critical. I look at opportunities which Canadian consumers have to save money and to buy Canadian. Why do people necessarily have to purchase fresh fruit and vegetables from abroad during our winter months? During our summer months we can grow more than enough to feed all

Canadians, if we are prepared to put it into cans. With a little research and development, possibly using solar energy or the new types of energy which we have in abundance, we can grow fresh fruits and vegetables all winter at very little cost, maybe even at a saving compared to the cost of imports.

This goes back to one of my other pet projects in this area. Why are Canadian consumers not more aware of the tremendous opportunities we have to exercise the sovereignty of our buying dollar when we go into the stores to "Buy Canadian"? Why do they not look for the "Made in Canada" label? I would venture to say that in the stores you can find comparable quality at a comparable price for Canadian-made goods. Even if you have to pay a couple of pennies more because other countries have an advantage in certain areas, why do Canadians not exercise their right as consumers to help their fellow producers?

Why do all Canadians not engage in a mutual self-help exercise? The agricultural area is a perfect place to start looking at this. This is something we can do every week when we visit the shopping market. Another point which the Hon. Member makes—

The Acting Speaker (Mr. Corbin): Order. Under the procedure, a Member should not abuse the time for questions and replies. The point has been replied to and another Member is seeking the floor.

Mrs. Mitchell: Mr. Speaker, I am very interested in and totally in agreement with the statement of the Hon. Member regarding self-sufficiency in food and more production of food in Canada. The Hon. Member has a little more influence in Government than we do. Would he actively support a job-creation program and economic development project that would encourage and give assistance to the development of food producer co-operatives and consumer food co-operatives? If every community could have solar greenhouses which were operated co-operatively, with start-up funds from the Government, this could be greatly expanded. Would the Hon. Member consider this special project and work within his Party and Government to that end?

• (1230)

The Acting Speaker (Mr. Corbin): The Parliamentary Secretary has 30 seconds to reply.

Mr. Peterson: Mr. Speaker, yes, I certainly see the co-op movement as one which has taken off on its own without the necessity of Government intervention, because enterprising individuals feel that they can derive benefits by working together. They do not need the heavy hand of Government to legislate or fund them. There are many co-ops that have established themselves without Government support. I have a great deal of respect for many of the co-ops I have seen. We see co-ops in financial institutions, we see them in many small towns in rural Ontario, we see huge co-ops that work very effectively in the west. If enabling legislation and the removal of some red tape impediments is all that is necessary, fine. I want to consider the question of how much public funding must go into these co-ops, since they have already demonstrated in many areas that they can produce dividends without the necessity of dipping into the taxpayers' pockets in order to make them feasible.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, it is a pleasure to rise and take part in this debate today. It is indeed a very important debate on a very important budget. In many regards this budget is like no other budget we have had. I realize that there is to be a vote on the budget. There was a vote last Thursday, one that was remarkably close. Only 15 votes separated the two sides. Unfortunately, the NDP was otherwise engaged, 12 of their Members being absent for the vote. This prevented the difference from being narrowed down to three votes. One must realize that 12 Members, nearly 40 per cent of the NDP's strength, were away; it is 37.5 per cent, I believe. We have grown to expect that when the Liberal Government is in danger, the NDP will rush to their rescue, whether it means rushing away from the House or rushing into it.

This budget has a deficit of a size that is astonishing to the world, I suppose. I was listening to the radio this morning and heard that there is concern that the American deficit is not being looked after by the United States Government. If the United States Government does not do something about the size of its deficit, it will have a dramatic effect on the markets in the world.

On a per capita basis, their deficit is about two-thirds of that of Canada. In other words, our deficit is about 50 per cent higher per person than that of the United States. The deficit in the United States is causing some concern throughout the world, though their deficit is relatively modest compared to ours.

The budget has created this enormous deficit of $31.4 billion. We seem now to have the worst of all possible worlds. It is bad that the deficit is extraordinarily high, but this can usually be excused on the basis that it will create jobs. However, reading the figures of the Minister of Finance (Mr. Lalonde) on the job situation and when he expects the unemployment rate to ease off, it is not apparent that the unemployment rate will ease off in the future. We have both worlds at their very worst; high unemployment and a high deficit running side by side into the future.

In the past, budget speeches and Throne Speeches provided an opportunity for Members with special interests to present speeches that were not necessarily relevant to either the budget speech or the Throne Speech. Things are getting worse these years. As Mr. Speaker will well remember, it has been so long since we have had a Throne Speech that I am not certain that anybody will remember how we deported ourselves. It seems to me that the last Throne Speech in recent memory was way back several years ago. At that time, Members had the opportunity to speak during those speeches. New Members of the House could make mainden speeches on any subject they chose. I must say that I miss the free and easy-going debates of those days. I would highly recommend to the Government that

it screw up its courage and try to have one more Throne Speech while it is still in power.

The budget debate to date has been extremely interesting. There have been some remarkably good speeches. We have just heard a couple of speeches that I thought were of outstanding quality. While I disagree with almost everything the Hon. Member for Broadview-Greenwood (Ms. McDonald) said, I believe her words accurately represent her feelings. We have just heard a good speech on the budget from the Parliamentary Secretary to the Minister of State for Economic Development (Mr. Peterson) as well. I feel it is a pity that the Minister of Finance never gets to hear any budget speech but his own. We listened to his speech and I feel he should return the compliment once in a while and appear in the House to hear what the rest of us, including some Members of his own Party, think of his budget.

I would like to speak about the effect the budget and the fiscal policy of the Government might have on the defences of this country. The projected budget of the Department of National Defence looks fairly good on paper, but it is based upon a faulty premise. For many, many years the Department of National Defence has operated according to its own inflation model. That is, calculations were conducted every few months to indicate what the inflation rate would be over the next few years.

As the years go by, the Department of National Defence has become a very large user of high technology equipment and materials. The Department of National Defence has more expenses and a higher inflation rate than any other Department. Consequently, because of the inflation model that is followed, the DND index would likely show an inflation factor of 15 per cent when the CPI was running at, say, 12 per cent. Treasury Board accepted this rate and would use it in its calculations to give the Department of National Defence an increase in real terms, as it is known. Treasury Board would add in the 15 per cent plus 3 per cent if it was hoping for a 3 per cent increase.

The Department of National Defence must now take a different tack. The Minister of Finance, presumably with the concurrence of the Prime Minister (Mr. Trudeau), has decided that this is too good for DND so he will force it to use the Department of Finance's model to calculate the inflation rate starting next year. This will result in an entirely false figure for an increase in real terms based on a inflation rate that will be considerably lower than the actual inflation rate on the commodities that Defence must buy, particularly if it is re-equipping itself.

The Department of National Defence certainly needs an increase in purchasing power in real terms because, particularly in the early years of what have come to be known as the Trudeau years, the Government was so determined to wither the Department of National Defence and reduce it in size that it froze the budget in an inflationary cycle and consequently the Department had a bitter choice to make. It was thought that this choice would only affect the Department for one year, perhaps 1969 or 1970. The Department decided that it would hold on to its strength in manpower and cease to maintain buildings and buy equipment, believing that the following year, as it had been assured, things would be back to normal. Well, things did not get back to normal for three or four years, and by the end of that time not only was DND without replacement equipment for those four years, but in addition it finally had to cut its manpowers strength, and down it went to its present level.

The Department of National Defence sunk so low that at one time its capital budget represented only 9 per cent of its total budget. This is really a shocking figure because in this modern world between 25 per cent and 30 per cent of the defence budget must be spent on capital equipment such as tanks, ships and planes to maintain a modern, capable force that can accomplish the tasks that one would expect of one's national defence forces. In the forecast of the Minister of Finance, between the 1981-82 budget and the 1985-86 budget spending will suddenly be cut by $392 million on top of the other cuts.

• (1240)

The budget produced in June, 1982 by the Secretary of State for External Affairs (Mr. MacEachen), when he was Finance Minister, as a kind of last gasp effort to do a job of which he was incapable, cut $200 million off the DND budget, to be spread over the next two years. The present Minister cut a further $230 million as a kind of rival gift, to be spread over 1983-84 and 1984-85. When making the cuts at that time the Minister of Finance noted that they would "require some adjustment in the nature of the programs we had planned to undertake". How much more adjusting can we expect the Department of National Defence to make?

We then have the rather ridiculous scene of the Minister of National Defence (Mr. Lamontagne) at a conference of defence associations pointing out that DND is due to receive $20 million for "increased readiness and sustainability". This could take the form of ammunition, equipment, spares or even personnel and could involve either the regular or reserve forces. When compared with the $430 million that has been taken from the Department within a year, it can be seen that this leaves quite a deficit. Even with the current budget which allocates $75 million to DND, it is still down $335 million. This is not going to make a difficult cash flow situation for equipment programs any easier.

I should like to say a few words about employment programs that are being discussed these days, Mr. Speaker. DND is supposed to receive $60 million this year and $15 million next year for the Extended Youth Training and Employment Program. Under this program 5,000 people are to be trained and paid the same as recruits in the regular force, but they will officially be Class C reservists with no pension or benefits. They can be had a little cheaper that way. DND officials have been quoted as saying they were as surprised as I was at the low 5,000 figure, as they had expected as many as 20,000.

What will happen to these 5,000 people when their training is completed? Why will the Government not build on this

program and make use of the young people who have one year's training? That would be an ideal time to increase the manpower ceiling for the regular forces and to make use of the people who have already gone through an extensive part of their training. It would give them the opportunity of staying on after the employment program ends.

In the last few days we have heard of a conflict between the Minister of National Defence and the Minister of Employment and Immigration (Mr. Axworthy), who has been trumpeting his great NEED Program over the land. The purpose of this program is to employ on a short-term basis people who have exhausted their Unemployment Insurance benefits. The Department of National Defence is to be one of the beneficiaries of this. But it must have work that needs to be done, so it simply fired term employees to make room for NEED employees. Many of these term employees have worked for the Department for years. After a fixed term they must be rehired if they are to continue working there. It is an "in" joke in the Department that the term ends on March 31 and on April 1 these people are rehired. In the last five years only 15 term employees have been discharged and that includes, as far as we can discover, 14 who went out on pension.

The two Ministers seem to be working a double shuffle using a revolving-door principle. They have let hundreds go from what those people had considered to be fairly permanent jobs and they apparently intend to hire people who have exhausted their Unemployment Insurance benefits. A year from now the process can be reversed: they can rehire those who were let go last month and let the people go who were hired this month. The result simply is a doubling of the cost of the work being done.

I should like to move on to the capital programs now and concentrate on the navy because I worry more about the naval equipment program than about anything else when it comes to re-equipping the forces at the present time. The Leopard program to supply the army with a certain number of tanks has pretty well been completed. The CF-18 program is moving along to help the air force. Unfortunately, the equipment for the navy is so long in production that I believe politicians do not like to support it as they are not likely to see the finished product within three elections or so. That makes it difficult for politicians to give the program the support they should.

A year and a half ago the Minister of National Defence, speaking to the Conference of Defence Associations, issued a press release saying that we needed five more Gate vessels to replace the old ones that had been in service for years. Strangely enough, this item disappeared from the Estimates this year. When we asked about them we were told that they were still somewhere but were not a high priority, despite the fact that when the Minister announced them with some fanfare a year ago last January they had a very high priority. Now they have just disappeared.

There is a long list of naval equipment programs, Mr. Speaker. In the Standing Committee on External Affairs and National Defence Committee on March 17 this year I asked for a list of programs but I have not received it. There are many major equipment programs that have not been approved by Cabinet. The Canadian patrol frigate program will run into billions of dollars, but only $60 million has ever been approved by Treasury Board. The Minister has turned over to Cabinet the decision as to which of two consortia will build the patrol frigates. We are very concerned about the rumours we hear from the Treasury benches—"skid row" as it is otherwise known—about the possibility of that choice being made for political reasons rather than on the basis of the best plan for the best ship. I hope the fact that Scan Marine is totally surrounded by Liberal constituencies will not direct the contract to the wrong consortium simply for political reasons.

While I am on the subject of the Canadian patrol frigates, Mr. Speaker, I might say that there is no way any shipyard in Canada can find the skilled personnel needed to complete the program. If one shipyard were to get the order for the six frigates, there is no way it could build them within the time frame that has been set out. There are not that many technicians who are able to work in any of the existing shipyards in one location. This Party had suggested—although we do not demand author's rights—that it might be a very good idea to build two ships in the Maritimes, two in the St. Lawrence valley and two on the West Coast. That would help not only to maintain a withering industry but to revitalize it. We do have the skills in our people to be able to carry out this kind of work, and I hope that when the Government makes the decision, first, it will not be on political grounds and, second, it will be one that will spread the benefits across this country the way they should be, and not concentrated where the Party which is temporarily in power has a greater strength.

• (1250)

I see that my time is up, Mr. Speaker. I would like to compliment the previous speakers on their presentations in this important debate and I look forward to any questions they might have.

Mr. Friesen: Mr. Speaker, I know the Hon. Member speaks out of a wealth of experience. The one area he did not touch on, however, in the budget had to do with the recruitment program for cadet training and, I suppose, in other jocular terms, getting young people involved in the Armed Forces for a one-year training program. Would the Hon. Member comment on the budget provision in that area in terms of the number of people it would affect and how prepared the Armed Forces are to help?

Mr. McKinnon: Mr. Speaker, General Withers, the Chief of Defence Staff, pointed out not too long ago that they would not be able to train people with their present budget. If they had a sudden requirement for training large numbers, they simply would not be able to provide it. This is a situation which would get much worse if there was an emergency where they would not only have to provide for any reinforcements, but it would take their most experienced people away from their regular units. There is a terrible shortage in that particular area.

As far as cadet training is concerned, there is really nothing more important. There is no particular area of the force which is more important than cadet training. We did have some wonderful cadet training camps but they have been starved for funds over the years. That seems to be one of the places, unfortunately, which the Government has restricted far more than it should have over the last few years. Consequently, all kinds of cadets who wish to go to summer camps are not able to do so because of lack of funds.

Mr. Friesen: Mr. Speaker, I have a further question regarding the frigate program which the Hon. Member mentioned. Does he see any movement on the part of the Government to do any of this construction in the Vancouver-Victoria area?

Mr. McKinnon: Mr. Speaker, the fact that that would make an awful lot of sense does not mean that the Government is going to do it. As I said earlier, there is no shipyard anywhere in the country which could take on the job of building six frigates and finish them in the time frame which has been laid down for the ships to be ready. As everyone knows who has studied the situation, by 1991 we are going to have a ten-ship navy at the rate we are going. If they were to put those six frigates into one shipyard to be constructed, it would be 1993 before we get back up to a ten-ship navy, which is generally not thought to be satisfactory to any Canadian.

Mr. Reid (Kenora-Rainy River): Mr. Speaker, my question to the Hon. Member is with respect to the Cruise missile, the discussions which have gone on and the confrontations about the possibility of having Canada provide air space for the plan to test the guidance system of the Cruise missile. Has the Hon. Member and his Party taken an official position on whether or not this is desirable?

Mr. McKinnon: Mr. Speaker, it is the position of the Conservative Party of Canada that we should encourage, and our Government should encourage, the superpowers to negotiate at the disarmement table in Geneva in order to make enough progress towards restricting and controlling nuclear weapons in Europe that it would not be necessary to deploy the Pershing II or the Cruise missile in Europe. These talks are going on. President Reagan has made a major concession in that he no longer insists on the zero-zero option which seemed to be the main stumbling block at the time. He has given ground on that. I hope that the U.S.S.R. would make a counter offer at this time.

If all else fails, if these negotiations are non-productive, then NATO is going to have to go ahead with the commitment it made in 1979 to the West European nations that it would deploy the Cruise missile and the Pershing II. If it comes to that—and that will be the last resort—then this Party will not complain about the Government authorizing the testing of the Cruise missile at Cold Lake.

Mr. Reid (Kenora-Rainy River): I would assume from that answer, then, Mr. Speaker, that the Hon. Member and his Party accept the logic of the NATO two-track proposition.

Mr. McKinnon: I hesitate to point out to the Hon. Member, Mr. Speaker, that this Party was in power when the two-track system was adopted.

Mr. Reid (Kenora-Rainy River): That has not prevented the Conservative Party, Mr. Speaker, now that they have moved to the Opposition, from changing their policy on other things. Therefore I wanted to ensure that at least in this policy the Conservative Party has continued to carry on a one-track policy.

My second question for the Hon. Member concerns the testing of the Cruise in Canada, particularly guidance systems. As I understand the purpose of the testing of the Cruise in Canada, it is not necessarily to test the guidance system which would be used in a European context, but rather to test the guidance system which would be useful in a North American context as well; in other words, a more elaborate testing of guidance systems as they have developed.

In the event that the two-track policy fails, that there is an unwillingness or inability to come to an accommodation, would the Hon. Member then be prepared to proceed with the testing of the Cruise missile for North American purposes as opposed to testing the Cruise missile guidance system for European purposes?

Mr. McKinnon: Mr. Speaker, there is a great deal made by uninformed people about this testing of one type of missile when there is a different kind going to be deployed in Western Europe. If we were to test the Cruise missile, that is, air launched, in Cold Lake, if it comes to that, and if the Government decides to go ahead with it—it has kept its option open—the purpose of the test is to test the guidance system and it is identical in both of these otherwise not similar weapons. They are both Cruise missiles, but there are two kinds. One is made by one company and one is made by another. They are both going to use exactly the same guidance system, and that is the connecting link. It really makes no difference. It simply is cheaper in one way to launch it from the air in order to carry out the guidance system test, which is what my understanding is of what is going to be tested at Cold Lake, if indeed any tests are going to be conducted at Cold Lake.

The Acting Speaker (Mr. Corbin): Is there a disposition to call it one o'clock?

Some Hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mr. Corbin): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

SHIPBUILDING

ADJUDICATION OF FRIGATE CONSTRUCTION CONTRACT—BENEFITS FOR QUEBEC

Mr. Gaston Gourde (Lévis): Madam Speaker, the final adjudication of the frigate construction contract for the Department of National Defence is approaching. The Minister repeated not long ago that he was expecting a final decision before the House adjourns for the summer. In its April 30 issue, the *Financial Post* gave an analysis of the situation and indicated quite clearly that National Defence officials tended to favour the offer made by the consortium located in St. John.

Madam Speaker, in a speech I made not long ago on the subject, I indicated that Quebec shipyards have demonstrated their leadership in the Canadian shipbuilding industry. The decision to be made by departmental officials and Cabinet will, of course, be based on considerations of a technical and qualitative nature. However, they will also have to consider, first of all, the extent of the benefits to Quebec, and second, the quality of the workmanship involved, and third, the considerable technological advantage to our province if a Quebec shipyard is awarded what appears to be the contract of the century.

Speaking on behalf of the riding of Lévis, I am counting on a decision that will be based on all of these considerations.

* * *

[*English*]

NATIONAL REVENUE

DELAYS IN MAILING REMITTANCE FORMS

Mr. Mel Gass (Malpeque): Madam Speaker, I would like to address a problem that a small business in my constituency is experiencing with Revenue Canada. A machinery dealer called Layton Green Incorporated, which operates out of Albany, P.E.I., has been fined by Revenue Canada for sending its taxation remittance forms in late for the months of January and February, 1983.

The taxation remittance forms, which are a record of paid deductions, in the form of Canada Pension Plan, unemployment insurance and income tax, which are deducted for the employees' salaries, must be sent to Revenue Canada in St. John's, Newfoundland, by the tenth of the following month. Layton Green Incorporated has, on occasion, not received these forms until on or past the due date. Therefore it is unable to have these forms mailed to St. John's on time. The firm is prompt in completing the forms and mailing them once they are received, but cannot help the fact that it does not receive the forms in time to meet the due date. It has been unjustly fined a percentage of what was listed in the taxation remittance forms for January and February, 1983.

I urge that Revenue Canada ensure that its taxation remittance forms are mailed in time to allow businesses to send them back before the tenth of the following month and not expect businesses to pay fines for a delay which Revenue Canada or Canada Post has caused.

* * *

[*Translation*]

DISARMAMENT

GOVERNMENT'S CONCERN FOR PEACE

Mrs. Céline Hervieux-Payette (Montreal-Mercier): Madam Speaker, in view of the statements made by the New Democratic Party and groups of citizens concerned for peace, I would like to state in this House that I will march and work with pacifist movements when they demonstrate for disarmament in front of Communist countries' embassies as often and as strongly as they do in front of the Parliament buildings. As an elected Member of this House, it is my duty to preserve the fundamental values recognized by the Canadian Parliament, such as the freedom of speech. That is why I urge all Canadians concerned for world peace to denounce the presence of Soviet weapons and military advisors in Cuba if American assistance to El Salvador is to stop. I also urge them to protest against the Soviet occupation of Afghanistan, the Soviet repression in Poland against union members and the Polish people, the installation of Soviet missiles in Syria and the presence of 330 SS-20 missiles with three war heads all aimed at European capitals.

Madam Speaker, the freedom we enjoy in our democratic countries cannot be based on the naïvety of unilateral pacifists. Working for peace is part of our duty as Canadian parliamentarians. That is why I would like all Members of this House to reflect seriously on the consequences of an intervention not intended to result in a controllable bilateral disarmament. Canada must continue to support this option which is the only valid one, so as to safeguard the freedom of all Canadian men and women.

* * *

[*English*]

AIR TRANSPORT

FEE CHARGED FOR LIGHT AIRCRAFT RADIO LICENCES

Mr. Gordon Taylor (Bow River): Madam Speaker, last year a radio licence for a light aircraft was increased to $40 and representations were made to the Department and to the Minister, and it appeared that the price would be reduced in 1983. It has not been reduced, and again farmers and businessmen who operate light aircraft are being charged $40 for a licence for the radios in their aircraft while Canadian registered ocean liners, the largest ships afloat, operating out of Canadian ports, only pay $20 per annum.

In the United States there is no fee at all for licences for radios in aircraft because the Americans recognize that the radio is not an entertainment item but a safety item. The Canadian Government requires the radio, and then charges an excessive fee for the licence. These same farmers and businessmen are asked to apply the six and five restraint program to their operations, but the Government sticks them with this enormous increase.

I strongly urge the Minister to roll back this fee or, alternately, make it the fee for a five-year period or, better still, wipe it out altogether, as radio is an integral part of the aircraft. Will carburetors be licensed next? Surely the Government and the Minister of Communications (Mr. Fox) know that the private aircraft industry already contributes substantial sums of money to the federal Treasury through taxes collected for fuel, and also provides jobs. The Minister of Finance (Mr. Lalonde) is pleading with the private sector to co-operate. Here is an opportunity for the Government to show that co-operation is a two way street.

* * *

BANKS AND BANKING

PUBLIC RELATIONS EXERCISE—CONDEMNATION OF MAGAZINE ARTICLE

Mr. Rod Murphy (Churchill): Madam Speaker, today in *The Globe and Mail* we read how a bank magazine is telling bankers how to close down plants successfully, keep information away from Opposition MPs, manipulate the press, and hold press conferences away from the affected plants so the workers cannot respond. At a time when Bishops in Canada have talked about economic morality, it is disgusting and typical to see banks looking at PR techniques which are not concerned about the workers or the people who are suffering through foreclosures.

Madam Speaker, I call on the Canadian Bankers Association, which owns the magazine, to disavow that statement, to disavow any claim of authorship for the remarks made in that article. Canadians are suspicious of banks at a time when houses and farms are being foreclosed, but if they are going to allow that kind of article to stand it will be just another nail in the coffin of the Canadian banking system.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE ACT

NECESSITY TO AMEND MATERNITY BENEFIT PROVISIONS

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Last Friday, Madam Speaker, I was very interested and almost delighted to read the statement of the Hon. Member for Winnipeg-St. James (Mr. Keeper) concerning amendments to the Unemployment Insurance Act with respect to maternity benefits. The night before, during a committee meeting, the Minister of Employment and Immigration (Mr. Axworthy) stated that he was prepared to introduce amendments with a view to including maternity benefits and other changes in the Unemployment Insurance Act if the New Democratic Party would agree to adopt that Bill quickly so as to enable the Government to implement those changes, keeping in mind the heavy work load of Parliament.

After that conciliatory offer by the Minister, Madam Speaker, we have yet to hear from the Hon. Member for Winnipeg-St. James whether his party would be prepared to agree to such amendments, and especially to give unanimous consent so that the Bill might be adopted as quickly as possible. Madam Speaker, the Hon. Member is posing as the defender of women's interests throughout the country, so he should now give us a clear and final answer to pave the way for that Bill including those amendments to the Unemployment Insurance Act.

* * *

[*English*]

AGRICULTURE

NECESSITY FOR RESEARCH FUNDING

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, research and development are the essence of progress in any society. This truism, however, receives hardly any recognition in our country where research, and agricultural research in particular, are given second priority. As a result the challenges offered by developing new varieties and new crops and more productive ways of farming can be lost to us forever. This, in turn, will hamper Canada's future capability to catch up with increasingly competitive international markets and to meet the targets set up by our agri-food strategists.

It is essential that our researchers start now to build the foundations for research in subjects like genetic engineering, improved energy efficiency, and waste utilization.

Researchers and scientists have expressed their concern about the curtailment of research funding and the shortage of qualified staff. Yet Cabinet appears to turn a deaf ear to all the criticism and continues to defend cutbacks in research staff so badly needed and so short in supply.

The Minister of Agriculture (Mr. Whelan) is obviously aware of the publication by his own Department "Challenge for Growth—an Agri-food Strategy for Canada". The authors of the publication do not share the Minister's contentment with the status quo in our research, and point out losses in Canadian agriculture due to the inadequate support of research.

May I suggest that the Minister have a closer look at this document and familiarize himself with the lost opportunities.

S.O. 21

• (1410)

RAILWAYS

CROWSNEST PASS RATE—SUPPORT FOR RETENTION

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I wish to draw the attention of the House to the misrepresentations being made by the Minister of Transport concerning Crow rate retention. The Minister told the House on Friday that retention is the position of only the New Democratic Party and the National Farmers Union. That is not so. Crow retention is also the position of a majority of grain producers and people of the West.

I can demonstrate this quite easily by referring to my own Prince Albert region, which is a typical grain growing area. To date I have received one single letter backing the Pepin proposal for Crow change. For Crow retention, I have tabled 3,500 signatures on petitions in the House and I have 2,000 individual endorsements of retention. I have also received specific letters backing retention from 23 towns, villages, and rural councils. They include the communities of Hudson Bay, Choiceland, Canwood, Marcelin, Rosthern, Carrot River and Shell Lake. The same support came from the rural municipalities of Kinistino, Spiritwood, Garden River, Kelvington, Ponass Lake, Arborfield, Buckland, Torch River, Willow Creek, Blaine Lake, Fleet's Springs, Canwood and Birch Hills.

The Council and Chamber of Commerce of the City of Prince Albert have also supported retention. This is support from one small segment of the Province of Saskatchewan. The essence of democracy is having the consent of the governed. The Minister has ignored that essence.

Madam Speaker: Order.

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RACISM

ANTI-SEMITISM TAUGHT BY ALBERTA SCHOOLTEACHER

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, it was with utter disbelief that I watched a report carried on the CBC *Journal* last night concerning the firing of an Alberta teacher, Mr. Keegstra, who had been teaching anti-Semitic trash to his students for over 14 years.

In an interview Mr. Keegstra confirmed his belief that Jewish conspirators had caused the French Revolution, the U.S. Civil War, the assasination of Lincoln, and he also trotted out the ridiculous allegation that the Jews had started the First and Second World Wars.

He went on to defend some of the ideas of Adolf Hitler, and even questioned whether the Holocaust had, in fact, occurred. He challenged the interviewer to produce the evidence.

What shocked and horrified me, and I speak as one who visited the Holocaust memorial in Jerusalem last month, was that, notwithstanding his own admission that he had been teaching his students this garbage, numerous school officials, including his principal, schoolboard officials, fellow teachers and officials of the Teacher's Association, had continued to defend his right for some time to continue teaching, on the assumption that it would stimulate discussion. As a Canadian and a Christian I was stunned to learn of this seeming indifference of responsible people in our school system to such blatant racism. Hopefully, we will all learn something from this sad episode, namely, that we must be ever vigilant to prevent the ugly seeds of racism in any form, including anti-Semitism, from poisoning the schoolchildren and the minds of our youth.

Some Hon. Members: Hear, hear!

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NATIONAL REVENUE

DEFINITION OF HANDICAPPED PERSON

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, National Revenue has an interpretation bulletin number IT-225 which defines a handicapped person for income tax purposes. For its purposes, a handicapped person is one who is confined to a bed or wheelchair for more than 12 hours a day, a substantial part of the day or night. That is a definition not designed to help the handicapped but to help income tax officials make easy decisions in classifying people.

Some three and a half years ago this House unanimously passed a resolution during Private Member's Hour asking Finance officials to redefine that particular bulletin and change the definition of a handicapped person for income tax purposes. That still has to be done.

I note with interest that in the last budget presented by the Minister of Finance he has graciously doubled the deduction allowed to parents for educational purposes of their children because he wants to help comfortable, middle-class parents. Meanwhile, those parents who want to assume the responsibility for the training of their children who happen to be handicapped are left out and not taken care of.

It is time that the officials of the Tax Department of National Revenue took their responsibility seriously and looked beyond the pretty "obstacles" report which does not require the Government to do anything. It seems to me that the goal of this Government is to do all things that are pretty but that do not obligate it to spend any money.

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

CAPE BRETON COAL AGREEMENT—CONTRACT BETWEEN GOVERNMENT AND GERMAN FIRM

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, my first question is directed to the Minister of Energy, Mines and Resources. He will recall saying last February 18, as reported at page 22982 of *Hansard*, in answering questions and participating in debate with respect to the Coalgate coverup:

> This money was under the control of the Government of Nova Scotia.

He will also recall saying, as reported at page 23193 of *Hansard:*

> There is no direct or indirect payment to Mr. Gillespie of Government money.

Can the Minister say whether he was aware, at the time he made those and other statements, recorded in *Hansard* with respect to that matter, of the existence of the contract between the Government of Canada and Veba Oel Entwicklungs-Gesellschaft (Voeg) of Gelsenkirchen-Buer, in Germany, amounting to $17,000 of Canadian Government money going to this firm for the purpose of conducting a study with respect to the reduction of coal to oil for the Cape Breton Synfuels Project? Was he aware of that contract when he made those statements?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I was not aware of that contract, but I have checked the record today. Indeed, there was a contract with that company which was signed in January.

As the Hon. Member should know, there are about 20 liquefaction projects that have been studied over a long period of time with the help of the Department of Energy, Mines and Resources.

The nature of this contract was to make sure that the technique used by Veba was one that should be explored. In fact, none of the projects has taken that technique as a means to liquefy coal into natural gas. In fact this contract was signed so that this other form of liquefaction could be explored. We did that with a company which had the best experience, the one which operates in Germany.

The information that we have, or will be receiving from it, will make it possible for the Government to decide which is the best way to liquefy coal. Indeed, the study has proven so far that the Veba technique is even better than any of the others that have been proposed by the 20 different groups that have made proposals to the Canadian Government. The purpose was to explore a technique that had not been proposed by the Synfuels Projects or any of the other 19 projects that the Department was studying.

Mr. Nielsen: The length of that answer reminds me of Shakespeare, "Methinks thou doth protest too much." Simply translated, the answer is yes, the Minister was aware of the existence of the January 28 contract. It is passing strange that the only project for the liquefaction of coal happened to be in Cape Breton.

INQUIRY RESPECTING ANY KNOWLEDGE BY DEPUTY PRIME MINISTER OF CONTRACT

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, my next question is directed to the Deputy Prime Minister. On February 21, 1983, as reported at page 23039 of *Hansard*, he said, when speaking of the funds with respect to the Coalgate coverup:

> The funds are not within the . . . decision of the Government of Canada.

Can he say at the time that he made that and other statements of record on *Hansard*, on this matter last February, whether he was aware of the January 28 signed contract between the Government of Canada and Veba Oel with respect to this matter?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): No, Madam Speaker, I was not aware of any such contract.

Mr. Nielsen: That rather surprises me because I thought that the Deputy Prime Minister was fully familiar with every aspect of this arrangement that was going to be conducted in his own riding.

My next question was to be for the Minister of Finance who is not here. He made similar statements last February.

• (1420)

REQUEST THAT CONTRACT BE TABLED

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, my fourth question was for the Prime Minister who also made more emphatic statements, and he is not here. Therefore I will put my final question to the Minister of Supply and Services.

Is there available for tabling in the House the contract of January 28 between the Government of Canada and Veba Oel which allotted $17,000 of moneys of the Government of Canada for the purpose of investigating the feasibility of the liquefaction of coal for the Cape Breton project? If it is available, will the Minister please table it?

[*Translation*]

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, a contract was indeed concluded at the request of the Department of Energy, Mines and Resources between my Department and the Voeg Company of Germany for an amount of $17,000 and as this contract involved a marketable development in high technology, one of the terms of the contract was that it remain confidential.

[*English*]

REQUEST FOR COMMITTEE INVESTIGATION

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, this now seems to be a clear indication of the extension of the original coverup. We have the admission of the contract by the Minister of Energy, the admission of the contract by the Minister of Supply and Services, the bald statement by an officer of Veba Oel that that contract concerns the Cape Breton Synfuels project, and that project alone, and the Minister is now telling this House that he is not prepared to table the contract.

In view of this extension of the coverup, will the Deputy Prime Minister now reconsider what the Government refused us last February, namely, an investigation of this whole affair by a standing committee of this House so that we can have that contract produced, get to the bottom of the facts in this case, and wipe aside this continual coverup of the Coalgate affair?

Some Hon. Members: Hear, hear!

Hon. Allan. J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I thought the Hon. Member had received all the information he required.

Mr. Nielsen: You didn't tell us about this one.

Mr. MacEachen: I was going to say there were bushels of documents tabled in the House by the Minister of Energy, Mines and Resources—

Mr. Nielsen: You didn't tell us about this one.

Mr. MacEachen: —with respect to the synfuels project that may occur at some point, hopefully, on the island of Cape Breton. I do not see what additional information the Hon. Member could possibly want.

Mr. Nielsen: Just the contract.

MINISTER'S STATEMENT ON USE OF FEDERAL FUNDS

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In February when this Coalgate affair came up, the first excuse the Government provided was that it was outside the two-year quarantine period. When that would not stand up to examination, the Deputy Prime Minister said that the guidelines were really just guidelines and not rules. When that would not stand up the Prime Minister and the Minister of Energy, Mines and Resources said not a cent was coming out of the federal Consolidated Revenue Fund, that the money was all coming out of the Nova Scotia Consolidated Revenue Fund. We now find that third and final answer does not stand up to examination either.

Will the Minister, who said he did not know about this contract, at least have the decency to stand up and withdraw the statements he made in February that, in fact, no federal funds were spent on this project from which Mr. Gillespie stands to make so much profit?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think the Hon. Member wants to stir a controversy about nothing. I said there were 20 projects—and I have the list here—of different organizations in Canada that proposed to the Department and engaged with the Department in a liquefaction process for Canadian coal. There are universities and research groups all across Canada. None of these 20 groups has proposed to the federal Government this technique that has been used effectively in Germany by that company for over 50 years. The Department said it was just normal to find out whether this technique would apply to the 20 projects. We had a contract with the operators of the technique in Germany for the amount of money revealed. They have processed some coal to make natural gas. The technique was to be asserted against all the 20 projects, not only the one referred to by the Hon. Member.

Mr. Nielsen: There was only one.

Mr. Chrétien: If Hon. Members want, I could read into the record the 20 other groups that have had some liquefaction projects under study with the Department of Energy, Mines and Resources.

Mr. Andre: Madam Speaker, the Minister is trying to get us to believe there are 20 groups looking at Cape Breton coal. The scientist with Voeg, Ulrich Graeser, said that his understanding of his discussions here in Ottawa was that the test was for the Cape Breton synfuels project, Mr. Gillespie's project—the project he is continuing to cover up. The Minister is in danger of extending his misinformation to this House, in danger of misleading the House even more than he has, if he continues on that line.

REQUEST THAT CONTRACT BE MADE PUBLIC

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the Minister of Energy, Mines and Resources indicated when he tabled his documents that all documents relevant to the Cape Breton synfuels project had been tabled.

Mr. Nielsen: Not this one.

Mr. Andre: We now know that was an inaccurate statement. If the Minister did not deliberately mislead the House at that time, will he admit that he did not have all of the documents because of his lack of information, and will he now carry through on his commitment and make sure that contract is a part of the documents revealed to the public?

[*Translation*]

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I said earlier that we are dealing with 20 different coal liquifaction projects to transform coal into natural gas. We received various proposals and the

scientists of the Department of Energy, Mines and Resources noticed that none of the groups involved had suggested the Veba system. They therefore concluded that, in order to have a realistic view of the whole situation, the possible application of this system to Canadian coal in the 20 projects submitted to us had to be determined. With this in mind, a contract was signed with this company to determine whether the German Veba system might be adapted Canadian coal. Cape Breton coal was sent to the company. Alberta or British Columbia coal could also have been sent. Moreover, the studies show that the project mentioned by the Hon. Member this afternoon was not the only one involving Nova Scotia coal. Once again, I would like to point out that this project is not directly related to Synfuels, since it was a comprehensive study that included the 20 projects. I stand by what I said during the debate last February. Since then, I have tabled all relevant documents in my possession concerning the facts directly related to the Synfuels project.

* * *

[*English*]

INCOME TAX

SHIFT IN IMPACT ON LOWER INCOME LEVELS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I want to raise a real scandal with the Prime Minister. The Government expects to recover $4 billion from Canadian taxpayers over the next four years by reducing the benefits from the federal Tax Reduction Allowance. It is quite clear that this will shift the burden from those who can afford to pay to many who cannot afford to pay.

For example, a family earning $15,000 a year will be faced with a 281.9 per cent increase; a family earning $20,000 a year will be faced with a 22 per cent increase, and a family earning $100,000 will face only a 1.3 per cent increase. Surely the Prime Minister recognizes this is regressive, that this shifts the burden of tax from those who can afford to pay to those who cannot afford to pay. Is the Prime Minister prepared to reconsider this move in an effort to try to balance the tax burden in Canada.?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, the point raised by the Hon. Member really was the thrust of an article appearing in *The Globe and Mail* this morning which put it in terms of regressivity. I would urge the Hon. Member to consider that his reference is merely to one aspect of the budget. He must consider, for example, the result of the budget in providing some additional 600,000 jobs to Canadians of low and moderate income, between 1982 and 1984. This is of importance to those Canadians looking for help or for the ability not only to pay taxes at whatever rate but the ability to have meaningful and well paid jobs, or jobs, period.

• (1430)

I urge the Hon. Member to consider that the major thrust of the budget with all its changes is geared to providing meaningful employment to thousands of Canadians who will then be in positions to address the issue of minor changes in tax structures.

Mr. Deans: If the Minister should ever rise again to answer a question, perhaps he might consider why those who can afford it are being asked to pay less in this effort to provide jobs for people, and those who cannot afford it are being asked to pay substantially more.

TAX REDUCTION SOUGHT FOR AVERAGE WORKERS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I want to return to the Prime Minister, if I may. Two years ago the Government similarly reduced the tax rate for those people in upper income brackets. It lowered the tax rate by nine points for those persons earning $134,000 or more. At the time the Government said that this was compensated for by the closing of loopholes. Quite clearly the budget of the former Minister of Finance did not in fact close the loopholes; many of them were left in place.

Is the Prime Minister now prepared to consider, given that we need jobs and that Canadians must be able to purchase in consumer products manufactured in Canada, a similar kind of tax reduction for average Canadians who are working hard but are only earning $15,000 or $20,000 per year?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, the Hon. Member is being very selective in his choice of initiatives in the budget and his analysis of the budget of 1981. For example, he did not take into account the employment expense deduction for lower income workers which was specifically requested by members of his caucus. Representations were made specifically to the Minister of Finance on that particular change in income tax. He did not take into account the child benefit system and the increased child care expense deductions in the budget. He totally ignored them. He gave us a one-sided imbalanced picture of the budget. I wish he would be more forthcoming in those areas where there is assistance over and above providing jobs to Canadians of low and middle income.

Mr. Deans: It is apparent that I will have to deal with this Minister anyway.

TAX BURDEN OF LOWER INCOME GROUPS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, will the Minister explain why people earning $15,000 or $20,000 a year should be asked to carry far more of the burden of cost than those earning $100,000 a year and above?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I thought I indicated that the provisions of

the budget—for example those provisions dealing with incentives for housing—are designed not only to provide affordable housing to Canadians, not only to provide jobs for Canadians in the construction and repair of housing, but to provide grants of $3,000, for example, for Canadians buying homes and grants of $3,000 for Canadians of low and moderate income. These grants are not reflected in the figures about which the Hon. Member has talked.

Some Hon. Members: Oh, oh!

Mr. Cosgrove: They are immediate benefits available to Canadians which impact upon their income, upon their ability to pay taxes and, more important, upon their ability to have employment and to have affordable homes.

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THE ADMINISTRATION

CAPE BRETON COAL AGREEMENT—MINISTERIAL STATEMENTS ON FEDERAL FUNDING

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Minister made reference to funding for the liquefaction process applying to 20 companies, yet I have in my hand a Cabinet document dated September 13, 1982. It is a memorandum to Ministers on the financial, energy and regional development implications of supporting a coal liquefaction facility in Cape Breton Island. It made two recommendations to the Minister of Energy, Mines and Resources. One was an offer to the consortium—and we are talking here about Scotia Coal Synfuels—"of additional federal financial support for a technical re-evaluation of the project, focusing particularly upon processes which would utilize higher ratios of natural gas to coal and offer a higher saleable product yield". That is the end of the quotation from the Cabinet briefing document of September 13, 1982, just about the time the Minister was assuming his present responsibility.

Also I have a letter of January 7 from Mr. Gillespie—

Madam Speaker: Order, please. The Hon. Member cannot quote from too many documents. He should be asking his question. I am sure from the quotes he is now trying to give the House that he could just ask his question, not give the quotes.

Mr. McGrath: Madam Speaker, very simply I want to ask the Minister how he reconciles that with his reply in the House today to the Hon. Member for Calgary Centre, and also with the replies in the House in February, whereby the Government explicitly denied that there was any direct or indirect federal funding to this project.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, the contract with Veba was undertaken in order to have a new technique that could apply to the 20 projects. It was not directed to the synfuel project. It was to know this technology that none of the 20 project sponsors had discussed in their presentations to the Government.

Mr. Nielsen: Table the contract.

Mr. Chrétien: We wanted to know what was possible with that other technology, and to have the information from the ones who controlled the technology, the German firm. This is why we signed a contract with them. We wanted information to permit us to evaluate the 20 projects as presented to the Government.

MINISTER'S KNOWLEDGE OF CONTRACT

Hon. James A. McGrath (St. John's East): Madam Speaker, could the Minister tell us specifically—and I am making reference to the replies in the House on February 21 as reported at page 23042 of *Hansard*—when he became aware of this particular contract for $17,000 which was signed in January with a West German firm specifically in aid of the Scotia Coal Synfuels Project?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I learned about this contract yesterday.

LETTER FROM ALASTAIR GILLESPIE—PURPOSE OF GOVERNMENT EXPENDITURES

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is also directed to the Minister of Energy, Mines and Resources. The question before the House is not the matter of Mr. Gillespie's involvement but the question of whether or not Ministers must tell the truth, the whole truth, and nothing but the truth, in this House—the question of morality in Government.

Mr. Gillespie suggested to Dr. Phillip Read in a letter of January 7, 1981, that the particular German company, Voeg, which is the one we are talking about, should be consulted at a preliminary stage. He said, "Phase I is a technical and economic evaluation of the proven process, Sasol, and near term processes under development particularly in the United States by the Department of Energy and others, and at least one in Germany." Will the Minister not now admit that moneys have been spent by the Government, not through Nova Scotia, but directly for the benefit of Mr. Gillespie's project?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, it is to the contrary. The Gillespie project was proposing a different technique and we wanted to know about all techniques. We wanted to find out if the German technique could apply in the Canadian situation, if it would be useful in all the projects, not only Synfuels but every one of them. I mentioned 20 different projects—some in British Columbia, some in Alberta, some in Ontario and some in Nova Scotia—that were proposing liquefaction as a technique to utilize coal. We wanted to know about the Veba technology. We signed a contract with that company to know if the technology could apply to every one of the projects in Canada, not only the Synfuels one.

Mr. Hnatyshyn: The Minister in effect is calling Mr. Graeser of Voeg and Mr. James Kelly of the coal liquefaction section of his own Department liars. That is really what it is when he says that this was not to be used for Mr. Gillespie's benefit and project.

MINISTER'S STATEMENTS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I want to ask the Prime Minister in terms of information given to the House how many times the Minister is able to mislead the House, and how many times he is able to give us wrong information before the Prime Minister asks for his resignation.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I have been very candid with the House. I know the Hon. Member likes to indulge in dirt throwing. I will not go to his level. I would rather be cleaner. I gave the explanation which I received from the officials of my Department today, that there were 20 projects and that we wanted to know about this German technology. If he wants to play in the dirt, he will be alone.

* * *

• (1440)

EXTERNAL AFFAIRS

EL SALVADOR—NEGOTIATION OF PEACE—CANADIAN POSITION

Mr. Bob Ogle (Saskatoon East): Madam Speaker, my question is addressed to the Prime Minister. It has to do with Central America. I would like to tell the Prime Minister that I was very happy with his statements in the press conference in which he indicated that Canada had a separate and distinct policy in Central America, but I was extremely unhappy with what I would call the wishy-washy approach that came out of his meetings in Washington.

Yesterday, Guillermo Ungo, President of the Democratic Revolutionary Front in El Salvador, in a press statement, declared that the United States has a right to stop the spread of communism. That is true. That is what Ungo said. What is the Government of Canada prepared to do now to help the initiatives to bring about negotiations in the El Salvadoran war?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, since I had that meeting last week with the President, I do not believe we have taken any recent initiatives. I indicated that our position was one of support for the President of the United States when he suggested that all parties be party to an agreement not to interfere in any way in Central America. I remind the Hon. Member that his Leader, the Leader of the New Democratic Party, said that he agreed with President Reagan on that.

Mr. Ogle: I think what my Leader was agreeing with was staying out of the situation.

LATIN AMERICAN COUNTRIES' PEACE INITIATIVE

Mr. Bob Ogle (Saskatoon East): Madam Speaker, this morning I was informed by the Nicaraguan Embassy that a new wave of 1,200 men, including Hondurans, is invading Nicaragua at this time. Last week I spoke to Bishop Raul Corriveau, a Canadian bishop in Honduras in the Diocese of Choluteca. He informed me that in that region next to the Honduran border there are some Somocista camps, as well as an airport taking in supplies. Would the Prime Minister of Canada be willing to have Canada take more serious initiatives to become involved with the Contadora Pact, a group of nations trying to bring about a peaceful solution?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is aware that a group of Latin American countries—Mexico, Venezuela, Panama, and Columbia I believe—have taken some initiatives to try to bring peace to the area. That seems to be a very worth-while initiative. We hope that they in some way wish to assist all of us to achieve the end that apparently the New Democratic Party, the Liberal Government, and President Reagan agree on, the end that there be no outside interference in the area. Certainly we are willing to assist in the attaining of that objective.

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THE ADMINISTRATION

CAPE BRETON COAL AGREEMENT—EXPENDITURE OF FEDERAL FUNDS—POSSIBLE BENEFIT TO ALASTAIR GILLESPIE

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct my question to the Prime Minister. It relates back to the liquefaction project. Throughout the questioning in February on this issue the Prime Minister kept insisting that the money was not federal money, but in fact came from Nova Scotia. As reported at page 22982 of *Hansard* for February 18, 1983, among other things the Prime Minister said, "These funds were the Consolidated Revenue Fund of the Government of Nova Scotia." It is quite clear now that the federal Government in fact did sign agreements, and the Minister of Energy, Mines and Resources just finished stating that they wanted this information and that it could apply to all projects and, therefore, would also apply to the Gillespie project as well, no matter how he puts it.

How could the Prime Minister make the statement on February 18 that it was Nova Scotia money, not federal money, and therefore there was no benefit to Mr. Gillespie, and yet today we find that the federal government has committed at least $17,000 to Veba Oel Entwicklungs-Gesellschaft?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have not followed this question enough today to know that any funds have been paid to Mr. Gillespie. I have not gathered that in the questions asked or in the answers given. Is there an allegation that Mr. Gillespie has received

some of this money that the federal Government has paid to this German company?

PRIME MINISTER'S STATEMENT

Hon. Jake Epp (Provencher): Madam Speaker, the Prime Minister has constantly been saying that there was no federal money and, therefore, there was no direct or indirect benefit to Mr. Gillespie. He said both. The Minister of Energy, Mines and Resources now says that they wanted to know this technique because it could apply to various projects, and obviously the Gillespie project would be one of them, so that is both a direct and indirect benefit to Mr. Gillespie. How can the Prime Minister keep insisting that his Government, signing contracts and committing federal funds, is not giving any of these benefits directly to Mr. Gillespie?

Right Hon. P. E. Trudeau (Prime Minister): I must apologize again, Madam Speaker. I am really not conversant with the details of this, but just listening to the questions of the Hon. Member it seems to me a little bit fanciful to suggest that if some research company discovers knowledge which will be available to all Canadians that in some way is a benefit paid to Mr. Gillespie by the federal Government, directly or indirectly. Is that what the Hon. Member is saying?

CIRCUMSTANCES SURROUNDING SIGNING OF CONTRACT

Hon. Don Mazankowski (Vegreville): Madam Speaker, I have a supplementary question for the Minister of Supply and Services. The Minister is obviously aware of the existence of the $17,000 contract which was signed in late January. Did the Minister then undertake to advise the Prime Minister, and indeed other Members of the Cabinet, of the existence of this contract? If so, what was the Prime Minister's response? If he did not advise him, why did he choose not to do so?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, the contract is a relatively small contract. The Hon. Member will note it is for $17,000. It is a contract which would have been negotiated and executed by my officials in accordance with their delegated authority. Therefore, I was not made aware of this contract until this morning, which is the normal course of events because it became a matter of inquiry by the press.

I might indicate, as was indicated by the Minister of Energy, Mines and Resources, that the contract is one of many that my Department has negotiated in the research and development area, indeed, in the liquefaction research area. I can name a number of others. I have a list here: Nova Scotia Research Foundation Corporation, Catalytic Enterprises Limited of Sarnia, University of Regina, Sandwell-Beak Research Group, Toronto, University of Victoria, Ontario Ministry of Energy—

Madam Speaker: Order.

INQUIRY RESPECTING MINISTER'S ACTIONS

Hon. Don Mazankowski (Vegreville): Madam Speaker, the Minister of Supply and Services is clearly aware of the Cabinet document dated September 13 which offered the consortium the kind of funding assistance to which he has referred. When this issue was raised in the House of Commons in February, the Cape Breton coal liquefaction project, several of the Minister's colleagues denied that any federal funds were spent on behalf of that project.

We have before us an admission by a representative of the Germany company with which the contract was made that, indeed, the contract will have a direct relationship and direct bearing upon the Cape Breton coal liquefaction project. The Minister should have had the knowledge that this contract was awarded, if he was doing his job. Having regard to the statements in the House of Commons, why did the Minister not undertake to apprise himself of the contracts that would have been signed? Why did he not attempt to set the record straight rather than acquiesce in and foster the kind of coverup in which his Cabinet colleagues and the Prime Minister were engaged?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, the hon. gentleman must know, having read the release that he received in his office yesterday, that in the month of March alone my Department dealt with more than $36 million worth of research and development contracts. There are a large number of contracts that we negotiate on behalf of Energy, Mines and Resources on a regular basis. Indeed, the Department of Energy, Mines and Resources is involved in acquiring technology in the areas of its interest, including coal liquefaction.

There is nothing unusual about this contract. The amounts were payable to the German company. There are a large number of contracts that have a clause which protects the confidentiality of the dealings between the parties because of the sensitive nature of the technology that is being acquired by the Government of Canada. There is nothing unusual about that.

In terms of this particular technology, and this company, West Coast Transmission had a contract with this company with reference to this technology, for testing western coal. The Saskatchewan Oil and Gas Corporation evaluated its own lignite coals as a result of the use of this particular technology. Does the hon. gentleman across the way suggest that Mr. Gillespie was somehow involved in that particular transaction as well?

• (1450)

REQUEST THAT CORRESPONDENCE RELATING TO CONTRACT BE TABLED

Hon. Bill Jarvis (Perth): Madam Speaker, my question is directed to the Minister of Supply and Services. He has indicated that his officials negotiated a contract with the West German company. Am I correct in presuming that related to or pertinent to that contract was correspondence between the

company in West Germany and his Department, and likely between Energy, Mines and Resources and that company? If that presumption is correct, would the Minister then undertake to table the correspondence related to or pertinent to that contract?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, usually the exchanges that are sensitive are embodied in communications of all sorts. I will review the terms of the contract to see if any of the communications can be transmitted.

Mr. Jarvis: Correspondence.

Mr. Blais: Madam Speaker, that is the current practice, including correspondence. I wish to reiterate, though, that the contract was a perfectly normal contract like a large number of contracts of similar kind that my Department has negotiated.

CONTENTS OF CONTRACT

Hon. Bill Jarvis (Perth): I look forward to the Minister's review of that correspondence and its eventual tabling. With respect to the contract itself, the Minister has said that the only reason for his refusal to table was the sensitive marketing conditions contained in the terms of the contract. I therefore ask the Minister of Supply and Services if he would be willing to table that contract having deleted therefrom those provisions related only to marketing, the apparent reason that the Minister is unwilling to table the document.

[*Translation*]

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, something has obviously been lost in the translation. The sensitive issue did not relate only to marketing, but to all the technology exchanged between the various parties, and if Canada is to acquire a share of the world technological market, Members opposite will have to recognize that we must often meet the requirements of the exporters of this technology in order to protect the confidentiality of the information given to us.

* * *

[*English*]

HOUSING

ACCOMMODATION FOR OLDER WOMEN

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, in the absence of the Minister of Employment I direct my question to the Minister responsible for housing. My question concerns a task force on older women, the recommendations of which were released today. The task force made a number of very important recommendations, one of which concerns the lack of affordable housing and accommodation for women, particularly women in their middle years who are living alone, as well as older women on pensions. There is a great need for affordable housing for these women. I would ask the Minister if he will study the recommendations in this report and consult the CMHC to provide special priority for funding to the particular housing needs of older women, including renovations of existing homes, and more accommodation for single women in their middle years, as most of the present accommodation is for families or pensioners, and a number of other specific recommendations.

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I have not yet seen this report but I will obviously look at its recommendations to see if we can go some way toward implementing the Hon. Member's suggestions.

* * *

LABOUR CONDITIONS

EMPLOYMENT OPPORTUNITIES FOR OLDER WOMEN

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my supplementary question is directed to the Minister of Employment and concerns the recommendations regarding extension of employment opportunities for older women. We on the task force were told that older women wanted jobs so they can remain independent and so that they can pay into the Canada Pension Plan. They have raised Canada's children and they now want a fair break. They want a job and they want a paycheque. I know the Minister has some programs in effect, but will he give higher priority to employment strategies for mature women, and will he also expand training and support services, help to change the prejudiced attitudes of employers, and expand essential community service jobs in other fields of employment that are particularly relevant to older women?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in response to the Hon. Member's question I would say that I certainly agree with the sentiments expressed in that report. That particular group of people in our society is a group that does deserve special attention.

I would like to point out, Madam Speaker, that in the past year we have substantially expanded employment services directly targeted for women who are in those circumstances. We have opened some 10 special women's employment centres in major metropolitan centres, and we have also expanded the Outreach Program for women from some 14 projects to some 33 projects, all designed to provide that kind of support, counselling and guidance. I would also report to the House that, under the new National Training Act, we are now in consultation and discussion with women's groups across Canada to develop strategy related to women and training. I hope to be in a position to bring forward the details of that strategy some time in the next month or two.

Oral Questions

NATIONAL REVENUE

INCOME TAX FORMS—SUGGESTED USE OF GRAPHICS TO ASSIST ILLITERATE

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Madam Speaker, my question is directed to the Minister of National Revenue. The Movement for Canadian Literacy states that 70 per cent of Canadians read so poorly that they cannot understand information brochures sent them in the mail by governments.

Some Hon. Members: Oh, oh!

Mr. Robinson (Etobicoke-Lakeshore): The Movement for Canadian Literacy also states that nearly seven million Canadians are unable to complete their income tax returns for the same reason. In view of the complicated nature of the income tax form and tax brochures, will the Minister consider implementing in his Department the graphics approach to the income tax return form that I had illustrated and demonstrated for his predecessor?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, naturally, I would appreciate any simplification of the forms that taxpayers must complete to file their income tax returns, and if the Hon. Member has any suggestion, I shall be very happy to listen to him.

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[*English*]

THE ADMINISTRATION

CAPE BRETON COAL AGREEMENT—ORIGIN OF COAL TESTED BY GERMAN FIRM

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is directed to the Minister of Energy. The Minister of Energy has suggested that there were 20 companies involved in the consortium that were interested in the Synfuels Project and the research project. Does the Minister of Energy know the difference in the chemical composition of coal deposits from Province to Province and from deposit to deposit, the difference in sulphur content, the difference in hydrogen carbon ratios, and does he know whether or not it was coal from the Cape Breton area that was to be tested?

[*Translation*]

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): That is what I said, Madam Speaker. In this case, the coal sent to the German company came from Cape Breton, but in fact, there have been several Cape Breton coal liquefaction projects involving several companies and not only Synfuels. There have been other similar projects, and since the chemical composition of coal from one place can be completely different from that of coal from somewhere else, it was important for us to know whether the German method could be used with Canadian coal. The German company made its first test on Cape Breton coal, but additional tests could be carried out later on Alberta or British Columbia coal.

[*English*]

POSSIBILITY OF REGIONAL BENEFIT

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my supplementary question is directed to the same Minister. Will the Minister at least admit that the most direct benefit that could be gained by this project would be for the area where the deposit came from and for the consortium that is applying for that Synfuels Project?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I believe that every region that has coal would benefit from the application of that technology. Of course, if they had received the coal from Cape Breton first, we would have had that information first. I concede that point, but it is completely outside the scope of the Synfuels Project. It was meant to equip the Department with enough information to appreciate the value of all of the projects.

While I am on my feet, may I say I am very surprised to see all these people who propose to support the Member for Yellowhead (Mr. Clark), who is involved in having children of seven years of age voting at the convention, being sanctimonious today. That makes me sick.

Some Hon. Members: Oh, oh!

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PRIVILEGE

MR. LEWIS—SCOTIA COAL SYNFUELS PROJECT—REPLIES GIVEN DURING QUESTION PERIOD

Mr. Doug Lewis (Simcoe North): Madam Speaker, I rise on a question of privilege arising from responses today by the Prime Minister (Mr. Trudeau), the Deputy Prime Minister (Mr. MacEachen), the Minister of Energy, Mines and Resources (Mr. Chrétien) and the Minister of Supply and Services (Mr. Blais), especially in response to questions which were raised in the House in February of this year. Each of these Ministers of the Crown has misled the House with respect to the Scotia Coal Synfuels Project and the financial role of the federal Government.

• (1500)

There is no obligation on any Minister to answer a question posed in this House. We are even prepared to admit that there was no intention to mislead the House in this case. But surely when Ministers answer questions about their areas of responsibility, they are obliged to make sure that those answers are as accurate and truthful as possible. That obligation is on every Minister of the House. It is incumbent on them to make sure of this when something comes to their attention or when they have tabled a document and have said, as did the Minister of

Energy, Mines and Resources on February 24, as reported at page 23193 of *Hansard:*

> Yesterday I tabled in the House—

Madam Speaker: Order, please. The Hon. Member seems to be raising a question of privilege because he feels that some of the facts given to him by certain Ministers are not exactly accurate. I must remind the Hon. Member that a dispute arising between two Members on an allegation of facts does not fulfil the requirements of parliamentary privilege according to Article 19 of Beauchesne.

Hon. Members know that these disputes about facts are marvellous subjects for debate, but they do not meet the requirements necessary to raise a question of privilege in the House. I would urge the Hon. Member to try to ascertain the facts through other means, namely through Question Period, which was abundantly done in the course of today's Question Period.

There will be other occasions when the Hon. Member will be able to find out about the facts or even to prove that they are not accurate, but this cannot be done through a question of privilege. I am sure he knows that.

Mr. Lewis: I appreciate your suggestion, Madam Speaker. Specifically on February 24 the Minister of Energy, Mines and Resources said:

> Yesterday I tabled in the House all the documents I had in my possession.

Madam Speaker: Order. The Hon. Member is simply continuing his remarks. Will the Hon. Member please resume his seat. I can see the Hon. Member is simply continuing his presentation. He was interrupted precisely at that part of his presentation for a very good reason. I felt to begin with that he was arguing a potential question of privilege. I have now told him that he does not have grounds for a question of privilege so I cannot see how he can continue to argue it. At any rate, the argumentation of a question of privilege cannot take place in the first instance, only when the Speaker has found a prima facie case of privilege.

Mr. Lewis: Madam Speaker—

Madam Speaker: No, the Hon. Member cannot keep getting up and arguing. There is no question of privilege in these particular circumstances. The Hon. Member has to accept that. Those are the rules.

Is the Hon. Member for Calgary Centre (Mr. Andre) rising on a question of privilege?

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I have a question for the Chair first. I thought I was aware of the precedents. I recall in particular a decision by the then Speaker, the Hon. James Jerome, on a question of privilege raised by the Hon. Member for Durham-Northumberland (Mr. Lawrence) regarding whether it is a breach of the privileges of the House for a Minister of the Crown deliberately to mislead the House. That arose in the kind of paradox that we are in today, because it is contrary to the rules to make an accusation of deliberately misleading—

Madam Speaker: Order. Order, please.

Mr. Andre: Madam Speaker reads minds?

Madam Speaker: I have determined there is no question of privilege in the presentation made by the Hon. Member for Simcoe North. The Hon. Member for Calgary Centre is talking about some precedent which might have occurred in the past and is asking a question of the Speaker. The Speaker does not teach procedure in the House, only indirectly through an accumulation of the knowledge that can come out of the rules. The Speaker certainly is not going to answer a question from the Hon. Member for Calgary Centre on some hypothetical situation which might occur in the House or one which has occurred in the past on which he wants me to comment. This is not the role of the Speaker. That is why I am interrupting the Hon. Member.

Mr. Andre: Madam Speaker, I have a point of order. I should like to serve notice that my privileges as a Member may have been breached because I am unable to make argument; and Madam Speaker is reaching a decision about my argument before she hears the argument. That is a breach of my privileges.

Madam Speaker: I am sorry. I just want to remind the Hon. Member that he prefaced his presentation with "First I want to ask a question of the Speaker". I have told the Hon. Member that I will not answer questions about matters of procedure; I rule only on matters of procedure. I do not answer questions on matters of procedure. Members are at liberty to study procedure and come into the House and make points of procedure, but the Speaker does not answer questions on procedure.

* * *

POINTS OF ORDER

MR. LEWIS—MOTION OF MR. EPP ON PROPERTY RIGHTS

Mr. Doug Lewis (Simcoe North): Madam Speaker, I gave you notice of this point of order earlier.

Notwithstanding the provisions of any Standing Order, I rise seeking the unanimous consent of the House to restore to the Order Paper the motion moved by my colleague the Hon. Member for Provencher (Mr. Epp), and negatived by the House yesterday, which called for the inclusion of property rights in the Charter of Rights.

On behalf of Her Majesty's Loyal Opposition I would be prepared to offer that an Opposition Day be turned over to the consideration of the motion, and that, at the end of the day, the motion be deemed to have been referred to the Standing Committee on Justice and Legal Affairs; that the Committee report thereon no later than June 7, 1983; and that the said report be disposed of no later than June 30, 1983.

If unanimous consent is forthcoming, Madam Speaker, I would be prepared to move that motion at this time. I point out to the catcallers on the other side that there have been discussions with the Government House Leader and he may wish to reply to this proposal.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, basically, the proposal is acceptable to the Government. However, those of my colleagues who expressed certain reservations were quite right to do so, since it is not clear from the proposed wording that the motion would not challenge the confidence of the House in the Government. When we spoke a while ago, I suggested to my colleague a version that would dissipate any doubt in this respect and that would make it abundantly clear that the motion would not be considered as a motion of non-confidence in the Government. Therefore, if that aspect were included, the proposal would be far more acceptable than it is now.

Furthermore, the proposal is also acceptable, and again I say basically, since the wording used to include property rights in the Constitution is substantially that proposed by the Prime Minister of Canada (Mr. Trudeau) himself. And it is also basically acceptable because everything would be settled before the end of June. However, I had one reservation regarding the debate on the report prepared by the committee, and I believe my colleague, the Member for Simcoe North (Mr. Lewis), agreed with my suggestion to limit debate to a maximum of one day. Therefore, if my hon. colleague has in fact agreed, this should be included in the text, with the indication that the motion is not to be considered as a motion of non-confidence.

Finally, I think it is important that at tomorrow's meeting of Parliamentary House Leaders, we should decide whether, even if the Opposition relinquishes an Opposition Day, it would be in order for an Opposition Member to move the motion. It could be moved by the Government and seconded by the Opposition parties. That is a matter that should be discussed. We could also proceed on a day set aside for Private Members' Business. Therefore, as far as the minor but significant details are concerned, I think the text should be improved, but basically, in any event, we are in full agreement with the Official Opposition.

[*English*]

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I wondered why the House Leaders for the Government and the Official Opposition were sneaking around behind the curtain; now it becomes clear. I had delivered to me not five minutes ago the proposal that they have been discussing for a while. I will need some time to discuss it with my caucus before we give any response to the request.

• (1510)

Mr. Pinard: Madam Speaker, I would like to make it clear to my colleague that I have never refused a House Leader, whether of the Official Opposition or of the New Democratic Party, the opportunity to come and talk to me. The proposal comes from the House Leader of the Tory Party (Mr. Lewis). He came and talked to me. I took it for granted that he would talk to the House Leader of the NDP (Mr. Deans). In so far as I am concerned I would never refuse to talk to the hon. gentleman or refuse to talk to the House Leader of the Opposition. They are making the proposition. I am willing to listen.

The Hon. Member says he wants to consult his caucus. That is fine with me. We have a House Leaders' meeting tomorrow at 1.30; therefore he will have the time to consult with his caucus tomorrow morning.

Mr. Lewis: Madam Speaker, the whole idea of the discussion between myself and the Government House Leader was to try to reach some agreement which would bring property rights into the Constitution. The position of the NDP on this matter has been well known for some time. As a matter of respect to the Speaker and this House, we do meet behind the curtains, but we do not meet with sneaks.

Some Hon. Members: Oh, oh!

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, there are two questions which have not been answered with respect to the questions put by the Government House Leader. First, we make very clear that in giving up one of our Opposition days to the Government, the relinquishment of that day would not carry a vote and would not be considered as a want of confidence motion. The vote is not attached. Second, his suggestion with respect to the report stage lasting one day is acceptable to us, particularly in light of the fact that there would be almost six or seven weeks of committee study on top of the several months which have already gone by in discussing the matter before the Special Joint Committee of the House and the Senate and in the House itself. I believe those are the two conditions which he mentioned. To set his mind at rest, it will not be a want of confidence matter; and we are perfectly agreeable to the one day at report stage.

Mr. Pinard: Very briefly, Madam Speaker, if it is that clear, I suppose the hon. gentleman will have no opposition to being included in the text of the motion that it is not a non-confidence motion, and that not more than one day will be required once the report is made. The only point left which I raise is that if we are to proceed on Government time, even if it is a day given by the Opposition, we might want to discuss tomorrow who should move the motion. Since we are dealing with this on Government time, I have never seen a motion moved by an Opposition Member. The question will be, therefore, should it be moved by the Government, seconded by the Opposition, the two Opposition Parties, or should we proceed on a Wednesday on Private Members' Business? That remains to be settled.

Mr. Nielsen: As for Private Members' Business, we cannot answer for that. That is a matter for Private Members and not any Party. However, with respect to the formalities of moving the motion, it really does not make any difference to us. The main thing is to have property rights entrenched in the Constitution. Since it was our idea initially, we would be perfectly happy to have the Prime Minister (Mr. Trudeau) or a Minister of the Crown move the motion and we can second it. In all other respects, with respect to the intervention by the Government House Leader, *nous sommes d'accord.*

Mr. Pinard: In that case, Madam Speaker, it is clear. Provided that consent on the three points is included in the motion, there is absolutely no problem with us. We agree and we are proud because the wording is that which was proposed by the Prime Minister (Mr. Trudeau) himself at the beginning.

Mr. Deans: Madam Speaker, we will certainly give this proposition all the consideration it deseves. As you know, Madam Speaker, we are very eager to see the rights of Canadians to own their own homes and farms in the Constitution, and we will do whatever we can to expedite getting that right into the Constitution. I will be in a position on behalf of this caucus to meet with the two—

An Hon. Member: Sneaks.

Mr. Deans: —fellows from the other Parties to discuss a suitable way of accomplishing this tomorrow. Until then I hope to be able to have time to look at the implications and determine whether there are any further negotiations required in order to come up with a satisfactory motion which will satisfy everyone's needs.

Madam Speaker: Order. The Speaker is certainly not against the House Leaders of the different Parties reaching an agreement on certain matters. However, it seems to me that a lot of negotiation has taken place on the floor of the House. Indeed, the real place for those negotiations to take place is either behind the curtains or in somebody's office. I understand that there is no point in my asking if there is unanimous consent; more negotiations must take place and I take note of that.

MR. MUNRO (ESQUIMALT-SAANICH)—REPLIES GIVEN DURING ADJOURNMENT DEBATE UNSATISFACTORY

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise on a point of order which arises out of the proceedings last evening during the adjournment debate. My understanding of the adjournment debate is that it is to permit an Hon. Member who has a question to obtain more information during the adjournment debate than is possible during the Question Period. I had hoped to put a question to the Minister of Fisheries and Oceans (Mr. De Bané) in Question Period on April 27, but he was not present. The question was taken by the Secretary of State for External Affairs (Mr. MacEachen), who misheard my question, I suppose. In any event, he did not answer it. I therefore asked if I might go on the adjournment debate.

Last evening the Adjournment Debate took place, and believe it or not, Madam Speaker, the Parliamentary Secretary to the President of the Treasury Board (Mr. Lang), who knows even less about West Coast fisheries than the Secretary of State for External Affairs, stood in his place to answer my question. He was the only Hon. Member on that side during these discussions and I felt it right and proper to bring to his attention through *Hansard*, and I am bringing it to your attention, Madam Speaker, as a point of order, that this is not a very satisfactory way to have the adjournment debate. One is not getting the amplification in the answers to the questions one has put—

Madam Speaker: Order. The Hon. Member might have a very legitimate grievance but it certainly is not a point of order. It has nothing to do with any rules having been transgressed. The Hon. Member obviously is not satisfied with the kind of debate which he was able to have last evening, but perhaps he will seek an occasion to provoke that debate at some other time and I trust that he will then receive satisfaction.

Mr. Smith: Madam Speaker, I would just like to point out that the Parliamentary Secretary was in fact speaking for the Government last night.

Mr. Munro (Esquimalt-Saanich): Do I take it, Madam Speaker, that I must raise this question as a question of privilege in order to obtain satisfaction in the House?

Madam Speaker: No, that is not what the Hon. Member should understand from what I just said. I told him he did not have a point of order. I told him that he possibly had a grievance. He can pursue that grievance in other circumstances, but it is not a question of privilege. A grievance is not a question of privilege; the Hon. Member knows that. I would refer him to the authors, whom he knows as well as I do, in order to refresh his mind as to what does constitute a question of privilege; but a grievance does not. Dissatisfaction with the manner in which a debate has taken place in the House of Commons certainly is not a question of privilege. I can understand the Hon. Member's frustration. I can sympathize with it, but I cannot hear him on a question of privilege nor even on a point of order.

Order Paper Questions

ROUTINE PROCEEDINGS

[*English*]

BORROWING AUTHORITY ACT, 1983-84 (NO. 2)

MEASURE TO ESTABLISH

Hon. Paul J. Cosgrove (Minister of State (Finance)) moved for leave to introduce Bill C-151, an Act to provide supplementary borrowing authority.

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

* * *

● (1520)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,568 and 4,729.

[*Text*]

CONFECTIONERY MANUFACTURERS ASSOCIATION OF CANADA

Question No. 4,568—**Mr. Hawkes:**

1. Did the Minister of National Health and Welfare write a letter to Mr. E. J. Korhomem, President of the Confectionery Manufacturers Association of Canada, dated October 14, 1982 and, if so, is the Prime Minister aware of this fact?

2. Does the Prime Minister and his Cabinet condone the implied threat of unspecified government action that is inherent in the letter and, if not, what action does the Prime Minister intend to take to reassure Canadian companies and their employees that they will not be subjected to ministerial threats for obeying the laws of Canada?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): 1. As a result of this question and consequent inquiries, the Prime Minister is now aware that the Minister of National Health and Welfare wrote a letter to Mr. E. J. Korhomem, President of the Confectionery Manufacturers Association of Canada, on October 14, 1982.

2. Having examined a copy of the letter in question, the Prime Minister sees only an appeal to Mr. Korhomem for his assistance in achieving the government's objective of not encouraging Canadian children to take up the tobacco smoking habit in later life; a habit that creates serious health risks.

INCOME TAX

Question No. 4,729—**Mr. Scott (Victoria-Haliburton):**

1. How many senior citizens were required to pay income tax quarterly in 1982?

2. What amount of revenue was generated from installment payments by senior citizens in 1982?

3. What amount of revenue was generated in penalties from senior citizens who did not properly make installment payments in 1982?

Hon. Pierre Bussières (Minister of National Revenue): Data for the 1982 taxation year are not yet available. The data for the 1981 taxation year are as follows:

1. 312,389 senior citizens were required to remit installments on a quarterly basis.

2. Amount of revenue generated from installment payments: $720,422,778

3. Amount of revenue generated from installment interest: $31,479,968

[*English*]

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

[*Translation*]

Madam Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government.

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I am pleased to participate in this debate. Although it is drawing to a close, there are still certain points deserving public attention.

First of all, I should like to commend the Minister of Finance (Mr. Lalonde) for bringing forward an excellent document which has gained almost general acceptance. Of course, such acceptance stems from the fact that many Canadians have rightfully claimed to be the authors of one part or another of that document.

[*English*]

Indeed, Mr. Speaker, it has never been previously my experience that so many individuals and groups of Canadians have claimed some portion of the budget as their own. Within our own Liberal Party caucus we have had indications from individual Members of Parliament that such and such a measure was included in the budget as a result of their intervention. Indeed, Mr. Speaker, even Members on the other side have claimed some authorship. No doubt that is because there has been a large measure of consultation.

I want to give some examples. Two Opposition Members who spoke yesterday in this House indeed indicated previously their approbation of the budget. I draw your attention, Mr. Speaker, to the *Midland Free Press* in which the Hon. Member for Simcoe North (Mr. Lewis) described the budget thus:

The MP said Tuesday he was pleased with the Government's plan to expand the mandate of the Federal Business Development Bank. The FBDB will provide greater support for small business and include a new investment banking capability to help meet the capital needs of promising small companies.

"That's what small business is looking for," said Lewis.

The MP also was pleased with the phasing out of the standard $100 tax deduction claimed in lieu of itemized deductions for charitable donations and medical expenses.

The lifting of existing limits on investment tax credits is "healthy," said Lewis, the Conservative House Leader.

I would hope, Mr. Speaker, that with that sort of endorsement we will see the Opposition House Leader vote with the Liberal Party and the Government on the occasion of the final adoption of this measure. I call your attention as well to the *Enterpriser Bulletin* of Collingwood, Ontario, where the Hon. Member for Grey-Simcoe (Mr. Mitges) is quoted as follows:

Grey-Simcoe MP Dr. Gus Mitges said the special projects should help the unemployment situation.

"A lot of the budget is pointed in that direction," he said.

"You've got some good things for farmers and the doubling of the child care deduction is a good thing," he said.

I say again that I invite that Hon. gentleman, when the time comes for the vote, to vote in favour of the budget and join the Government Party in so doing.

The last Member I would like to quote is the new Hon. Member for Timiskaming (Mr. MacDougall), which is just north of my particular region. He is quoted as follows:

For Mr. MacDougall, the budget did contain some good news. He cited the one month extension of the $3,000 federal grant to new home buyers, to the end of May, 1983. He also praised the Home Ownership Savings Program referred to in the budget.

While he approved of the investment tax incentives introduced by the Finance Minister—

That shows the high level of excellence of this particular document and the amount of approbation it is receiving throughout the whole of the community.

I would also like to indicate what happened on the street the day after the budget was brought down. The Toronto Stock Exchange rose by 43.75 points, the most impressive post-budget rise since records have been kept at the Toronto Stock Exchange. The dollar went up two-fifths of a cent as a result of this budget. Indeed, Wall Street indicated that it praised the budget for its philosophy and structure. For Wall Street to have indicated approbation of this budget based upon economic philosophy and structure, Madam Speaker, is really a welcome development.

The Acting Speaker (Mr. Corbin): Order. If the Hon. Member was addressing his remarks to the Chair, he would notice that I am not wearing robes or a skirt!

Mr. Blais: Yes, Mr. Speaker.

[*Translation*]

I apologize, Mr. Speaker. Of course, the other problem is that I would like to speak to the issue of capital projects because, as it has been pointed out, over $1 billion will be allocated through procurement.

[*English*]

Indeed, when the $2.4 billion was approved in the budget for capital projects I was most pleased, because of that amount over $1 billion will be invested through procurement. As you know, Mr. Speaker, my Department is very interested in showing its colours in terms of effective negotiation of contracts. Comments have been made by Opposition Members to the effect that indeed there might be some difficulties through the allocation process where there may be some favouritism manifested. I want the House to rest assured, Mr. Speaker, that the total operation will be in accordance with the contract regulations and the Financial Administration Act, and it is our responsibility and the responsibility of this House so to ensure.

There is going to be fast-tracking—and I think the word is well chosen—of the operation within my Department because preliminary approval of the projects is granted immediately by a subcommittee of the Priorities and Planning Committee. I sit on that subcommittee, Mr. Speaker, and I can assure you that the process is being followed very expeditiously and that most of the projects have already received approval.

The other way in which fast-tracking is accomplished is through increased contract delegation to individual Departments, which means that we can go into the marketplace and through the tendering process negotiate contracts for higher amounts without having to submit the application to Treasury Board for approval. That is one way of fast-tracking. The other way is by setting up a special recovery projects board which involves Deputy Ministers who will ensure that all of the bureaucratic impediments are removed in order to accelerate the process. Again, I spoke of the approval process which has been delegated to a subcommittee of Ministers of the Priorities and Planning Committee.

You will recall that we made the claim that we would reduce the approval time from the time the requirement was identified to the time the work was put in place by 50 per cent. That is exactly our intention and it is exactly what we will do. We are killing two birds with one stone, Mr. Speaker. First of all we are creating jobs, there is no doubt about that. The second point is that we are putting in place a highly desirable infrastructure, and we are procuring goods required by the Government of Canada and its agencies. I would like to quote from the Minister's budget speech. He said:

• (1530)

The projects will focus on six key areas; transportation, research and training facilities, resource development, vessel procurement, land and tourism development and high technology procurement. The projects are future-oriented, aiming to build and upgrade research and high technology centres, transportation infrastructure and other facilities and services that will enhance the long-term growth potential of Canadian industry. They will provide much needed support for several currently weak sectors of the economy, such as construction, shipbuilding, fisheries and forestry.

Hon. Members will recall that we announced two of those major projects on Monday of last week. One was the purchase of the water bomber. In effect, we are putting $147 million aside in order to purchase up to 36 water-bombers form Canadair in Montreal.

May I indicate that this is the first example of co-operative procurement between the federal and provincial Governments. It is fitting that this should take place because we are dealing with a typically Canadian technology. The Canadair CL-215 water bomber is known internationally as the "Canadair". It is the aircraft that is most often identified with the Canadian Aerospace Industry in the International field.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point of order. Is the Minister prepared to table some documents testifying to the comment that he just made that it is known internationally as a great airplane?

The Acting Speaker (Mr. Corbin): That is hardly a point of order. Hon. Members should know that there is a provision for questions following an Hon. Member's speech. Perhaps he could wait until that time.

Mr. Blais: If the hon. gentleman was as well travelled as he claims, he would have known that countries including China and France refer to this aircraft as the "Canadair". It is the only aircraft manufactured specifically for waterbombing activities.

In addition to that, I announced the acceleration of the construction of the 11 Coast Guard ships. That is a program involving $780 million. We will be building six 1100 series icebreakers nav-aid tenders. We will also be building two 1050 series nav-aid tenders with icebreaking capacity and two smaller 800 series. Furthermore, we will be replacing the *Labrador* which is now 33 years old and is one of the fleet icebreakers of the Canadian coastguard. That involves a contract that we estimate in the vicinity of $100 million.

In sum total, the amount to be invested is approximately $780 million. Of course, that does not include the frigate program which we will be approving at the end of June or beginning of July. It does not include the DLEX, the destroyer life extension program that DND has in place for which I am letting contracts to shipyards throughout the country on a regular basis. It does not include the TRUP, the Tribal Class Update Program which has not yet been approved by Cabinet. We are dealing with sizeable amounts that will be invested by the Government of Canada in the shipbuilding industry in the very near future. In these particular instances that I have described, the criteria that has been identified for fast-tracking are being met. The major amounts of the expenditures will be expended within the next two years and the work will begin within the next six months.

In addition to that, the selection of the process of the specific projects was based upon Canadian content. We insisted that those projects which were selected had to maximize Canadian value added in order to create jobs in the Canadian marketplace. Moreover, we wanted a large number of the dollars to go into the manufacturing sector because that is where the jobs are and where our experience has not been the best.

One would recognize that, when considering the creation of jobs, the incidence of job creation is greatest where the value added to the product of service is the greatest. In the extracting industries, the jobs tend to be fewer per dollar invested than in the manufacturing sector. We have a rule of thumb in my Department which states that if we invest $1 million in the resource extraction sector we create one job; if we invest $1 million in the manufacturing sector, we create 15 jobs. The ratio is quite impressive.

Canada's weakness in the past has been its lack of concentration on the manufacturing sector. The proof is in the pudding. When one studies our DRIE figures and breaks them down, although we have a surplus in trade, it can be seen that we have a major and growing deficit in end products. I am not talking about semi-processed goods but end products or manufactured goods. We rose to over $20 billion in end products deficit in 1981. The last figures I have show that we will not be very far from that mark for 1982. Therefore, we are looking at a deficit of $20 billion in end products in Canada.

Another rule of thumb in my Department is that for every million dollars we spend on procurement on end products we create or maintain 70 direct or indirect jobs. If you eliminated that $20 billion in end products deficit and multiplied it by the 70 jobs per million dollars expended, you would create 1.4 million jobs, which is very close to the total number of unemployed as defined by Statistics Canada today. Indeed, we must increase our activity in the manufacturing sector.

I am pleased to find that I have a very strong ally in that opinion. I read an article in Monday's *Globe and Mail* which was entitled "Canada at Crossroads: Crosbie. Tory Candidate Outlines His Plans". I would like to refer to some of the comments that the Hon. Member for St. John's West (Mr. Crosbie) has made because I agree with them. I believe that he is at last showing his true Grit colours by espousing quite openly in his leadership campaign some of those policies that we have been developing and implementing for many years now. In dealing with manufacturing, which of course is the thrust of my speech, he said:

> The Canadian Manufacturing sector faces some severe problems in the near future.
>
> We must limit the fragmentation of the Canadian market by negotiating a Code of Conduct binding on all Governments. In particular, we must seek an agreement limiting By-Provincial procurement policies.

I agree fully with him and I have been doing that for the past two years. Indeed, I have met twice with my colleagues at the provincial level to deal with this exact issue.

The benefits we have obtained from those progressive policies have been the water bomber which I have just described. The water bomber procurement is the first prime example of strategic goods being purchased jointly by the federal and provincial Governments. We are contributing our $147 million and asking the provincial Governments to do the same. They have already indicated that they are prepared to do so.

The Hon. Member also talked about the question of world product mandating. I have been dealing with that issue since I have been Minister of Supply and Services. I have implemented world product mandating with every large corporation that has been supplying goods to the Government of Canada and doing so with a great deal of success.

We are removing any remaining tax disincentives to exports. This budget deals exactly with that. It says that for Canadians working abroad on specified activities, the current deduction for overseas employment income will be replaced by a tax credit of 80 per cent of the Canadian tax payable on up to $100,000 of such overseas income. In the past there have been some complaints that people would not want to go abroad because they face a burden on their income as a result of doing that. We had representations by exporters to put in this provision and we put it in. An amount of $180 million was put into the budget in order to promote exports.

• (1540)

I see, Mr. Speaker, that you are getting up, and that means you want me to sit down. I will be pleased to do that. But I just want to tell you, Mr. Speaker, that Members of the Opposition have recognized, as I indicated initially, the excellence of this budget, and I am looking to their support when the time comes.

The Acting Speaker (Mr. Corbin): Order, please. Are there any questions or comments?

Mr. Friesen: Mr. Speaker, the Minister dealt at length with the fact that his Department will be responsible for many of the contracts that will be let as a result of this budget. Is it the policy of his Department to grant contracts to individuals—with respect to the budget or outside of it—who are reserve officers of the Canadian Armed Forces and, therefore, are paid by the Canadian Government, or would the Government consider that a conflict of interest?

Mr. Blais: Mr. Speaker, we are not in the business of granting contracts to individuals who are otherwise employed by the Government of Canada. In effect, I would have to look at the specific instance which the Hon. Member wishes to call to my attention before I could give additional responses. If there is any conflict of interest, then that conflict of interest is called to our attention and, of course, it disqualifies the bidder.

Mr. Friesen: Mr. Speaker, I would draw to the Minister's attention Contract No. VAN-32-07838A—

Mr. Peterson: I know it well.

Mr. Friesen: I would point out to the Minister that that is a contract let for the second year in a row over the objections of other businesses in the area. For the second year in a row a contract was let to a reserve officer of the Canadian Armed Forces, and supposedly there has been some embarrassment. Is it the policy of the Government to grant contracts to reserve officers? Purportedly the Government has done so. If I can believe the Minister, he has just said that that would be considered to be a conflict of interest. If that is the case, will the Minister look into this and see what happened?

Mr. Blais: Mr. Speaker, I did not say in this particular sense there was a conflict of interest because I do not know this particular case. I am a bit concerned that the hon. gentleman, knowing that I was defending my Estimates in committee this morning, did not ask this question or give me notice of it so that I could provide him with a better reply. As to what sort of limitations are imposed upon reserve officers in terms of dealing with the Government of Canada, I cannot provide him with an answer immediately. But surely reserve officers or personnel with the reserve forces are usually people carrying on their normal businesses in the private market. Whether there is a conflict of interest depends upon the specific case drawn to one's attention and what the circumstances are surrounding the particular case.

Mr. Sargeant: Mr. Speaker, I would like to direct a question to the Minister about the Canadair water bomber sale to which he alluded in his speech. While I share the Minister's assessment of the plane as to its quality, I cannot be quite as enthusiastic about the sale. Last week when the announcement was made, we were led to believe the sale would be for 36 water bombers. However, in the Minister's speech today he said the sale was for up to 36 water bombers. As I understand it, the federal Government's commitment is for four only at this point but for another 16 if the Provinces match the federal Government. In other words, if a province buys one, the federal Government will buy one. It seems to me that if the Provinces do not buy any of these water bombers, then it is not much of a deal at all. If some of the Provinces do not agree to buy any, then it is less of a deal than the big deal the Government would have us believe. Would the Minister care to comment on that, please?

Mr. Blais: Mr. Speaker, I thank the Hon. Member for agreeing with me that this is the best aircraft for the purpose in the world. Often Canadians do not take sufficient pride in their own accomplishments in the technological area. I commend the hon. gentleman for recognizing that this particular aircraft is indeed very worthwhile. I invite the hon. gentleman to see a demonstration—

Mr. Sargeant: I have seen one. The Manitoba Government flies them.

Mr. Blais: That is right. The Manitoba Government has been interested in the water bombers for some time. As a matter of fact, if one looks at the experience of those Provinces that have the CL-215s, one will see how effective they have been in controlling forest fires. Manitoba and Quebec are two examples. As far as Quebec is concerned, that Government has already agreed to purchase additional numbers. The Province of Ontario is going to cabinet and will be purchasing additional numbers as well. We have every hope other Provinces will see the usefulness of the aircraft and will purchase their first aircraft. I might point out to the hon. gentleman that we were in a position where we had to put our cash on the table before

the Provinces came in. We went to the Provinces with two officials. There were negotiations and the Provinces saw the necessity of acquiring a water bomber fleet. They indicated the number to us. They said to us that before they could act credibly on this matter they would have to have some indication of seriousness on the part of the Government of Canada, and until the budget was brought down there have been no indications that the money would be put on the table and that it would be made available for the procurement. Until that time it was very difficult for individual cabinets at the provincial level to start dealing with the issue. Now they are dealing with the issue and I am very optimistic they will be meeting our expectations.

The other point, of course, is that by having a production run at Canadair at Montreal one is in a position to be competitive in the international markets. Because there were so few domestic orders for the CL-215, Canadair's marketing efforts in the international marketplace were not very aggressive. Indeed, one of the conditions we have imposed in terms of this particular program is that Canadair seize this opportunity to resume aggressive international marketing in order to sell those 20 aircraft that we described in the plan we made public last Monday.

The Acting Speaker (Mr. Corbin): Are there other questions or comments? Debate.

The Hon. Member for Mackenzie (Mr. Korchinski).

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I welcome this opportunity to make a few comments on what I call the Rip Van Winkle budget. Suddenly the Government woke up to the facts of life, suddenly it realized what was happening in the country; and suddenly in its sleep it rolled over on the other side. Suddenly the Government realized that there are out there two million people who are unemployed. To a large extent this Government contributed to that figure.

Over the years as I have watched the operation of the Liberals in office I have often seen them introduce legislation which goes to the extreme. Liberal Governments go too far and then allow considerable debate in the House, out in the country. Then they slowly withdraw. We hear Liberals, say, "Look how wonderful we are. Look at what we are doing for you." What Liberal Governments do is draw in the reins and then loosen them. It is much like going fishing. Liberals think the public will forget what they have done to them. The Liberals wonder what happened to the Gallup poll and why they are down in the polls. Can you imagine anyone who has been a lifelong Liberal losing his business, losing the result of his efforts over the years, and yet still turning to this very Government and voting Liberal again, Mr. Speaker? Why should anyone do that only to get kicked in the teeth again? After all, some of these businesses could not be sold because they are defunct, and who would buy a business going broke? Who would buy a collapsing business? Where would that businessman turn to for his retirement income? He has nowhere to turn, and suddenly the Government comes along and starts lending money. Most of us have just gone through the exercise of preparing our income tax returns. High income and low income earners alike have to contribute toward the recovery program which the Government is initiating.

• (1550)

Why is it necessary to destroy the initiative and expertise of businesses, in some cases forever, and then turn around and say that it is necessary to retrain? Retrain for what? Can we imagine what students leaving high school or perhaps dropouts think about their future? They know that the Government is offering a plan but they do not know where to go. They wonder what is the future of this particular industry or that particular field. Can we imagine what they are faced with when trying to make up their minds about what to do?

All of us in our teens had to make decisions as to what we hoped to do with our lives. Oftentimes our plans did not turn out, but at least we were able to sit and ponder and hopefully plan and train ourselves for the future. It was an agonizing experience, even at the best of times, to decide in which direction to go. Can we imagine what any young student goes through today when trying to make that decision?

The Government is going to retrain and it is designating the particular fields in which to retrain. I have visited some Communist countries and I was told that once Governments decide that a person should go into a particular field he or she is stuck for life. Regardless of whether or not one likes the particular field after a few years of experience, one is stuck for life. There is no longer any room for initiative or incentive in our country because the Government has destroyed it.

Government Members talk about wrestling inflation to the ground. They did not wrestle inflation to the ground; they wrestled the people to the ground. People are flat on their backs, and the Government comes along with programs and says, "Look at these wonderful things".

A few years ago the Minister responsible for the Canadian Wheat Board came through with the LIFT Program. I referred to it as the "Lower Income For Tomorrow" program because he told farmers to take land out of production and to put it into summer fallow. Today we have another LIFT Program. This time I call it, "Lower Incentives for the Troubled". The Government still has a LIFT Program because it has a LIFT mentality.

The Government comes along and destroys incentives and then it says that it will do things for Canadians. We have a $31 billion deficit. It is spending money which it does not have. The Special Recovery Program itself will not be paid for immediately. It is to be paid for later. As if we would not notice it, it will sneak up from behind and hit us when we are not watching. It is part of the Government's "fly now pay later" program. This is exactly what the Government has been doing with its deficits. Deficits are only deferred tax.

Members of the Government seem to have a fixed mentality. They simply come up with programs, and then a few years down the road ask the people to pay for them. They think that we will not notice it, that it will just be another burden. They take great pride in their six and five program and say that it

was responsible for controlling inflation. How silly can they get? The six and five program was not responsible for controlling inflation. High interest rates made it impossible for businessmen to replace the stock on their shelves. High interest rates stopped farmers from purchasing machinery. High interest rates caused manufacturers to wonder whether or not they should expand, and of course they did not. When they use that type of mechanism they do not take into account the fact that people make plans. When they make plans, they anticipate that their incomes will be such and such. They look at their returns for the past few years, they know what they are manufacturing or producing, they anticipate the market and perhaps calculate the price. They know what their revenues should be and what some of their fixed costs will be. They plan over a period of years. Then they buy pieces of equipment based upon the fact that the interest rate will be 12 per cent. They project five years down the road and, lo and behold, the Government intercedes and slaps on a 23 per cent interest rate. How can such individuals, as intelligent as they may be with all their expertise and knowledge in their fields, cope with that situation? What for?

Today we have to reverse our thinking. We will not find such people. Does the Government think they are silly enough to go back into the fields, uncertain as they are as to what it will do next? If the Government had wanted to provide these people with initiatives, it should have taken into account some of the purchases which were calculated on the basis of their projections and anticipated expenditures. It could have categorized the interest rate and taken those purchases into account. It was possible. Those who had already made purchases based upon anticipated income could have been left at a fixed rate of interest. Another level could have been set for those people who had to replace inventory or stock. If it wanted to create incentive, it could have increased the rate at another level and made it possible for businessmen to stay in business. It could have taken into account the undesirability of an over-expanded or over-heated economy. It could have said that it would restrict the money available and told people not to expand at this particular time because inflation was a great problem. It could have restricted it without having to destroy business at the same time. That would have retained many people in jobs and many businesses in place. Instead, the Government pounced on everyone—the ones with low incomes, the ones with high incomes, the ones who had purchased refrigerators or some other essential for their homes. It pummelled manufacturers that had been in business for many years, and then it provided a little incentive. It gave a few grants here and there. It said, "We will be good to you and give you grants in order to create jobs". It was a kind of hat trick.

I recall a man by the name of John Turner standing across the way as the Minister of Finance. At that time he introduced a measure to remove the ceiling on farm improvement loans. The press says that some day John Turner will be the Leader of the Liberal Party. The Liberals may want him, but I certainly do not want him around this place. When he removed the ceiling, he said that a lot of money would be available. We warned him of the danger of removing that 5 per cent ceiling, but he said there would be more money available.

• (1600)

For a while his prediction came true. Then the rate rose from 5 per cent to 7 per cent and then 8 per cent. People grumbled a bit, but they were still accommodating. When it shot up to 12 per cent, people became jittery, wondering where the economy was going, but they adjusted. When it reached 23 per cent, lo and behold, they could not pay the interest, never mind the principal. The banks, financial institutions and the Farm Credit Corporation said there was a lot of money and that to get it, you need only sign on the dotted line. Today these same institutions are calling in the loans saying, "That's it. There is no more money".

What happened to the money that John Turner predicted would be available? If you look at *Hansard* for that time, you will see that that is what was said. What has happened to that money?

I receive many calls and letters from people in financial trouble. Farmers are going bankrupt. They are being taken to court and their assets are being sold. A Bill has been introduced by a Private Member to try to help those who took the advice of the Government and the banks.

I have had experience with the banks. When I was refused money by one banker, I went to another banker. I am sick and tired of these bankers who obviously are not accommodating. They will not even listen to you. They ask why you were not a customer previously. That banker may not realize that I am sick and tired of trying to deal with my former banker who is no longer accommodating but only interested in a profit for his branch. His interest is not my interest, but I have to live with it. When you try another bank, you get the same result. It is as though there were a network between the banks.

My constituents who call and write to me are telling me the same story. Over the years one of my constituents, a farmer, purchased land from other farmers. He has created jobs in that area. He has built up assets. Because of inflation, the land value went up to $2.5 million. He controlled a large part of that area. All of a sudden he had to dispose of everything. In the process, he will put a dozen companies out of business because he was their major customer.

The Government does not have to use the taxpayers' money. It need only talk to the banks. I have written to the Minister with regard to the Small Business Development Bond. His reply was that he cannot interfere. If he cannot talk to the bankers, who can? Certainly not the man who needs the money. It is only as a last resort that people write to their Member of Parliament, who in turn contacts the Minister of Finance (Mr. Lalonde), the same Minister who says he cannot do anything about it. The Minister can do something about it. He can ask the banks to be more accommodating, to allow a little more time. It is not necessary to tax those earning the minimum wage in order to make a recovery. This can be done without using the taxpayers' money if only the Government

will take the initiative. The Government is slapping the wrist of the businessman. It is not able to talk to the bankers.

I now want to deal with the housing aspect. The Government announced an increase of 2,500 units in the social housing area. This is a sensitive area. As soon as you talk about social housing, people immediately think of the penniless and the destitute. I have access to information which leads me to believe that when there is a vacancy, it is filled by the next in line, even though that person may be borderline and might better fit into another scheme.

Once someone is in such a housing unit, you cannot put him out. Then there are those who, knowing something about an individual in social housing, because they do not have as much revenue, believe that they should be entitled to social housing as well. Because one person is entitled to social housing, there could soon be a line-up of people who believe they are entitled to it as well because they think it is Government policy. Therefore, the Government must be very careful. It may be necessary to have a rental supplement or possibly some kind of means test and not have to use the taxpayers' money as a subsidy. I understand the average subsidy is approximately $4,000 per unit. I understand that not in all cases is the taxpayers' money used for people who are in desperate need of shelter and have no other way of obtaining it.

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member, but the time provided for his speech has expired.

Mr. Taylor: Mr. Speaker, I have a question for the Hon. Member. With regard to the need for housing, has the Hon. Member any comments on how the budget could provide incentives to home buyers without adding to the budgetary deficit?

Mr. Korchinski: Mr. Speaker, there are several ways of accomplishing this. One item sadly missing from the budget was an insurance scheme so that those having to renew their mortgages will not be saddled with the high interest rate simply because they must renew their mortgage at a time when interest rates are high. I asked the Miniter in the House whether any consideration was being given to this. I believe that an averaging out scheme can be accomplished without using any taxpayers' money. This does not necessarily have to be compulsory nor does it have to cost the Government—when I say Government, I mean the taxpayers—money because additional insurance can be taken out at a small additional premium to ensure that over the next few years your mortgage will not suddenly be increased from 12 per cent to 19 per cent or 20 per cent.

• (1610)

If the Government could work out the details of such a scheme, then the people who pay for the mortgages and pay for the premiums would not be playing what I call "renewable roulette". Renewable roulette means that if your mortgage rates are high, you are stuck paying that high rate. In my own case, I had a mortgage at 12¾ per cent, and lo and behold, the time for renewal came and I had to renew at 16¾ per cent. If my mortgage were to come due today, I would be lucky. But it is not so. In other words, it is possible to work out such a scheme.

While I am on my feet, I would just like to comment on one other aspect and that is the $10,000—

The Acting Speaker (Mr. Corbin): Order. That is hardly allowable under the rules of the recent practice of questions and comments. Are there further questions? The Hon. Member for Bow River (Mr. Taylor).

Mr. Taylor: Mr. Speaker, I have one further question for the Hon. Member for Mackenzie. With reference to the western transportation initiative, has the Hon. Member any comments on how this proposal would affect a recovery program?

Mr. Korchinski: Mr. Speaker, I can comment on that because the Minister of Finance mentioned that in his budget and suggested that this would be one of those megaprojects that he talks about. On the one hand he will create jobs by building a railway, he calls it double-tracking or fast-tracking, but where will he get the money to do this? He will get the money from the farmer.

You know that the farmer is one of those enterprising individuals who does not need to be spurred on. He does not need to have salesmen knocking at his door. He is looking for salesmen because he always has need for a battery, for a tire, for electrical equipment, for new machinery, for new saws, for new hammers, for new refrigeration equipment, you name it. The farmer has need of everything. His needs do not fall into one particular category. A homeowner can only buy so many items, but out on the farm it is an entirely different story. Every industry benefits from the farmer.

Lo and behold, the Government wants to withdraw out of Saskatchewan alone $1 million a year that it claims will help create jobs. Why withdraw that money? That money might best be left in the hands of the farmer because he is a great purchaser. Why do you think farmers are so deeply in debt to the Farm Credit Corporation and to the banks? Because they enjoy buying products that will enable them to work as efficiently as anybody else does. In fact, the farmer is more efficient because he has been buying implements.

The Government's program will supposedly create jobs, but it will create jobs for only a few years. In the meantime, the program will destroy the established farmer. I personally know farmers who are hanging on by their fingertips. The Government is going to take more money away from that individual who is a great spender in order to create jobs. That again is a typical Liberal philosophy: take away and then give back.

[*Translation*]

Mr. Roy: Mr. Speaker, I have a question for the Hon. Member for Mackenzie (Mr. Korchinski).

I certainly do not think that pessimistic speeches like the one we just heard are going to help Canada's economy. Anyone

who reads the newspapers will see that this budget, which has been called by some people the key to Canada's future, can give the economy a boost if we are all willing to give it a chance.

When the Hon. Member said the Minister of Finance (Mr. Lalonde) should have taken action and spoken to the banks' representatives, I would have liked him to give us further details, because he did not indicate what the Minister of Finance was supposed to say to the banks. Was he referring to the need for lower interest rates in Canada compared with the United States? I may remind him that, when he says the Minister of Finance is mortgaging Canadians, in Canada savings represent about 13 per cent of disposable income, which is twice as much as in the United States. The message given by the Minister of Finance is a message of optimism which appeals to the private sector and is aimed at developing our economy.

I would have liked to hear what the Hon. Member has to say about interest rates.

[*English*]

Mr. Korchinski: Mr. Speaker, I thought I had made that clear, though the Hon. Member thinks I did not. Perhaps my message did not come across as clearly as I had hoped. At that time I did say that I expected the Minister of Finance to sit down with the bankers and tell them that rather than foreclose and take these people to court, they should just give them an extension and let the farmers work out their own salvation, give them a little more time. There is no point in destroying an enterprise that has been built up through hard work, borrowed money and a lot of sweat, only to find out that another job must be created. Rather than calling in the debts immediately, all the banks need to do is to give the borrower more time. I suppose the banks are entitled to operate their own business, but it is strange that the banks spend so much money in other countries. They lost a lot of money in other countries and now they are trying to recover it on the backs of the enterprising individuals who create the jobs in Canada. If the banks can lose money outside of Canada, then they can take a chance on Canadians. That is what the Prime Minister (Mr. Trudeau) said. All I am asking the banks to do is to take a chance on Canadians.

Mr. Roy: Mr. Speaker, I would mention that the Hon. Member for Lambton-Middlesex (Mr. Ferguson) introduced a Bill to help those farmers to whom the Member has referred, but the Tories are against that Bill. We on this side want to help the farmer through this legislation introduced by the Member for Lambton-Middlesex.

Mr. Korchinski: Mr. Speaker, if the Hon. Member had been following the comments made with reference to that particular Bill, he also would have followed the criticism that came from people who are in the business themselves. One of the criticisms is that their source of credit would dry up. That is the danger involved in this. You do not introduce a Bill simply because the title sounds good. You are really deceiving a lot of people because a lot of farmers out there believe that the banks will not foreclose the minute that Bill is passed. That may happen, but at the same time the source of credit is dried up. What farmers need today is credit and cash to buy fertilizer, feed, fuel, tractors, repairs, chemicals, everything. If you dry up that source of credit, then you put them out of business right away. That is just what that Bill might do.

[*Translation*]

Mrs. Céline Hervieux-Payette (Montreal-Mercier): Mr. Speaker, I think that for well over a week now, Hon. Members, especially on the Government side, have been very pleased not only with the kind of budget that was brought down by the Minister of Finance (Mr. Lalonde) but also with the enthusiasm it has generated across the country. I think that a sensible person reading the general comments made in various circles would agree that this budget is indeed a budget of hope and economic recovery, and also one that gives Canadians an opportunity to put the economy on the right track by using the comprehensive measures it contains. I think Canadians were ready for this budget.

• (1620)

Mr. Speaker, for the information of my colleagues, I would like to quote part of a speech made by Mr. Frazee at the Canadian Club of Montreal on April 25, that is, after the budget was brought down. Mr. Frazee, who never minces his words when referring to the economic policies of the Liberal Party of Canada, said that on the whole, the budget deserved praise. It acknowledged that creating permanent jobs was exclusively up to the private sector, and it would undoubtedly create a favourable climate in that sector. Since Mr. Frazee is one of many businessmen who for several years has been urging Ottawa to take action in this respect, I must say that I am very pleased. The construction industry needed strong stimulation, and it received it. Protectionism had to be firmly rejected and it was. The specific problems of farmers were taken into consideration. A short respite was granted to the energy sector. The mining industry and research and development were stimulated and the purchase of capital goods encouraged.

Mr. Speaker, in other words, the wishes of all Canadians who were consulted in recent months by the Minister of Finance, who managed to hold one of the broadest and most comprehensive rounds of consultations among all social groups in Canada and who produced this budget—the wishes of all these people were given consideration, and I think the budget is able to create a climate that will restore confidence to all our constituents.

Mr. Speaker, I would like to deal more specifically with two measures that interested me in this budget, since my colleagues have already had a chance to discuss other aspects. First, however, I would like to point that this economic recovery budget will provide for direct job creation in the short term

and stimulate investment as well, with $2.4 billion being earmarked for longer term investments, and all this without cutting social programs. Mr. Speaker, I was one of those who worried that family allowances might be affected by the budget. A number of groups had emphasized the need for a more restrictive reallocation of funds, but I think that the principle of universality was nevertheless maintained by the Minister of Finance, and as a Liberal, I am very proud of this fact.

The same applies to pensions, Mr. Speaker. The Government did not yield to the temptation to select groups that were in serious trouble, and we have been given the assurance that the income supplement for pensioners will remain fully indexed. I believe that this recovery budget has remained true to the traditional concept of liberalism, which is that the poor should not have to suffer because of the country's economic problems and that economic recovery is to be achieved by harnessing the efforts of all members of society.

Personally, I find that one of the dynamic aspects of this budget is the measures that will stimulate recovery in the construction industry. The latest figures published April 26, 1983, show that Canadians are gaining confidence and that a drop in interest rates, as a result of our successful monetary policy, means that the forecast for 1984 is for from 165,000 to 185,000 units compared with 80,000 in 1982. I think that is very significant and that this will not only help to stimulate the construction industry, which is the driving force of the economy, but also all related sectors such as electrical appliances and home furnishings. In this area, the Minister of Finance kept his word and introduced measures that will remain in effect from April 19 until December 31, 1984, including the possibility for Canadians to save up to $10,000 of their income tax free for the purpose of building a home. As a precautionary measure, the Minister has maintained the $3,000 program for the time being, but since the transition period will be very short, I think the emphasis should be on the $10,000 plan. This proposal is not discriminatory. It is aimed at all those who want to build a home, and I hope, Mr. Speaker, that, as forecast by the Royal Bank, Canadian men and women will be confident enough to build these 180,000 homes in the coming year, thus providing regular, satisfying and well paid jobs to Canadians throughout the country.

Those who were well advised to invest in a Registered Home Ownership Savings Plan before April 19, 1983 will, of course, benefit from a proposal which will encourage the purchase of consumer goods, and I believe that this program will be very challenging. Those who had already thought of buying a home but had not yet done so and who would now like to use what they had invested in an RHOSP to purchase furniture, appliances and other furnishing for their home, will now be able to use the money they have saved over the years tax free; in this regard, I share the hope of the Minister of Finance that those Canadians will buy Canadian in the knowledge that our Canadian industry always strives for competitive quality and prices.

Mr. Speaker, the second matter I want to deal with is another very dynamic program which will be implemented later this year and which, in my opinion, will enable Canadian businessmen to put their business back on a sound financial footing. I am talking, of course, about the Special Recovery Share Purchase Tax Credit. After presiding on a House subcommittee on finance which produced a unanimous report on this subject, in June 1982, I believe that in the end we can be proud of the fact that the Minister of Finance decided to introduce this incentive which will encourage Canadians to purchase equity in Canadian businesses. We have known trying times when interest rates were going up and the only alternative was to wait for the demand to go down. If we ever have to go through that experience again, and I trust this will never happen, I believe that a better business capital structure will allow us to absorb such pressures much more easily and at much less cost and that measures such as this one will enable us to meet more than one objective.

Indeed, Mr. Speaker, if Canadians begin to invest through equity in their own companies, not only will they benefit from the increased value of their equity through dividends—taxable, of course, but not at prohibitive rates—they will also be able to promote their ideas and combine their efforts, particularly if they are employees. That was the idea behind our Committee on employee participation in profits, equity and decision-making. When we tabled our report, Mr. Speaker, we were convinced that the Government would have to introduce tax measures to spur business financing simply through investment of profits in companies and the issue of shares to employees instead of higher wages, something which makes competition ever more difficult.

Mr. Speaker, the measure which was adopted by the Minister of Finance will lower the cost of new shares issued to investors and make it a more interesting proposition. Investors will be allowed to use that 25 per cent tax credit to reduce their federal income tax. I suggest that the figure of 25 per cent is very significant, showing as it does that the Minister of Finance is firmly committed to the economic recovery which is the central thrust of this budget. I think that the budget amply demonstrates the will of the Liberal Government to guarantee the recovery through the private sector.

In conclusion, Mr. Speaker, I would remind businessmen and small companies in my riding—or even larger corporations which are sometimes already financed through shares issued on the public market—that even private companies are eligible under the program, which will make it easier for employees to sit at the bargaining table with management officials and have a say in the decision making process. In my opinion, we cannot emphasize strongly enough the fact that an incentive mechanism such as the special tax credit will pave the way for much closer co-operation between labour and management.

Mr. Speaker, the budget contains many other outstanding measures. I wanted to single out the construction recovery program and the special recovery capital projects because I was among those who were concerned with the lack of job creation measures for groups of workers who found themselves in difficulty. I think that the budget meets all my aspirations as a Member and, thanks to this initiative, I hope that all businessmen—all men and women in Quebec as far as I am concerned—will do their share and avail themselves of the measures in the Lalonde budget.

• (1630)

[*English*]

The Acting Speaker (Mr. Corbin): Questions, comments? Debate.

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, first of all, I would like to commend my colleagues who have participated in this debate and who have made very valuable contributions.

My remarks relate to development measures contained in the budget and focus on the Department of Regional Economic Expansion which we refer to as DREE. The division of DREE into two parts and its burial in two other Departments of Government, is not a matter of rejoicing in the areas of Canada which suffer most from problems of regional disparity. The Government is announcing the funeral of DREE, not the celebration of the birth of a more effective instrument of regional development. Those of us who mourn DREE's demise do so for the lack of direct successor. We are not blind to imperfections in DREE's concept and execution. Nor, on the other hand, do we seize this occasion merely to blame the Government for all the deficiencies of DREE. It is imperative, however, to ask what we can learn from the experiences of DREE and from the Government's regional development policies generally over the last ten to 15 years. Only in light of answers to these questions can we judge the appropriateness of measures introduced by the Minister of Finance (Mr. Lalonde) and by the Minister responsible for DREE in his excellent comments a little earlier in this debate.

In 1969, the Government made a strong commitment to reduce regional economic disparities with the formation of the Department of Regional Economic Expansion. The Department's expenditures expressed as a percentage of gross general expenditure peaked in 1970-71 at $330.8 million, or 2.1 per cent of gross general expenditure. These expenditures have declined each year since then, hovering at about 1.1 per cent of gross general expenditure in each year since 1978-79. In terms of constant 1971 dollars, departmental expenditures in the Atlantic region peaked in 1970-71 at $184 million. They declined to $108 million in 1977-78. During that period, DREE's spending in Atlantic Canada declined by 41.2 percent. Despite all the rhetoric concerning current and future initiatives, the record clearly shows that the Government's commitment to regional economic expansion has been severely diminished in recent years.

Let us look at some of the lessons of DREE. There is no lack of documentation on the subject: annual departmental reports, specially commissioned evaluations, and coincidentally—since it was not done in anticipation of DREE's demise—the report of the Senate Finance Committee on Government Policy and Regional Development. Differences of opinion exist within these documents, but there is also a remarkable degree of consensus. Clearly, the effectiveness of incentives to regional economic development is tied closely to other Departmental policies and activities. There have been many cases where two policies or programs have worked directly against each other. But beyond that, there has been a generally unfavourable climate for regional development, created by measures not specifically formulated with an eye to reducing regional disparities. Transportation policy is a good example. Just when a revolution in communications technology would make it possible for firms to locate head offices away from the largest population centres, the Government guts the regional passenger transportation system in the Maritimes.

The tax structure in this country, to the extent that it has discouraged risk and innovation, has actually worked against new initiatives in less developed regions. Government procurement policies have systematically discriminated against smaller firms. The targets of regional development policies have not always been thoroughly defined. There has clearly been a political temptation to draw the circle too widely. The inclusion of a huge population centre negates the object of incentives for firms to locate some distance from large makets.

In economic development there are federal responsibilities, provincial responsibilities, and shared responsibilities. The provincial Governments in the wealthier Provinces are better able to discharge their responsibilities than are Governments of less wealthy Provinces. The General Development Agreements recognized this and provided for assistance from the federal Government to less wealthy Provinces to help them in their development efforts. The weakness of the GDA was that it did not provide for the integration of programs in the area of federal jurisdiction into the total development effort of the Province. Divided responsibility for economic development should be recognized, and the need for co-ordinated federal and provincial efforts should also be recognized, so that all development activity is oriented to the achievement of common objectives.

The federal Government should have a primary interest in regional economic development since only through an effective federal regional development effort can Canadians in all parts of the country achieve reasonably similar employment and income levels. Furthermore, in the less wealthy Provinces, it is only with federal Government assistance that smaller areas of high unemployment and low income can move toward national standards.

With respect to research and development, it is essential to close the technology gap between richer and poorer regions. Once our most skilled people are able to stay in the poorer regions, we will begin to achieve the critical mass needed for further innovation and expansion. Scientific and technical

research and development simply must take place within the regions if they are to address the particular needs and opportunities which exist there for economic expansion. The Government, with the co-operation of provincial Governments, can foster this kind of regional opportunity. It is in this light, that the Government's stalling on a project such as the Maritime forestry complex in Fredericton is inexcusable, all the more so when the declared reasons for this stalling are so blatantly partisan and when the Government is ready to go ahead with a similar project in Thailand.

DREE followed a sound strategy when it focused on growth centres within depressed regions, but in latter years has signalled a departure from the practice of building on strengths. We have a classic example in New Brunswick where the Fredericton, Saint John, Moncton triangle was excluded from the 50 per cent investment tax incentive credit. The Government's scatter-gun kind of approach has often been inefficient and unreliable. It has occasionally involved heavy expenditure on infrastructure and incentives, only to have the project collapse or require permanent subsidization because of particular localized conditions in an industry or a company. The case by case approach has also inevitably ignored or conflicted with provincial planning and priorities. It is not surprising in this regard, that DREE's greatest successes have occurred under the auspices of the General Development Agreements.

We have learned from DREE that the best investments of Government funds are generally in viable, productive enterprises. DREE grants have found consistently better returns when used for expansion and modernization as opposed to start-ups. We need more effort to determine which are viable manufacturing enterprises in the long run—usually those related to the resource base of the region—and more willingness to promote the appropriate market research and management and manpower training. Apart from infrastructure, planning has been too much of the short-term variety. Again, we have been up against political temptations, as even a Senate Committee with a Liberal majority has admitted. Ultimately, only a viable manufacturing enterprise has the potential to move a depressed region toward self-sufficiency.

• (1640)

Transfers of various kinds are unquestionably necessary to ensure to all Canadians a satisfactory standard of living and acceptable social and educational services. But study after study demonstrates that transfer payments alone just find their way back to the wealthier parts of the country. They do not have a permanently stimulative effect, and they do nothing about the causes of regional disparity. Even the well-intended policy of moving some federal bureaucratic establishments out of Ottawa to the regions had a very limited effect on local demand, especially beyond the construction phase. We have learned from DREE that the goal of regional development must be to lessen dependency. This is the only permanent way to narrow down disparities. This approach is unfortunately being impaired by the federal Government's continuing deficit crisis.

In the fat years, the Government's generous transfer programs promoted dependency. Now that Ottawa is having to cut back, it is picking fights with the Provinces over medicare and post-secondary education—in short, finding any possible pretext for financial retrenchment. Tragically, despite many genuine accomplishments, DREE has scarcely made a dent in the problem of dependency. With these lessons of DREE in mind, Mr. Speaker, I would like to outline some of my specific concerns regarding the breakup of DREE and the new initiatives for regional development which have been introduced in the federal budget and elaborated by the Minister responsible for DREE.

First, to replace DREE in part with the Ministry of State responsible for economic regional development and to require it to inflict a developmental dimension on other Departments of Government is like asking a fly to chase an elephant. The fanfare that has preceded MSERD is, I fear, little more than bureaucratic jargon. Unless the Prime Minister (Mr. Trudeau) personally heads MSERD and unless he personally leads the attack on regional disparity, line Departments in times of restraint will not accept any challenge other than the existing bare bones of their responsibilities. The absence of a single Department or Minister exclusively committed to regional development does not augur well. The mandate to foster development in all regions is double-talk. It is the negation of a concerted attack on regional disparity. In that sense it can truly be said that MSERD may be absurd.

The principle that all Government Departments should be sensitive to regional needs is fine in theory, and particularly appropriate now that regional equality is a goal enshrined in the Constitution. But it is meaningless without a specific designation of responsibility within each Department. We have no assurance that such a designation will be made. I am specifically concerned about how, after all the bureaucratic shuffling has been accomplished and areas of responsibility redesignated, certain obvious priorities for regional development are going to be realized. One of these priorities is the identification of possible foreign markets and the establishment of contact with potential foreign joint investors who already have their own market contacts. Yet that portion of the old Department of Industry, Trade and Commerce with its international expertise is now going to External Affairs, which is not likely to give much attention to the needs of, for example, the Atlantic region, unless it is specifically directed to do so.

Another major area of concern is the General Development Agreements. The decision of the Government to allow existing GDAs and the subsidiary agreements under the umbrella provisions of the GDAs to expire on termination is indeed regrettable. Nothing could be simpler than the General Development Agreements themselves, and nothing could be more appropriate to the needs of the areas being served by the subsidiary agreements than those agreements which, in fact, are the product of negotiation and study by the two levels of Government involved.

Now it is clear that the Government has less determination than ever to co-ordinate its initiatives with those of the Provinces. It has no designated successor to the GDAs. It proposes a Regional Development Fund, which invites a political and bureaucratic free-for-all, the search for winners rather than a consistent long-term policy.

When we discuss disparities, the Atlantic region comes first to mind because its underdevelopment is long-standing and pervasive in contrast to pockets of underdevelopment within wealthier regions forced into temporary economic hardship caused by specific dislocations such as market demand or changes in technology. It is therefore appropriate for us to focus our efforts in this region. There are other reasons as well. Historically, the Atlantic region has been a victim not only of natural economic forces but also of political decisions, going back at least to the First World War. These political factors have been well-documented by historians and Royal Commissions, and I need not dwell on old grievances.

Politically and culturally, the Atlantic Provinces are identifiable societies with historic roots, a record of substantial contributions to the life of all Canada and the collective will and capacity to reverse the trend toward stifling dependency which has characterized their recent past. In our generation, we have witnessed the remarkable revitalization accomplished by our neighbouring society in Quebec. The support of the federal Government has been crucial to that revival.

I would strongly insist that while smaller, less powerful politically and less developed industrially than Quebec was, even at the start of the quiet revolution, the Maritime communities are equally worthy of such consideration. To deny that consideration would constitute clear evidence of discrimination, to use the term which certain Hon. Members opposite are fond of using when their ambitions are frustrated. I would like to believe that the bold new programs and initiatives announced by the Government will conscientiously avoid that kind of discrimination. But I do not see assurances that they will.

Mr. Campbell (Cardigan): Mr. Speaker, I listened with interest to the Hon. Member who just concluded his comments. I would like his view on one of the observations he made. If I understand him correctly, he has the view that there are limited permanent benefits from relocation of federal Government Departments or sections of federal Government Departments. I suppose I have a vested interest in this matter, but in my view the effect is exactly the opposite in that at the beginning you have the additional salary dollars going into a particular area. That naturally creates demand for goods and services both for the Department and also for the additional employees working in the area. I wonder if the Hon. Member might clarify exactly what he means by little or limited permanent benefits?

Mr. Howie: Mr. Speaker, I thank the Hon. Minister for his question. He correctly interpreted it as being limited because there is certainly a benefit from any Government Department relocation in terms of salaries, personnel and employment, and most particularly in terms of initial construction. I use the adjective "limited" quite advisedly because I have differentiated in my remarks between a Government Department and industry. An industry generates other line industries, perhaps small component parts industries in terms of spin-offs, and other industries. There are differing estimates as to the job creation factor; for every one in industry, it is five outside in terms of spin-offs. For Government Departments, it is one in and two out. Government Departments buy supplies for individuals, some centrally and some locally, but they do not have quite the magnitude of impact that an industrial development would have in terms of buying primary products, components or elements which can be reshaped, remanufactured with value added, and create more jobs through this stimulation. Certainly we in the Maritime Provinces very much welcome both factors, but the point of my address was this. The Maritime Provinces have approximately 47 per cent of their gross revenues coming in the form of transfer payments from Ottawa. We desperately need a tax base established by secondary manufacturing in order to enable our Governments through increased tax revenue, both personal and corporate, to increase their incomes and decrease their dependency on the central Government. We cannot tax Government Departments, and this is one salient difference and another reason why I used the word "limited".

• (1650)

I appreciate the impact that Departments have in that region, particularly of Veterans Affairs in Charlottetown. It employs many people and does have a good impact. As well, there is the Pensions Branch in New Brunswick. These are important, necessary and very welcome employers in the Maritimes.

But we also need industries. We need an industrial base which we do not have now. As the Hon. Member knows, the Island is heavily dependent economically on its primary resource base. A primary resource based economy is the first hit, the hardest hit and the last to recover in times of a recession. We most certainly need all the help we can get, and I thank the Hon. Member for his contribution.

Mr. Campbell (Cardigan): I have a brief supplementary question. Would the Hon. Member not agree that the relocation of Departments and agencies to the area would not only provide salary dollars and expenditures in the area but create the potential for the establishment of a processing or manufacturing industry? Would he agree that a relocated Department or agency could foster the development of a small industry in an area where the demand might not have existed at the time? In other words, I do not disagree with his observations in terms of getting the maximum spin-off, but would he not agree that the relocation can in fact complement the development of that demand which could lead to further manufacturing opportunities within Atlantic Canada, for example?

Mr. Howie: Mr. Speaker, I certainly agree with the Hon. Member that an increase in the consumer population can stimulate and create a market for industrial development.

We have two basic concepts. One is that if we are to look at efficiency in terms of industry, we must have regard for industries that can be built in terms of their optimum capacity. Many of our resource based industries, particularly in forestry, not only require our domestic markets but world markets as well in order to operate to optimum capacity. Industries that are looking at world capacity require very different incentives than industries that require domestic market capacity.

We certainly have need for both in the Atlantic Provinces. We still are net importers of much of our major food components. There is substantial room for expansion in this particular field.

Our fisheries industry has not been mentioned in the budget but it has been shown that our processing plants have a lot of unused capacity. Yet our fisheries industry is a substantial importer of deck hardware, navigational aids and equipment. This is where the big money is and it is another area in which I think we can move toward a transformation of the unused capacity that exists in this particular primary product area to a manufacturing concept that can employ more Canadians who live in the Atlantic Provinces.

I certainly agree with the Hon. Minister that we have a great need to increase our consumer demand and population in this regard. That essentially was his question and I do agree with him. I expect, seeing him nod, that he agrees with me that we also need a secondary manufacturing base.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I am pleased to have the opportunity to speak during the last hour of the budget debate which has been taking place for six days. We will soon be voting on the budget.

I would like to direct my remarks to two areas that have been touched upon by other Members but not explained, in my opinion, in any great detail. Members from both sides of the House have particular areas of concern that affect them and their constituencies. As well, Members on the Government side have special areas of concern either in the role of Minister or Parliamentary Secretary to a Minister.

Hon. Members and Canadians will remember that at the beginning of this year the social action department of the Canadian Catholic Conference of Bishops presented a statement which concerned ethical reflections on the present economic situation. As we are all aware, that document received a great deal of discussion. Many supported all of its contents and some supported certain sections while others disagreed with certain sections, with the entire document or with the whole basic principle that the Bishops had no right to speak on economic matters. While I have a special link with the Bishops, it is my personal belief that they do have a right to speak on moral matters, economic matters and social matters which concern the lives of people.

Yesterday, the American Catholic Bishops spoke very strongly against the arms build-up. There will be Americans who will be upset about that today. I believe that the Bishops had a perfect right and a duty to speak on a subject that is causing so much immorality, that is, the destruction of the planet.

The Bishops' statement in Canada had two basic principles upon which they built their reflections. The first concerned the preferential option for the poor, afflicted and oppressed. The Bishops said:

> In the tradition of the prophets, Jesus dedicated his ministry to bringing "good news to the poor" and "liberty to the oppressed". As Christians, we are called to follow Jesus by identifying with the victims of injustice, by analysing the dominant attitudes and structures that cause human suffering, and by actively supporting the poor and oppressed in their struggles to transform society. For, as Jesus declared, "when you did it unto these, the least of my brethren, you did it unto me".

The second principle that the Bishops' statement was structured upon was this:

> The second principle concerns the special value and dignity of human work in God's plan for Creation. It is through the activity of work that people are able to exercise their creative spirit, realize their human dignity, and share in Creation. By interacting with fellow workers in a common task, men and women have an opportunity to further develop their personalities and sense of self-worth. In so doing, people participate in the development of their society and give meaning to their existence as human beings. Indeed, the importance of human labour is illustrated in the life of Jesus who was himself a worker, "a craftsman like Joseph of Nazareth".

In light of those two principles, I would like to speak on what this budget has done in general and whether it fulfilled what the Bishops were speaking about when they issued their statement.

The first principle of preferential option for the poor is one that has developed in Latin America in the last 20 years. It is a social principle based primarily on the teachings of the Catholic Church and others as well, but particularly on the social teachings of the Pope. That principle was that when it came to the necessity of taking an option in any particular economic situation, the option would be for the poor, unemployed, aged, sick, children, and those without power. They should be looked after first, and the other areas of society could then have the opportunity to be cared for.

I suggest that in the preparation of the budget that principle was never even considered. The unemployed, the aged, the students without jobs and those without power in the society are still without power and not looked after.

• (1700)

The Minister has indicated that the unemployment rate is not going to change. The budget is not directed toward changing the number of people who would go to work. The budget is directed at starting a stimulus in the economy somehow but the number of people still suffering as underprivileged will remain the same. Perhaps for all intents and purposes the number could go up. Twelve per cent of the work force is out of work. The Government admits that unemployment is not going to go below 11 per cent for four years. Again, that is only a supposition. The figure could still rise.

In Canada at the present time, as you are aware, Mr. Speaker, and as Members of the House are aware, the top 20 per cent of Canadians receive 42.5 per cent of the total personal income, while the bottom 20 per cent receive only 4 per cent.

It is figures such as these that indicate to me at least that this budget does not change the basic situation in Canada and that the poor are still the ones who will suffer because of what the budget does not do.

On the other hand, to show that the preferential option has not been made on behalf of the poor, the Government is giving $2.67 billion in corporate tax breaks while personal income tax, again taking in a mass of people at the bottom, the poor in society, will be up by $3.5 billion and sales taxes will be up by $2.4 billion over the next four years. This indicates that the people at the bottom, the poor, are the ones who will benefit least from the budget.

The second principle which the Bishops outlined in their document of January is the principle that human work is a right for people. A person cannot really grow, perform his or her role and be perfect unless he or she has the opportunity to do something creative and to do it in companionship with other people.

The burden of just being unemployed, the anger of a person who cannot do anything is a terrible thing. I am sure anybody who does his constituency work knows what it is like to have people who are unemployed come to see him. These are people who have looked for work, have been to the employment agency and have tried to get a job but cannot, and this is dreadful. They carry a tremendous burden. They feel they are worthless. They say they are no good. I hear it said all the time. I am sure you have heard it said, Mr. Speaker, because I am sure you are doing your constituency work. It is that feeling that shows the second principle has not been respected and that in this budget the right for all people to have a job has not been respected.

The budget indicates that businesses would benefit. I have heard many Members say in the House, and Members who represent the business sector have all quite clearly said, that businesses will benefit. The bishops have warned that even if companies recover and increase their profit margins, the additional revenues are likely to be reinvested in more labour saving technology, exported to other countries or spent on market speculation or luxury goods. If money moves in that direction, it does not necessarily mean that more people will work. All of us who have any sense at all of how technology is moving into society are aware that jobs will be harder and harder to find and create in the present economic situation unless it is planned that everyone in society will have a job. It may mean in the future that we will have to start looking for areas of activity in human life that we do not classify as jobs now. We will have to find other ways in which all of the wealth that a country like Canada can produce can be redistributed in a way that all people will benefit from it in a just way. At the same time they must experience the value, the feeling and the knowledge that they are doing something creative. The distribution should not be simply because a person does not have a traditional kind of job. There will be less and less of the traditional kinds of jobs. Another way will have to be found so that distribution will take place. In that respect I would say the budget does not fulfil the principles outlined by the Bishops in their statement of early January, 1983.

I want to speak now for a few minutes about my area as a critic, which is international aid and development, and how the budget has affected that area as far as I can see it. First, I was happy to see that the Minister of Finance (Mr. Lalonde) did pay some attention to the international scene in his budget. Unfortunately it was more of a passing scene. Likewise I would be critical of the Bishops' statement on the ground that, although, to my mind, it correctly identified the fact that the problem Canada was suffering from was not unique, that it was an international problem, in their judgment of how the problems could be remedied they did not in my view address it in an international way. I criticize the Biships' statement for being incomplete in that respect.

The Minister in his budget speech did outline some points on the international scene. He indicated the interdependence of nations and that we cannot forget the least fortunate ones. I might mention, for instance, the North-South dialogue in which the problem of the recession, the depression, or whatever you want to call it, that has taken place was correctly phrophesied and seen prior to its occurrence by the independent committee under Willy Brandt. This North-South study was done several years ago. That same group of people are now working on their own because their commission has officially come to an end. They produced just recently a new little booklet called "Common Crisis" which updated their previous positions on how the world has to tie together—the North and the South, the rich and the poor—to bring about some kind of human existence to the whole planet. In this booklet, to which the Minister alluded in his budget, they indicate the area of trade. There were other areas not specifically mentioned by the Minister in relation to the international situation because the Brandt people indicated it is necessary to have employment resolved in an international manner. Aid would have to be looked at in an international way, and the great problem of international credit and the massive debt load of the Third World creates a special problem. The debt load of the South amounts to at least $600 billion or more. Many of the countries that were just beginning to develop and were making a few breakthroughs have fallen behind and have almost crashed under the load of their debt. This is not only true of little countries, which are in the worst situation, but it is true also of large countries such as Brazil, Mexico, Nigeria and others. Even though they have wealth and an economic base that was beginning to build, that same economic base has fallen, it fell in the last year. All those different setbacks because of the North-South link will affect Canada as well. These things are not mentioned in the budget as far as I can see.

The Minister stated in the little budget booklet entitled "Budget in brief" that tariff rates will be looked at in a special way. On page 14 we find:

> Lower rates of customs duty on some $10 million in annual imports from developing countries, under the General Preferential Tariff, are being implemented as recommended by the Tariff Board.

That is good. However, let us put that in relation to the fact that the capacity of developing countries to import has fallen $100 billion, according to the Brandt people. That is what the developing countries are not able to buy from or trade with those who are rich, in other words, the North.

Now we come to how Canadians in general look upon what Canada should be doing as a country in its aid to the developing world. This is a complicated and large field. The difficulty we have right now is in knowing where the Canadian aid program is going. We have not had a president of CIDA for almost six months. I feel the frustration of the people in CIDA because they do not have a president to enunciate clear policies.

• (1710)

In the past year, in non-governmental organizations, such as church organizations, the YMCA and various funds for the care of children in the developing world, Canadians gave more percentage-wise than the year before, even though it was during a period of recession. Canadian people still have a generous attitude toward help. That is an extremely important matter of which the Government should be aware. We have heard Members of the House speak against aid. They have the right to speak against some aid because it is not aiding anyone other than some company in Canada. Canadians are interested in aid and have shown their interest by raising private donations to help other countries in the developing world. I have been told by people in charge of non-governmental organizations that that is generally the case across the board.

It is important for the Government to remember, when it talks about international institutions and replenishing the International Monetary Fund, the World Bank or any one of the development banks around the world, that Canadians are basically generous when it comes to helping those who are in worse straits than themselves. This is true across society, including those who are poor in Canada.

Referring to the book entitled, "Common Crisis", the writers of it, under the chairmanship of Willy Brandt, identified the same thing about which I am talking, how people by themselves, one on one, in small non-governmental organizations have a natural desire to help other people. They have noticed this trait in other countries as well. One thing they proposed—and I would like to go on the record here as proposing it—is that Canada should join with other countries that have this powerful non-governmental orientation to see whether or not there should be an international body of non-governmental organizations around the world so that the direction and the work of these private agencies in communities throughout the world could be channelled through an international facility not unlike the IMF or the World Bank.

Mr. Nickerson: Mr. Speaker, I would like to ask the Hon. Member a question with respect to the first part of his speech. I was unable to determine whether he was running for the job of a Cabinet Minister or a cardinal. I would like to know what makes the Hon. Member for Saskatoon East (Mr. Ogle) think that God is a socialist.

Mr. Ogle: Mr. Speaker, first I would like to thank the Hon. Member for his very clear and quite obviously unbiased question. I assure him that I am not running for cardinal or for a Cabinet seat. I really do not think that God has voted recently. I am sure that on many occasions He must have a difficult time understanding the struggles of human beings.

Mrs. Mitchell: Or she.

Mr. Ogle: "Or she" as the Hon. Member for Vancouver East (Mrs. Mitchell) just said. He must have a difficult time understanding how human beings struggle to solve the problems of the human condition.

I would like to relate my feelings to the Hon. Member. I learned about God in the Judeo-Christian tradition. My tradition—and I would expect his tradition—has come down through the Bible and the Judaic background of the Christian principles of the New Testament.

In my understanding of those books, beginning with the Old Testament, they clearly identify the role of a good Jew as being to love God with his whole heart, whole soul and whole mind and to love his neighbour with the same force. That was redefined by Jesus when He came to give us the principles of Christianity. In that tradition that is the way I understand God.

The words we use today to describe how people treat each other in economics vary. Some people lump it under the term "free enterprise". I would be glad to ask my colleague whether he would be willing to enter into a discussion on whether God is a free enterpriser. On the other hand, other people will lump the way men and women treat others under the term "Communism". I could ask anybody whether God is a Communist, and they could answer whatever they wanted. But according to my conscience and according to the way I understand what both charity and justice mean in the Christian tradition, I quite clearly believe that the socialist way of thinking about taking the creation of the world and distributing it in such a way that all people benefit from it is closer to my understanding of how God asks us to live our lives than are other principles which could be set out. I would be glad if the Hon. Member would rise and explain to me whether he thinks God is a free enterpriser.

Mr. Breau: Mr. Speaker, obviously the Hon. Member has reflected upon this very serious question in the past in view of what he has chosen to do in life.

Turning to the intervention of the Bishops in questions of the economy or questions of society generally, does the Hon. Member agree that when people make interventions with the authority of God, or are perceived by the public to be speaking with the authority of the church, it is important to draw a line between being an inspirational force for Catholics, all Christians or all members of society, and commenting, analyzing or criticizing the means used by Government, which really brings people into the political arena? I realize that the Hon. Member has chosen to be in the political arena. That is all right because

when he does that I believe he does not speak with the authority of God or of the church. Does he see the difference which I see clearly? If so, where does he think the line should be drawn?

Mr. Ogle: Mr. Speaker, the question of the Hon. Member for Gloucester (Mr. Breau) is definitely on target in the discussion that I initiated in my speech today. However, it is a little too complicated to answer fully in the time allotted to me.

First, let me say that the Bishops, in teaching people about morality, have the right to speak about the morality of any sector of the society. For example, they have the right to speak about the Hon. Member's marriage, whether or not he is living it properly. I believe they have a right to speak in areas concerning morality.

Mr. Breau: In public?

Mr. Ogle: I am just talking about different areas of peoples' lives which involve moral issues. There are moral issues involved in their personal lives and in their social lives. I believe the Bishops have the right to speak about the morality in the military. To speak about morality and put it into a kind of cloudy area has no meaning. They have to talk about what is going on. They have to risk talking about what is going on, even at the expense of being inaccurate in some of their appraisals. As a group of Canadians, people who are part and parcel of our society, in the same way that medical, industrial and labour people or any other group of society, they have a right to speak as Canadians, speaking from their base and from their authority on the questions of society, including the economy. It is easy to make judgments sometimes about particular moral events, but when it comes to the social fibre, the structures that oppress people in real situations, it is much more difficult to speak clearly, but it has to be spoken and spoken in the concrete.

• (1720)

Mr. Breau: Mr. Speaker, I have never heard the Member speak elsewhere. He knows what I mean. He is pretty good here at skirting a question. He has not answered my question. I was not asking about the right of the Bishops to speak. Everyone in this country has the right to speak; bishops, priests, members of Parliament and the public. There are no absolutes in this. It is a question of judgment and balance.

What is the Hon. Member's view as to where the line is drawn between being an inspirational force for society and discussing the means of Government, which is really politics? I am not asking him to talk about the rights of the Bishops or the wisdom of the Bishops. Everyone in this country has the right to speak. I am asking for his judgment as a politician who has been elected to this House on where the line should be drawn.

Mr. Ogle: Mr. Speaker, first, what the Hon. Member said would give the impression that there are two camps in the world, one in which there is religion and one in which there is not. I do not agree with that principle. I believe there is only one world, and that morality takes place throughout the world. If you are going to speak precisely about a moral question, you have to do it in the context of what is taking place. For that reason, I believe the Bishops have a right to speak about a moral question in the here and now.

The Member indicated that if they did so, they would lose their inspirational value. I challenge that. I feel the Bishops became much more inspirational to many more Christians in Canada because they spoke about the realities of what is going on. It may be that they did not inspire the Member because they spoke against what his Government is doing.

Mr. Breau: Be serious.

Mr. Ogle: I am serious. I remember well the statement the Hon. Member made to the press. I feel that they, as well as other moral leaders, have a right to speak on that. Maybe the Hon. Member and I should continue this discussion outside the Chamber.

Mr. Deputy Speaker: The question and answer period having expired, the debate may be continued only with unanimous consent. Is there unanimous consent?

Some Hon. Members: No.

Mr. Deputy Speaker: There does not appear to be unanimity.

Mr. Taylor: Mr. Speaker, I rise on a point of order. I notice that the Hon. Member for Mississauga North (Mr. Fisher) was very anxious to shake his head.

Mr. Deputy Speaker: That is not a point of order. There does not appear to be unanimous consent.

Mr. Taylor: Mr. Speaker, the other day the Hon. Member for Mississauga North raised a great hullabaloo because the movement in our debate went from one side to the other.

Mr. Deputy Speaker: That is not a point of order.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it is a pleasure for me finally to get a chance to talk on a budget that I have personally been involved with since the Minister started his pre-budget consultation last December with so many groups from the private sector.

As I listened to his decisions on budget night, I came to the conclusion that this budget is one that stresses fast action on job-creation, especially for those who need jobs the most. This is a budget that stresses rapid action by Government in key economic areas right across the country to get our recovery going. This is a budget that stresses relief for business to finance and to encourage their growth so that long-term recovery and long-term job-creation will be possible.

I personally welcome the considerable public support that we have heard since budget night. Let me quote a few examples from the private sector. In the area of small business, John

Bulloch, President of the Canadian Federation of Independent Business, was quoted by Canadian Press on April 19 as saying:

A combination of good politics and sound economics. Business will generally give high marks.

Mr. John Kyle of the Canadian Chamber of Commerce was quoted in *The Gazette* of April 20 as saying:

It sounds as if he listened to the business community.

Mr. Brian Aune of the Investment Dealers Association of Canada said:

A carefully thought out program to help the private sector in the recovery.

On jobs, another issue that has been contentious in this debate, let us listen to our constituents. Mr. Norman Godfrey of the Housing and Urban Development Association, a good Torontonian, is quoted in the April 20 *Globe and Mail* as having said:

The pro-business budget will generate confidence and create jobs.

Mr. Kenneth Nisbet of Westinghouse Canada Limited was quoted as follows in *The Globe and Mail* of April 21:

The Government's sudden attention to job-creation in the private sector is encouraging. It adds up to a better climate for the people who employ people.

John Grant, an investment economist, on the April 20 CTV National News said:

There is going to be a stronger expansion than we had guessed the night before the budget.

Pat Johnston of the Canadian Federation of Independent Business was quoted on CTV Canada AM as saying:

So on balance we are very pleased. People are now more confident. And confidence actually will create more jobs than tax breaks.

Those are important statements from the private sector on small business and jobs. When you look at a more general reaction to the budget, you get equally positive feedback. Terry Elder of the accounting firm of Deloitte Haskins and Sells is quoted in the April 26 Toronto *Sun* as follows:

It demonstrated Finance Minister Marc Lalonde is willing to listen—and act upon—the requests of the small business community.

In its editorial, the Ottawa *Citizen* on April 27 stated:

Evidence of Canada's economic recovery is mounting, and tends to confirm that the federal Government's approach in last week's budget was the right one.

Those are all positive comments from people in the private sector, key replies to some of the criticisms we have heard here.

How is it that this budget came about? I mentioned that I was involved in the consultation process from December onward. We met with representatives from every corner of the country, from every part of the private sector. I personally sat in on meetings with mayors, reeves, housing industry representatives, the Canadian Labour Congress, the co-operative and credit unions, small business, the Canadian Manufacturers' Association and the Canadian Bankers' Association. The Minister of Finance (Mr. Lalonde) canvassed as many representatives of Canadians as he could find. He listened to them. He took their ideas and threaded them together to create the budget. That, Mr. Speaker, is why we are now hearing so many Canadians say that they approve the budget. He listened, he absorbed the ideas, he acted on them, and people are now gaining confidence in his decisions.

• (1730)

What did the people tell us during that long process? Well, first they told us not to be afraid of more Government spending, as long as it is wise spending. We got that input from both business and labour. We were encouraged to take up a program of permanent public works that would add to the wealth and the inventory of our country. We have done that. Take a look at what is contained in the budget. There are 100 projects that will stimulate key sectors from coast to coast. Look at the efforts in housing. Look at the efforts in construction. All of these will add up and create lasting monuments to our recovery.

Mr. Speaker, you and I know about the marvelous impact such efforts can have. For example, take a look from coast to coast at the heritage left from centennial year. What town, what corner of this country does not have a little library or a little monument to centennial year? In the same way, we are now embarking upon key efforts to stimulate the recovery with permanent public works.

Some Hon. Members: Hear, hear!

Mr. Fisher: Mr. Speaker, that is something that the private sector advised us to do, and we are doing it.

The second thing the private sector told us to do is to use tax incentives and to rely on the private sector, and especially to allow the private sector to alleviate its losses through the tax system. We have done that. Take a look at the $2.4 billion in tax incentives and growth incentives that are contained in the private sector portion of the budget. That $2.4 billion will make the recovery permanent for small and big business coast to coast. That was an idea that we received from the private sector and we acted on it.

Finally, the private sector told us that confidence and recovery would go hand in hand. Take a look at how the private sector has reacted since that time. Eric Owen of the Canadian Manufacturers' Association in the April 23 *Financial Post* said, and I quote him proudly:

The Minister has done his homework and taken constructive criticism.

Barbara Morrison of the Canadian Federation of Independent Business said to the Vancouver *Sun* on April 20:

The most important thing about this budget is the attitude. It's the change of attitude that will give business encouragement.

Sam Hughes of the Canadian Chamber of Commerce said to the CBC program "Sunday Morning" on April 24:

We do have to offer him constructive balanced advice and as long as he keeps acting on it we're going to keep applauding.

Finally, returning to the Canadian Federation of Independent Business, John Bulloch told the CBC program "The House" on April 23:

It's going to make our members feel more positive about the country, it's going to make them feel more positive about reinvestment.

That, Mr. Speaker, means that business will be more positive about growth and new opportunity and new jobs because the Government had listened to them. They are enthusiastic because, right from the beginning, we went to Canadians and listened to them. We heard their advice and acted on it.

The private sector is excited because we have given it a chance to recover and to recover permanently. We have given it a chance to expand and to create jobs and to go back to work. All Canadians join us in applauding that goal.

As I have said, there are three basic themes in this budget. One is to create work quickly for those people who do not have work now, and we have dedicated over $700 million in the budget above and beyond money already dedicated by previous budgets. So today we have a total of almost $1.5 billion dedicated to direct job creation.

We went to the private sector and asked them to start growing through tax incentives and through incentives for investment. That is the second part of our budget. $2.4 billion will go into that. As I mentioned, the public works program will start to accelerate the recovery in key areas right away, and $2.4 billion more will go into that.

What has the Opposition had to say about this? Frankly, I have listened to six days of debate here, debate that I believe has been kind of dispirited and disjointed. I do not see any real focus to the criticism. There are some points, however, that I would like to raise and answer right now.

The Tories, for example, have taken up their classic wail about the level of the deficit. In doing so, they have demanded that we cut Government spending despite the benefits I described that will be derived from that spending. Of course, we have heard a variety of voices over there, some saying, "Well, let us get busy and cut the deficit," and others saying, "Let us get busy and increase our programs". Well, having listened to all of that, I suppose we should take our advice from one of the leadership candidates, Mr. Michael Wilson from Etobicoke Centre, who said, as reported in the *Globe and Mail*—

Mr. Deputy Speaker: It is the usual practice to refer to Hon. Members by their constituencies.

Mr. Fisher: The Member for Etobicoke Centre, Mr. Speaker, and I stand corrected. I apologize for my error. The Member for Etobicoke Centre (Mr. Wilson) said in the *Globe and Mail* two days ago that if he went to work at his very hardest, the best he could do is to get the deficit down to $29 billion. One does not know where those $2 billion would have been cut from. I suspect that if we were to follow the typical Tory example, those cuts would come from the backs of working Canadians.

Mr. Thomas Maxwell, from the prestigious Conference Board In Canada said to the CBC program "As It Happens" on April 20:

> I can't see any major financial problems associated with the deficit or the projections they have in their budget.

I agree with Dr. Maxwell. I believe that the spending we have undertaken in the budget will be a key element in our recovery at this time. It was not done flippantly or carelessly. It was done to stimulate recovery and to use the great mechanism of the Government's influence to help lift the level of economic activity as swiftly as possible.

Another complaint we have heard from the Conservative benches, particularly from Members like the Member for Mississauga South (Mr. Blenkarn), is the great complaint that we are raising taxes. That complaint ignores the previous advice they gave us about cutting the deficit. It also ignores the fact that the tax increases we have in this budget will come at a time when the recovery is here and we will be able to afford the extra taxes. We are not implementing these taxes now when the recovery is still young. We will wait until it is in its full maturity, until people can afford to pay a bit extra. In late 1984 and early 1985, we will begin to ask for a little extra money to pay for the recovery that we will be enjoying then.

Equally, we have heard from our friends from the NDP the same kind of twisted logic. The Member for Saskatoon East (Mr. Ogle) just told us that every Canadian has the right to work. This is a significant change from the debate that we have heard previously both from Members of that Party and other Members in the House. Previously we urged and fought for 50 years to give Canadians the support of their community when they cannot get work. That is a very important difference. Yet when we do find ways to create jobs through youth employment programs, summer programs, the NEED Program, how are these programs described by the NDP? They are described as a process of raking leaves as if efforts to create genuine work can be written off and demeaned by that kind of slander. I do not agree, Mr. Speaker.

• (1740)

In my riding the budget has brought a real benefit to consumers. In my riding the incentives offered in the RHOSP are going to stimulate home building and the furniture industry. Our home builders, developers, construction people and their employees are going to benefit from that new program.

I have received a letter from Erindale College, University of Toronto, written by Dr. Paul Fox, the Principal of that outstanding institution. As we know, the federal Government will put $290 million into 15 new research centres across the country. Dr. Fox writes:

> I am glad to hear that the government is considering sponsoring fifteen high tech centres. Jeff Fawcett, the Dean of Science, and I would like to discuss the matter with you at your earliest convenience.

I will be happy to tell Dr. Fox that I will be pursuing one of those centres for Mississauga to complement the vigorous research industries there, with computers, the defence industry and in the electronics industry. I hope the Minister of Science and Technology (Mr. Johnston) and his associate, the Hon. Member for Willowdale (Mr. Peterson) are listening because I want one of those centres in Mississauga, the heart of research and development in Canada.

In my riding jobs are a key issue. People see how we have stabilized business opportunities, the way we have put cash back into the hands of business and the way we have given them incentives to expand. These are the ways to create permanent jobs and that is welcomed.

Ordinary families in my riding welcome the high Child Tax Credit that has been continued. People in my riding welcome the high child care expense deduction at $2,000 per child. That is a welcome benefit for working parents in Mississauga and all across Canada. Ordinary working people in Mississauga welcome the higher work expense deduction so that people can claim either $500 or up to 20 per cent of taxable income.

Young people in my area want to join Katimavik. When the Streetsville Secondary School band played on the steps of Parliament Hill last week, members of the band asked me for application forms as several students wanted to work there for the year. Young people in my riding welcome the higher student loans. They welcome the extra money for Summer Canada. They are glad to see the Youth Internship Program and the extra opportunity in the Armed Forces.

Above all, Mr. Speaker, families in Mississauga and across Canada welcome the extra money in direct job creation. In my city we have seen improvements made to our parks. We have seen a new computer program brought into the library system. Co-operative housing has been upgraded. Private business is starting to take advantage of NEED grants. All of this is happening in Mississauga, and it is typical of the job-creation programs that are going on from coast to coast.

I should like to conclude by quoting a comment made by Dr. William Mackness, chief economist of the Bank of Nova Scotia who said:

> I think that there is a tremendous amount of pent-up demand in the North American economy. We've not built enough automobiles, appliances, homes now for several years. The biggest impediment, I think, in the way of a long and sustained recovery is the level of interest rates. They are too high. I'm optimistic that they'll come down considerably, and on that basis, I'd look forward to a long vigorous, sustained recovery.

[*Translation*]

Mr. Deputy Speaker: It being 5.45 p.m., it is my duty, pursuant to Standing Order 64(8), to interrupt the proceedings and put forthwith every question necessary to dispose of the motion now before the House.

[*English*]

The question is on the main motion.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mr. Lalonde) which was agreed to on the following division:

(*Division No. 321*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss)
(South West Nova)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-
Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Landers
Lang
Lapierre
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Penner
Pepin
Peterson
Pinard
Portelance
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan—128.

NAYS

Messrs.

Althouse
Andre
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blenkarn
Bosley
Carney (Miss)
Clarke
(Vancouver Quadra)
Cook
Cooper
Corbett
Crosby
(Halifax West)
Crouse
Darling
Deans
de Jong

Messrs.

Domm	Knowles	Neil
Ellis	Korchinski	Nickerson
Elzinga	Kushner	Nielsen
Forrestall	La Salle	Nowlan
Fraser	Lewis	Nystrom
Fretz	Lewycky	Oberle
Friesen	MacDonald (Miss) (Kingston and the Islands)	Ogle
Gass	MacDougall	Orlikow
Gilchrist	Malone	Patterson
Greenaway	Mazankowski	Reid (St. Catharines)
Gurbin	McCain	Roche
Gustafson	McDonald (Ms.) (Broadview-Greenwood)	Sargeant
Hamilton (Qu'Appelle-Moose Mountain)	McGrath	Scott (Victoria-Haliburton)
Hargrave	McKenzie	Shields
Hawkes	McKinnon	Siddon
Heap	McLean	Skelly
Hovdebo	McMillan	Stewart
Howie	Miller	Taylor
Huntington	Mitchell (Mrs.)	Thacker
Jarvis	Mitges	Thomson
Jelinek	Munro (Esquimalt-Saanich)	Towers
Keeper	Murphy	Vankoughnet
Kempling	Murta	Wenman
Kilgour		Young—90.
King		

[*Translation*]

Madam Speaker: I declare the motion carried.

Motion agreed to.

[*English*]

BUSINESS OF THE HOUSE

Mr. Pinard: Madam Speaker, I would like to designate Friday of this week as an Opposition Day.

[*Translation*]

Madam Speaker: It being past six o'clock, the House stands adjourned until tomorrow at two o'clock, pursuant to the provisions of Standing Order 2(1).

At 6.14 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, May 4, 1983

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

FORTHCOMING VISIT OF THE POPE

RECOMMENDATION THAT GOVERNMENT OFFER ASSISTANCE TO CANADIAN CONFERENCE OF CATHOLIC BISHOPS

Mr. Pierre Gimaïel (Lac-Saint-Jean): Madam Speaker, this morning I heard the news on the radio that Pope John Paul II will be visiting Canada in September 1984. The Pope will be in Canada for ten days, and will be staying three days in my own province, the Province of Quebec. I would like to point out how important this visit is, considering the fact that over 25 per cent of the people of this great country of ours are Catholic, and I also wish to say how pleased I am, as a Member of this House, with the news of this visit. I think it is a great honour that is being bestowed on the Catholics of this country by the leader of 500 million Catholics throughout the world.

I hope that on this occasion, the Government of Canada will offer the Canadian Conference of Catholic Bishops any help they may require in preparing for this important trip which will be the first time the Pope, who is well loved throughout the world, sets foot on Canadian soil.

* * *

[*English*]

INCOME TAX

INDEXED SECURITY INVESTMENT PLAN

Mr. Don Blenkarn (Mississauga South): Madam Speaker, in the budget papers the Minister of Finance (Mr. Lalonde) filed detail of an Indexed Security Investment Plan, including a detailed ways and means motion, draft amendments to the Income Tax Act, and a full explanation of how the system will work. The Indexed Security Investment Plan is a method whereby those persons who invest in listed securities of public companies can escape paying capital gains tax on the investment where the gain is referrable to inflation.

The scheme proposed is highly bureaucratic and favours only stockbrokers and investors investing in listed securities. It is small and medium sized businesses that create the new jobs required in the country. This scheme does absolutely nothing for those who invest in small and medium sized businesses to protect them from the unfair gains tax caused by inflation.

The House should form today a special committee to investigate the scheme proposed by the Minister. That committee should determine how it would be possible to provide for small and medium sized businesses the same protection as the Minister proposes to give the big boys in this Indexed Security Investment Plan. Surely if we are to allow those who invest in big businesses to escape tax on inflationary gains, then in the name of all that is fair and all that is decent the same privilege should be extended to those who invest in small and medium sized businesses, businesses that by their very nature cannot be listed on the stock exchange—

Madam Speaker: Order, please.

* * *

DISARMAMENT

UNITED STATES BISHOPS' PASTORAL LETTER

Mr. Bob Ogle (Saskatoon East): Madam Speaker, yesterday the Catholic Bishops of the United States in a special meeting in Chicago produced a new pastoral letter directed specifically toward world disarmament. It is basically a pastoral statement, it is called "The Challenge of Peace—God's Promise and Our Response". In the statement the Bishops condemned all use of nuclear weapons, they questioned the morality of their possession in any country, and they endorsed the concept of a nuclear freeze in the whole world. Basically the Bishops have clearly said "no". Their statement is definitive and precise. It is based upon the fact that the planet which has been given to us to be used by all peoples is in danger of being totally destroyed.

In their statement they have changed one four letter word to another four letter word. The first such word was "curb" arms build-up. It is now "halt" arms build-up. In that light, I remind the Prime Minister (Mr. Trudeau) that in the month of December, 1982, the leaders of the six major denominations in Canada gave him almost the same approach and material. I want the Government of Canada to rethink seriously its position on testing the Cruise missile in light of the new moral position proposed by the American Bishops.

S.O. 21

UNEMPLOYMENT INSURANCE

SUPPORT FOR EXTENSION OF MATERNITY BENEFITS TO ADOPTIVE PARENTS

Mr. Maurice Bossy (Parliamentary Secretary to Secretary of State): Madam Speaker, on behalf of many concerned constituents of Kent, I want to join Hon. Members on both sides of the House who have indicated their support for an amendment to the Unemployment Insurance Act to extend maternity leave benefits to adoptive parents.

This amendment was proposed by the recent Task Force on Unemployment Insurance in the 1980s and is currently receiving intensive evaluation by the federal Government. Unemployment insurance maternity leave benefits are presently extended to employed women during and immediately after their pregnancy not only to allow these individuals the time required to recover and adapt to the physical element of childbirth, but also to give the new parents an opportunity to become acquainted with their new child during his or her first weeks of life.

The requirements are not so different when a child is adopted. All three partners in this new relationship require time and financial assistance to establish a firm base from which the entire family can grow. This assistance and time are unavailable to many working families who have adopted a child, under the current provisions of the Unemployment Insurance Act. A move by the federal Government to change this situation would be of great service to the social fabric of the Canadian community. Therefore I urge the Minister of Employment and Immigration (Mr. Axworthy) and his officials to continue their valuable discussions with an eye toward presenting a workable proposal in this regard in the near future.

* * *

NATIONAL ENERGY PROGRAM

CHANGES SUGGESTED TO AID OIL AND GAS INDUSTRY

Mr. John Thomson (Calgary South): Madam Speaker, the oil and gas industry in western Canada is on its knees. The Prime Minister (Mr. Trudeau), the Minister of Finance (Mr. Lalonde), the Minister of Energy, Mines and Resources (Mr. Chrétien), the Deputy Minister of Energy, and most senior officials of the Department of Energy, Mines and Resources all know that the National Energy Program is an unmitigated disaster. But does the Government do anything to remedy the situation? No. It will not make the changes it knows should be made because that would be an admission of error. The Government does not have the guts to admit a mistake.

If the Government truly wants the oil and gas industry to contribute to economic recovery it should create an environment which will encourage the industry. Tinkering will never restore confidence. Investors will not play as long as politicians and bureaucrats want to fine tune.

The changes that must be made to the National Energy Program are straightforward. First, prices for all domestic production should be allowed to move to world levels, whether they be up or down. Second, it should eliminate the grant system. Petroleum incentive payments are costly and discriminatory. We are the only country in the world where the Government pays cash for drilling a dry hole. Replace the grant system with an incentive system that is equitable and non-discriminatory. Third, with the savings from the petroleum incentives program, reduce the front-end tax load and negotiate with the provincial Governments—

• (1410)

Madam Speaker: Order, please.

* * *

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

CALL FOR CANCELLATION OF DECENTRALIZATION PROPOSAL

Mr. Neil Young (Beaches): Madam Speaker, the Department of National Health and Welfare is proposing to decentralize its income security branch now located in Toronto, Ottawa, and Halifax. The Minister has said that the transfer of some 505 jobs from the present locations would create a similar number of jobs in areas of high unemployment. The Department also estimates it will cost approximately $34 million to create 505 more unemployed in Toronto, Ottawa, and Halifax in order to reduce unemployment elsewhere.

The Public Service Alliance of Canada has made a number of proposals and made concrete suggestions on how this $34 million could be used to create 772 full-time jobs if this decentralization program were cancelled. It also points out that if the $34 million were used for short-term job-creation, fully 2,000 person years of employment could be created.

The PSAC also questions the accuracy of the Department's cost estimates of this move and suggests it will be closer to $100 million rather than $34 million. Given the preaching we have been subjected to from the Minister about fiscal restraint, and the attacks the Government has waged on pension incomes, family allowances, and public service salaries, under its six and five program, the Minister should cancel this proposed decentralization—

Madam Speaker: Order, please.

* * *

CANADIAN WILDLIFE FEDERATION

USE OF FUNDS ON CAMPAIGN AGAINST ACID RAIN

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, an article appeared in *The Globe and Mail* of last Saturday which dealt with the fund-raising practices of the Canadian

Wildlife Federation, the largest non-profit charitable organization in the country in the field of conservation. This article quoted Mr. Kenneth Brynaert, executive director of the CWF, as saying that the foundation had collected some $343,228 from the public for the purpose of conducting an anti-acid rain campaign in the United States, while at the same time accepting an $80,000 contract from the federal Department of the Environment for the same purpose. In any event, the sum it spent on the project was less than the contract figure, leaving the foundation more than $350,000 in pocket after a public appeal for funds that were not spent for the purpose for which they were solicited.

This is a situation that reflects badly on other groups in the conservation field and, further, leaves the Government open to the accusation that it is allowing charitable status, with all that that implies from a tax standpoint, to an organization whose of that status is questionable.

As a person vitally concerned with the problem of acid rain, these revelations leave me most upset. Surely the Government owes some answers to this House and the public, who have contributed to the CWF fund drives and who have supported this and other foundations in the acid rain battle and on other conservation issues.

* * *

AIR CANADA

REPORT OF BONUSES PAID TO QUEBEC EMPLOYEES

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I would like to comment on the report in this morning's *Gazette* that secret bonuses of around 4 per cent have been paid to Air Canada executives earning over $45,000 a year. I have three comments only: first, why help only those earning over $45,000? Do other Quebec employees not pay Quebec taxes as well? What is the rationale or principle here?

Second, why pay any bonus when the airline lost $32.6 million last year? Is not the idea of a bonus that it will only be paid in good years?

Third, recently Air Canada laid off 585 ground service workers. I understand they did not get a bonus. They did not get the golden handshake that was given to 600 white collar workers who took early retirement.

At the same time that our airline had a large loss last year, it is arbitrarily selecting a few employees to pay secret bonuses to, selecting other groups to buy into fancy pension plans, and selecting another group to lay off without any such benefit at all.

What sort of management is this? How can such capricious behaviour demand respect anywhere among Canadians? It is as though management feels that the end is nigh and that the privileged classes have to be taken care of before everything goes down the tube.

Madam Speaker: Order, please.

• (1415)

ORAL QUESTION PERIOD

[*English*]

RESEARCH AND DEVELOPMENT

LEVEL OF FUNDING

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, my question is directed to the Minister of State for Science and Technology. In light of the budget provision which claims to put another $700 million behind research and development in Canada over the next two years, bringing the total Canadian commitment to about 1.4 per cent of the Gross National Product at best, which will leave us just as far behind in the future as we have been in the past 15 years, I would like to ask the Minister if he can explain to the House how that clearly inadequate amount of funding will create jobs needed by Canadians in the future, and how it will even prevent the loss of jobs to those nations whose Governments have looked after their responsibilities in the high technology and the modest technology fields.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I am disappointed that the Hon. Member, who is the Official Opposition's critic for Science and Technology, was not in the House yesterday to exchange questions and answers at the end of my speech. I would have thought that he would have shown delight at the commitment that the Government has made, not only for funding in the area of technology, not only for research and development, but for human resource development as well. But instead, he rises to criticize. I am glad to see that he is prepared to push for an ever greater involvement in the area of research and development.

It is not only the federal Government that is an active player. Industry, the university sector, and the Provinces are also playing an active part. We hope that the lead we have taken will be followed by them. In fact, because of the goal of 1.5 per cent of GNP to be devoted to research and development by 1985, the Hon. Member, from his own figures, will now recognize that we are very much on track. To my recollection, he did not go that way the last time he spoke in the House.

Some Hon. Members: Hear, hear!

GOVERNMENT POLICY—UNEMPLOYMENT PROJECTION

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, I thank the Minister for his invitation to follow him. We will not only follow him, we will greatly surpass his commitment in the next Government.

Some Hon. Members: Hear, hear!

Mr. Gilchrist: I would like to quote from the Minister's speech of May 3, the speech of which he said I am unaware.

> Canada has been quick to respond to this challenge and over the past few months we have been examining how a technology policy can best work for us.

Is the Minister now asking us to believe that in the past few months the Government has discovered the value of research and technology, after 15 years of serious neglect? How can he explain the glowing speech he made yesterday when in fact he has had on his desk for those same few months, from his own Department, a report which predicts that there will be as many as two million Canadians lacking jobs by the end of this very decade?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, it is difficult to take that question seriously given the commitment the Government has shown in the area of research and development for many years. It is pointed out in the budget documents, and I reiterated in my speech yesterday, that Canada's fiscal regime for research and development is second only to Singapore in terms of the richness of incentives for the private sector. That is something for which the Hon. Member has been pushing. The Minister of Finance, as you know, has tabled a white paper for discussion on that subject.

There should be no misrepresentations made with respect to the two million jobs lost. There will be two million people looking for work. There may be jobs lost. There always have been jobs lost through technology and technological innovation. The farming sector is a good example. There is now 4 per cent of our work force in the farming sector. Some 25 per cent of our work force was in the farming sector in 1946. What has happened to those workers? Would you call those jobs lost? Those people have been integrated into other areas such as, the manufacturing sector and the service sector. That is what we are witnessing today. Instead of wringing our hands, we are identifying these problems, discussing them, and bringing them to the attention of the public.

Some Hon. Members: Hear, hear!

• (1420)

REQUEST FOR ADDITIONAL FUNDING

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, it was not my report that showed there would be two million jobs too few by the end of the decade; it was the Minister's own report.

Does the Minister realize that the population of Canada comprises something less than .5 per cent of the world's population? There are billions of people out there who are ready, willing and able to buy products which Canadians can produce if the Government ever gets its act together and gets the technology development that the country needs.

I should like to know when the Government and the Minister are going to deal honestly with the problem of Canadian job loss and give research and development the urgent priority it requires to match the 1979 Conservative Government's objective of 2.5 per cent of Gross National Product for job-creation research goals. The Minister will realize that, as the National Research Council says, the extra 1 per cent could virtually cut unemployment in the country in half.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I note that the Conservative Government of 1979 had many worthy objectives, one of which was to remain in office for four years.

Numbers mean nothing. The question is whether we are on track, and whether we have set realistic objectives. I think we have. I have pointed out to the Hon. Member, and I will point it out again, that we look at this as a period of opportunity, identifying the new jobs that are emerging and identifying the opportunities that will become available to Canadians. More important, we are making Canadians aware of those opportunities so that in the basic educational system they will be equipped to take on new responsibilities, and higher paying jobs. That is what has happened in the past. Admittedly this technology revolution is moving very quickly.That is why we have made such an effort in this budget and will continue to make such an effort to equip Canadians to meet those challenges.

The Minister of Finance pointed out in his budget that $1.2 billion has been dedicated in this period to human-resource development. He supplemented it, by raising it to that amount with an additional $155 million in the budget itself.

I really do not think the Hon. Member has much to complain about unless he simply believes more money should be thrown at problems, which is normally the position of our friends in the NDP. I wish he would read the technology paper, analyze it, and put forward some constructive criticism. We would be very happy to listen to him.

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SPECIAL RECOVERY PROGRAM

FUNDING FOR BRITISH COLUMBIA TRAINING INSTITUTIONS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is for the Minister of Finance. Will he confirm that of the $2.4 billion assigned to the Special Recovery Program $400 million has been assigned to British Columbia? In that context, the Government has failed to anticipate the future as indicated by the report to the Minister of State for Economic Development. We now find that, according to that report, there could be 15 per cent unemployment by 1991. Youth in particular are going to be in anguish over this since they cannot plan their futures.

Will the Minister commit himself to allocating funds to colleges like Kwantlen and BCIT, and other colleges, that are concentrating on training programs for hi-tech industries so that the young people who are facing a frustrating future can

plan for that future and not suffer the social dislocation that the Government has not anticipated?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the Hon. Member has asked a question which I think goes to the heart of the matter about the kinds of changes we are facing, and that is that the degree to which the country deals with a problem is how we manage it. The recommendations he has just made, we have already undertaken. If he had been aware he would know that we announced, two weeks ago in British Columbia, major grants to BCIT for the establishment of a robotics CAD/CAM training centre. That was preceded by announcements three or four weeks earlier in some seven different community colleges throughout British Columbia, as they have been throughout the country, that we are substantially modernizing and re-equipping community colleges to train people for that new technology so that we can offset the kinds of projections that are being made.

Mr. Friesen: Madam Speaker, the major industry the Government is interested in is recycling, because those funds have been recycled several times already.

I would still like to have a statement from the Minister of Finance on whether the report is true that $400 million has been assigned to the Province of British Columbia.

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FORESTRY

INQUIRY RESPECTING AID FOR INDUSTRY IN BRITISH COLUMBIA

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my supplementary question is for the Minister of State for Economic Development. The Government has again been taken by surprise by the impending calamity in the forestry industry in that a report by the National Research Council indicates that in 15 years the forest industry could be decimated in Canada. That means that in British Columbia the major source of jobs and the major source of income by export market, is going to be lost.

What specific programs is the Minister planning for the forest industry, and specifically for British Columbia, in relation to the silviculture and pest control in the forest industry, and projects like that, in order to save those jobs for the future?

• (1425)

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, in the absence of the Minister of the Environment who would be very able to provide specifics from the vast array of programs in the natural forestry policy, I would certainly say to the Hon. Member that we all recognize on this side of the House, and I hope on the other side of the House, that the forestry industry is one of the underpinnings of the Canadian economy. You can be sure that the issues which are raised are being addressed. The whole area of silviculture is one of priority, not only in British Columbia but in other regions of the country as well. The Government has pursued, and will continue actively to pursue techniques, research and development, other procedures and other programs to ensure that it remains one of our strengths.

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SCIENCE AND TECHNOLOGY

REQUEST THAT REPORT BE TABLED

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is directed to the Minister of State for Economic Development. Yesterday he painted a pretty rosy picture with regard to technological change and employment. He was talking about moving from boring, tedious jobs, to exciting, well paid jobs. Canadians this morning were shocked to find out that the Minister had on his desk a report which projected the loss of some two million jobs for the Canadian economy. What we need to know today, Madam Speaker, is whether the Minister has taken off his rosy coloured glasses and whether he is ready to engage Canadians in a full and open debate on technological change. Will he table that secret report, and will he refer it to the committee on employment?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, when one is involved in economic development it is difficult not to have "rosy glasses" about the future of this country.

Some Hon. Members: Hear, hear!

Mr. Johnston: When we talk about issues of job dislocation through technology, we are indeed engaging in a debate which is one of the most important and one of the most topical, not only here in Canada, but in the United States, West Germany, France, and Britain; every industrialized country. There is no choice but to embark with new technologies. That is what we are doing through our technology policy. That was discussed yesterday and I was here in this House. I am sorry that the Hon. Member for Winnipeg-St. James was not here to take part in the lively debate on the subject.

The fact of the matter is, Madam Speaker, that certainly there will be jobs lost, but there will be new jobs created. We created in Canada three million jobs from 1971 to 1981, during one of the most difficult economic climates in terms of inflation and energy costs which this country has ever faced. There is no reason to believe that we will not be able to do the same thing, given the opportunities which are arising from these new technologies. That is what we have to look forward to. We have opportunities, not liabilities, ahead.

Some Hon. Members: Hear, hear!

Oral Questions

REQUEST FOR COMMITMENT TO PROVIDE JOBS

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I did not say that we should turn a blind eye to technological change. I said we should examine it in all its hues, not just the rosy hues. We should look at the workers who are going to be black and blue from the employment policies of the Government.

This study yesterday indicated that alcoholism, family breakup and vandalism would be the result of the very high levels of unemployment. What we need to know is if the Government is willing to go beyond redefining full employment upwards, which is clearly unacceptable to Canadians, and is it willing to renew a commitment to "A job for every Canadian"?

Let me remind the Minister that he still has not answered my question about whether he will table this report and whether he will refer it to the committee on employment.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): First of all, Madam Speaker, I am not aware of a study, per se. I am aware of background documents.

Some Hon. Members: Oh, oh!

Mr. Johnston: Would the Hon. Member be happier if he thought that the Government was not involved in an active consideration of what the impacts of the new technology might be, what the impact might be on our competitiveness internationally, and so on? Of course we are looking at these issues. In fact the budget specifically addresses these issues, not only by strengthening the technology centre, but also by proposing a national centre which will be subject to negotiations with labour and with industry, led by my colleague, the Minister of Regional Economic Expansion and the Minister of Labour, with a view to addressing these very issues.

I do not know what the Hon. Member is essentially complaining about. Is he saying we should not back away from the new technologies? We are addressing the problems. We are putting programs into effect to provide for human resource development. Perhaps the Hon. Member could be more specific as to what he thinks we should do, besides tabling a report, and I am not even sure what report it is.

NEED FOR PUBLIC SECTOR INDUSTRIAL STRATEGY

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my supplementary question is for the same Minister. The Government has been preaching for some time an almost exclusive reliance on the private sector. Given this background document which shows the devastating impact that technological change is going to have on employment, is this Minister now willing to recognize the need for the lead to be taken by the public sector in order to develop an industrial strategy which has, as its first priority, employment for all Canadians? Does he not realize that Canadians are not right-wing ideologues and slaves to the scribblings of Adam Smith, and that we want jobs not just for ourselves but for our neighbours as well?

• (1430)

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): I would certainly agree, Madam Speaker, that Canadians are not right-wing ideologues. But they certainly are not left-wing ideologues either. That seems to be the point the Hon. Member is making. I gather he would like the Government to embark upon a public employment program to ensure that the Public Service expands and absorbs all the unemployment out there. That is not the thrust of the budget. The thrust of the budget is to support the private sector which has created the jobs in the past, three million jobs from 1971 to 1981, and to ensure that this scenario repeats itself in the 1980s and 1990s.

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AIR CANADA

POSITION OF CHAIRMAN

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is for the Prime Minister. Since the Government has made no response whatsoever concerning the status of the RCMP investigation into the Air Canada matter, has the Prime Minister discussed with his friend, René Amyot, whom he appointed as a chairman of Air Canada, the propriety of a leave of absence pending completion of the investigation?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker.

INQUIRY RESPECTING REAL ESTATE TRANSACTIONS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, separate and apart from any criminal investigation, is it the policy of the Government that Prime Ministerial appointees to public office—

Mr. Lalonde: They are cabinet appointments.

Mr. Nowlan: —can use public facilities for personal gain and promotion? Specifically, has he discussed with Mr. Amyot the use of Air Canada property in meetings with fugitives from Canadian justice, and others, in promoting personal real estate deals both here and abroad?

Right Hon. P. E. Trudeau (Prime Minister): The answer to both questions is again no, Madam Speaker. I would just add that on this side of the House we also have respect for the rule of law, which the Hon. Member does not.

HOUSING

CANADIAN HOME OWNERSHIP STIMULATION PROGRAM—LEVEL OF FUNDING

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, my question is for the Minister of Public Works responsible for housing. I am disturbed about the number of calls I am getting from people who have applied for a $3,000 grant under the Canadian Home Ownership Stimulation Program. The offices of CMHC are telling these people that they do not have any money and they do not know whether they will be able to meet the applicants' requests. Can the Minister assure the House that all applications made up until May 31 will be met and the Government will have sufficient funds for all the applicants?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I will ask your patience for a moment because I have had many questions from Members on this issue. I would remind the House that the Minister of Finance, when he announced an extra $30 million for this program, made it very clear that this was a program which was administered to budget, and that it would come to an end when the allocation was used up. If it was before the end of May, Minister's statement was to finish the program after the extra $30 million had been allotted. The Hon. Member is one of those who raised the issue which made me go to the Minister of Finance to try to help Northern areas and isolated regions where people could not easily build during the winter months, including April. This we did. In fact, Madam Speaker, the success of the program is such that the flood of applications which came in during the last couple of weeks has probably committed the full amount except for a reserve we have kept for northern areas and isolated communities. We will be examining these cases as they come in.

What my officers are saying to people who come into the offices is that it is doubtful that we will have enough funds to meet all the demands. But they are taking the applications in order, and maintaining that list of priorities established for those who have applied. I might say, Madam Speaker, that the Registered Home Ownership Savings Plan will go a long way to meet the same type of grant advantage that we are talking about in the Canadian Home Ownership Program.

TREATMENT OF NORTHERN APPLICANTS

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, in view of the fact that the Government is about to embark on another borrowing proposal which it will be putting before the House of Commons for approval, does the Minister not consider that this might be an appropriate time for him to request additional funds so that all these people who live in Northern Canada and cannot qualify during the winter months may also qualify in the same manner as people living in southern Canada, and that people will not be treated on a first come first serve basis but that all, absolutely all applicants who have made application up until May 31, will receive this grant?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I will check the language I used but I certainly intended to say that we have put aside a reserve in order to protect those from northern and isolated areas. These are mainly single or very small builder applications. We have put aside some money to accommodate them. I very much hope that this will go all the way to protecting those communities, in whose name in fact I asked the Minister of Finance to grant some extra money.

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TRADE

REQUEST THAT TRADE OFFICES BE ESTABLISHED IN TAIWAN

Mr. Otto Jelinek (Halton): Madam Speaker, my question is directed to the Right Hon. Prime Minister. Because of the record number of unemployed Canadians I am sure that the Prime Minister is aware of statistics which conclude that, for every $1 billion of international trade, 25,000 new jobs are created in Canada. Unfortunately we have been missing out on numerous trade opportunities, for example in Taiwan, where most other non-Communist nations have established non-diplomatic trade offices in order to take advantage of the tremendous growth and trade potential in that country without—and I emphasize without—jeopardizing relations with mainland China.

Is the Government now prepared to take initiatives to promote realistic trade and travel arrangements in Taiwan and join the rest of the modern world in international trade and commerce for the benefit of all Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member may be making a suggestion which is different in degree from the Government's policy, but we do encourage trade with Taiwan. There is a fair amount of it between the private sectors of Canada and the Taiwanese people. I know that Members of Parliament have gone repeatedly to Taiwan, and if the Hon. Member wants to suggest that I take a trip to Taiwan I will entertain the suggestion.

Mr. Nielsen: Why don't you go to Timbuktu?

POSSIBLE SALE OF CANDU NUCLEAR REACTOR TO TAIWAN

Mr. Otto Jelinek (Halton): Madam Speaker, the Prime Minister of course did not answer the question of whether he would join the rest of the industrialized world in establishing trade offices in Taiwan.

Specifically, if the Prime Minister could guarantee export permits to Atomic Energy of Canada for the sale of Candus to Taiwan in return for safety and other control regulations similar to those on the Candu sales to South Korea, I can assure the Prime Minister and the House today that the immediate sale of at least one $1 billion Candu reactor to Taiwan can be made, thereby creating at least 25,000 new jobs

in Canada today. Is the Prime Minister willing to give us the assurance that he will give the export permits to the AECL?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is assuring us of a $1 billion sale. If it is as simple as that, why should we have trade offices? I will do business with the Hon. Member.

Mr. Stewart: Good idea. You would learn something.

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BANKS AND BANKING

CHARTERED BANKS' TREATMENT OF SMALL BUSINESSES AND FARMERS

Mr. David Orlikow (Winnipeg North): Madam Speaker, my question is for the Minister of Finance. Yesterday *The New York Times* carried a report that Nu-West Group Limited of Calgary, a real estate developer, announced a large loss of 1982, and said that it and its lenders, the banks, have agreed that Nu-West would stop making interest and principal payments on $562 million in loans. The Company has been unable to pay either principal or interest since last fall.

There is an increasing number of small business concerns and farmers who have been pushed into bankruptcy, and their assets, including machinery, livestock and homes, are being taken over by the banks because they cannot meet their loan payments. Would the Minister not agree that the banks are treating their large corporate customers in an entirely different way than they are treating their other customers, including small-businessmen and farmers? Would the Minister consider what steps are necessary or possible to ensure that the banks treat all Canadians in an equally fair and equitable manner?

• (1440)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would hope that the banks would pay even more attention to their small borrowers, the small-business men and farmers to whom the Hon. Member has referred. I have made representations myself in that regard. The Prime Minister has done the same. We have certainly had evidence of hundreds of cases where good Members of Parliament, at least on this side of the House, have done their job on behalf of many of their constituents by approaching the institutions concerned and persuading them to help those concerned. I have had numerous reports from Liberal Members of Parliament who have done their job in that regard. I would hope that Members of the NDP would do the same.

REQUEST FOR LEGISLATION TO PROTECT INDIVIDUAL BORROWERS

Mr. David Orlikow (Winnipeg North): Hon. Members from all Parties have been in touch with the Minister, as I have, concerning home owners who have not been able to make their mortgage payments and have lost their homes, and farmers in every Province who have been pushed into bankruptcy. What I am saying to the Minister is that the people of Canada who are in difficulty do not just need kind words from the Minister of Finance or the Prime Minister. They need some action which would ensure that the banks would treat the ordinary people who are in difficulty in the same way they have treated Nu-West and dozens of other large corporations which now owe $4 billion or more in loans, on which they are paying neither the principal nor the interest. I am asking the Minister whether, instead of just kind words, we will see some legislation which will give protection to ordinary people in this country.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have already stated that I know of hundreds of cases where, indeed, the financial institutions have taken exceptional steps to accommodate some of their smaller clients who are in difficulty. I suggest to my hon. friend that, indeed, if he wants to check, he will find that to be the case.

I am always suspicious of questions coming from the NDP, because the other day when the Hon. Member for Kamloops-Shuswap, in a question in the House, said that there had not been any instances in his riding when steps had been taken to help his constituents. I checked this matter with one particular bank, and found that there had been support and help amounting to millions of dollars in the riding of Kamloops-Shuswap, where the Hon. Member said nothing was taking place.

Mr. Trudeau: He doesn't know what's going on.

Mr. Lalonde: I can only conclude that Hon. Members of the NDP are not following very carefully what is happening in their ridings.

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NUCLEAR ARMAMENTS

SOVIET OFFER TO NEGOTIATE ON NUMBER OF NUCLEAR WARHEADS

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is directed to the Prime Minister. Yesterday Mr. Andropov of the Soviet Union offered to count warheads as well as missiles at the intermediate range nuclear force talks. This is quite a change from his previous negotiating stance. As the Prime Minister likes to take credit for the policies of the President of the United States when he agrees with them, would he tell the House whether he will be asking the United States to accept this offer as a new bargaining base, or will he suggest that the United States reject it?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I was told that the suggestion by Mr. Andropov is a very positive one. I would hope that it would not be rejected, that it would, on the contrary, be examined with great interest and a positive outlook. Thus far, my information is that the United States have not rejected it, but that they want to examine it. Therefore, we are very happy for any movement by either side toward a halt, an eventual reduction in nuclear

arms of the INF variety or of the strategic variety. We think it is a step in the right direction.

POSSIBLE RELOCATION OF SOVIET MISSILES

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my supplementary question is also directed to the Prime Minister. Mr. Andropov seems to have avoided mentioning what he intends to do with the SS-20s which would be withdrawn from Europe if his offer is accepted. If these weapons are not dismantled but are merely relocated, the site of the relocation is a very important factor. If they are to be relocated just beyond the Urals, they will still be within range of all their present targets in Europe, although technically the missiles would have been withdrawn from Europe.

As reported at page 24114 of *Hansard*, the Prime Minister said:

—our judgment of how the other track was proceeding would influence us in deciding whether we would go with the Cruise or not.

Does the Prime Minister consider that Mr. Andropov's statement fulfils the requirement?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I believe I answered that by saying that we thought it was a positive gesture. Of course there are difficulties such as that mentioned by the Hon. Member, that if they are withdrawn into the Asian part of the Soviet Union it is still conceivable that they could be targeted on western Europe. Indeed, if they are moved far east in the Soviet Union, they could be targeted on parts of North America. These are obviously questions which must be examined. That is why it is impossible to give an absolute approval or disapproval now, but we think that the proposal is positive in the sense that it suggests a reduction in the number of nuclear warheads.

To those who oppose the possibility in Canada of testing of the Cruise or, indeed, of the possibility of having Euromissiles on the NATO side, I would point out that it is unlikely that Secretary Andropov would have made his December offer for reducing SS-20s, or yesterday's offer for reducing SS-20s, just out of the goodness of his heart. If the Soviets are suggesting a reduction in missiles, it is probably because they are afraid that we will deploy ours. That should therefore be an argument not to lose our cool too soon and not to decide that we will not deploy ours at any cost. On the contrary, there should be a bargaining going on.

Some Hon. Members: Hear, hear!

U.S. AND U.S.S.R. OFFERS TO REDUCE NUCLEAR ARSENALS

Mr. Douglas Roche (Edmonton South): Madam Speaker, my question is also directed to the Prime Minister. Could the Prime Minister indicate to the House the nature of the study which he is making concerning the proposals for nuclear reductions made by both President Reagan and Soviet Leader Andropov related to the exact amount of nuclear weaponry which both sides possess? Will the Canadian Government be prepared to make recommendations to both sides so that true progress can be made at the Geneva negotiations on nuclear arms reduction?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member refers to a study. I do not know of any particular piece of work being done. I know that there is a whole series of studies going on and examinations by the Department of National Defence and by the Department of External Affairs, those two Departments in particular. They are not only being kept informed by the United States but as well, as the Hon. Member knows, the Secretary of State for External Affairs went to Geneva and personally met with the Soviet negotiators. We are obviously in contact all the time with the Soviet ambassador here, and we try to get the Soviets' side of the story in negotiations.

It is with the objective in mind of making a balanced assessment of progress and a will to progress by both sides that we are conducting our policy. Therefore, I cannot refer, once again, to a particular study, but I can assure the Hon. Member that the Secretary of State for External Affairs, in particular, has been in contact with both sides to ensure that both sides negotiate seriously and make progress.

Mr. Roche: The purpose of my question was to indicate that the Canadian Government ought to be making recommendations for the Geneva negotiations, based on an informed study.

PROPOSAL TO HOLD SUMMIT MEETING

Mr. Douglas Roche (Edmonton South): Madam Speaker, I now want to ask the Prime Minister whether he has taken note of the recent proposal of Chancellor Kohl of West Germany that a Summit meeting be held between President Reagan and Soviet Leader Andropov for the purpose of giving a new impetus to the nuclear arms negotiations in Geneva. Can the Prime Minister confirm whether he raised the subject of a Summit during his recent meeting with President Reagan? Will he now support this proposal in the name of the people all over the world who want, in an even-handed approach, both the Soviet Union and the United States to stop the nuclear arms race?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, I can assure the Hon. Member and the House that I did raise the subject of a Summit with President Reagan. I enjoined him—indeed, I pleaded with him—to work toward such a Summit. I think the timing must be left to the United States in terms of not having a Summit in which progress would be negative or counter-productive.

• (1450)

I pointed out to the President of the United States that in our view time was running out, not only politically for him, and perhaps others, but it is running out in terms of the future of humanity so that both sides who are holders of these terrible weapons of destruction be urged on by every group and every member of NATO, at least on our side, to make progress

which at some point might be better made at a Summit than elsewhere. But once again we are monitoring the discussions in Geneva. I repeat the Secretary of State for External Affairs was there. Short of going to Moscow myself, I am not sure what else I could do at this time.

Mr. Hnatyshyn: You have been there. We remember.

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SPECIAL RECOVERY PROGRAM

ALLOCATION OF FUNDS FOR PUBLIC WORKS PROJECTS IN ALBERTA

Mr. Peter Elzinga (Pembina): Madam Speaker, my question is for the Minister of State for Economic Development. Can he indicate to the House what portion of the $2.4 billion announced in the budget for public works projects will be allocated to the Province of Alberta?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I said at the time we announced the national program that the individual projects would be announced by the responsible Ministers during the forthcoming weeks, in fact, in the very near term. I am afraid the Hon. Member will simply have to wait until the announcements are made.

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SUPPLY AND SERVICES

GOVERNMENTS CONTRACTS—BUY CANADIAN POLICY

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is for the Minister of Supply and Services. Would the Minister tell us what the Government's policy is with regard to Government contracts which come up for tender? Given the recent budget announcements that Canadian businesses will be steered out of the recession with a helping hand from the Government, will the Minister tell us whether Canadian firms are given priority when tenders are called for contracts involving the Government? Put simply, is it the Government's policy to buy Canadian whenever possible when it comes to contracts with Government Departments?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I am very pleased the hon. gentleman has asked that question. I know he is very favourable toward my ministry's policy of attempting to obtain a larger portion of our procurement from Canadian sources with a high Canadian value added.

In terms of fast tracking and in terms of the projects that we have identified within the budget, the Hon. Member will recognize that roughly 49 per cent of them will be administered through my Department, the Department of Supply and Services. Indeed, the projects have been selected as a result of their high Canadian content and our ability to source the requirements from Canadian firms.

Mr. Sargeant: Madam Speaker, I am supportive of efforts to ensure Canadian content, but I am also critical of cases where this does not happen.

AWARDING OF CONTRACT TO FLORIDA FIRM

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I would like to ask the Minister about a specific case. Since 1981 an American firm from Florida, called Lifeskil Corporation, has been given contracts totalling more than $340,000 for drug and alcohol prevention and treatment programs at Canadian Forces Bases across Canada. It is currently in line for another soon to be awarded contract of some $150,000 while Canadian firms that bid on these contracts are passed over. Is the Minister aware of some special reason why this American firm should receive these contracts while Canadian firms and workers are left out in the cold?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, the hon. gentleman is dealing with one contract. I would have thought that he had had enough experience with my Department by now to know the large number of daily contracts that we let amount to over $10 million and also that the Hon. Member would have given me notice of his particular question. Had he done that, I would have been able to provide him with the details he requests. I will take his question as notice, review the details, and provide him with a reply as soon as practical.

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THE ADMINISTRATION

CAPE BRETON COAL AGREEMENT—GOVERNMENT CONTRACT WITH GERMAN COMPANY

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources arising out of the answers which he and other Ministers supplied to the House yesterday concerning the $17,000 contract between Veba Oel and the Government of Canada concerning the liquefaction of Cape Breton coal. First, representatives of the company itself told Canadian Press that the work they were to carry out had to do with the project in question. Second, they also told Canadian Press that they were first approached to do such work in Canada by Mr. R. H. Shannon, an agent for Mr. Gillespie. Third, Mr. James Kelly of the Minister's own Department, identifies the contract as one dealing with the Cape Breton Synfuels Project.

Also, since page 1 of Appendix A of the contract, in assuming that positive test results on Nova Scotia coal occur, asks that information be provided in relation to a "commercial sized plant", of which there is only one on the drawing boards anywhere in Canada using Nova Scotia coal, will the Minister not now come clean and admit to the House that the contract in question was a contract between the Government of Canada

relating specifically to the Nova Scotia Synfuels Project at Cape Breton?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I have to repeat exactly what I said yesterday. It was a contract between my Department and Veba to test Nova Scotia coal for the benefit of the Department of Energy, Mines and Resources. It was a contract between a corporation and the Department and it was provided in the contract that the information has to be kept in the Department and not transmitted to anybody else outside of the Government.

TERMS OF CONTRACT—MINISTER'S STATEMENT—REQUEST THAT CONTRACT BE TABLED

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, I have a supplementary question for the Minister of Supply and Services because the Minister of Energy now has made the same statement that the Minister of Supply and Services made yesterday, as reported at page 29,095 of *Hansard*, as follows:

—one of the terms of the contract was that it remain confidential.

I have a copy of that contract here which in no way is classified, and which I have studied. In no way is there any condition in it which stipulates that the contract is in any way confidential.

Having regard to that fact, Madam Speaker, will the Minister admit that he misled the House yesterday in making that statement, and will the Minister deny the statement of the Minister of Energy, Mines and Resources when he himself just now said that the contract is confidential? There is not a confidential provision in that contract. Will the Minister table it so that we can all see it?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, the hon. gentleman will recall my reply yesterday. Indeed I have reviewed the contract. There is a document that accompanied the contract which made the information and the exchange of information between the parties confidential.

Some Hon. Members: Oh, oh!

Mr. Blais: I have reviewed the contract itself, and I have asked my legal officers to review it in terms of whether I could table it and whether I could, indeed, table any correspondence, as requested by the Hon. Member for Perth yesterday. I am receiving the opinion of my officers momentarily and I will also be communicating with the contractor in Germany to secure his permission to table the document.

REQUEST FOR MINISTERIAL EXPLANATION

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, surely the Minister should have checked with his legal advisers before he made the flat, bald statement yesterday that one of the provisions of the contract required that it remain confidential, which is not a fact. I have all of the attachments, all three of them, to this contract, and nowhere is there any reference to any confidentiality as a contractual provision of the contract or any of its appendices. I suggest that the Minister owes this House an explanation as to why he deliberately misled the House. I am prepared to accept any reasonable explanation, as we all are, but he owes that to the House.

Some Hon. Members: Hear, hear!

Some Hon. Members: Withdraw.

Madam Speaker: Order, please. The Hon. Leader of the Opposition might want to rephrase that. He knows that he cannot say that any other Member has deliberately misled the House.

Mr. Nielsen: Madam Speaker, I am afraid that you might have misheard. What I am saying to the Minister is—The Speaker shakes her head, but there is a possibility that she may have misheard.

Some Hon. Members: Withdraw.

Mr. Trudeau: Don't horse around.

Mr. Nielsen: I am not going to withdraw. I will repeat what I said to the Minister.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Nielsen: If you will listen, I will repeat what I said to the Minister. I am and other Members of this House are prepared to accept his explanation, if there is one, that would deny the conclusion that he was deliberately misleading the House yesterday when he made that statement.

Some Hon. Members: Hear, hear!

Madam Speaker: If the Hon. Member will now tell the House that is rephrasing what he said previously, which was that the Minister had deliberately misled the House, I would accept that.

• (1500)

The Hon. Member has to follow the rules of the House. It is not permissible to say that a Member has deliberately misled the House. The second formulation was quite different from his first question, but I cannot accept that the Hon. Member will not withdraw that first part.

Mr. Nielsen: Madam Speaker, I have not accused the Minister directly of misleading the House. I have not made that accusation. What I have done is ask him for an explanation which will allow us to come to a conclusion other than that he was deliberately misleading the House.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Point of Order—Mr. Johnston

Madam Speaker: Order. Would the Hon. Member tell me on his second try whether he was reformulating his question?

Mr. Nielsen: Madam Speaker, the record is clear. I am asking the Minister for an explanation which would allow the Members of this House to come to a conclusion other than that he was deliberately misleading the House yesterday.

Madam Speaker: I take it that that is the Hon. Member's reformulation of his question.

[*Translation*]

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, the answer I gave yesterday contained information I was given by my officials. Actually, as I pointed out in replying to the Member for Vegreville, I became aware of the existence of the contract yesterday morning, and I have not had an opportunity to review all the documentation. After question period yesterday, I asked my officials to review the contracts and to give me an opinion on whether or not I could table the contract with all the documents exchanged by my department, as the contracting party for the Government of Canada, and the German company. As I indicated earlier, I am waiting to receive an opinion from my officials, and Madam Speaker, I am also waiting for permission from the German contracting company to table the documents in question.

* * *

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF REPORT OF THE ELECTORAL BOUNDARIES COMMISSION FOR THE PROVINCE OF NOVA SCOTIA, 1983

Madam Speaker: It is my duty pursuant to Section 19 of the Electoral Boundaries Readjustment Act, Chapter E-2, Revised Statutes of Canada, 1970, to lay upon the table a certified copy of the report of the Electoral Boundaries Commission for the Province of Nova Scotia, 1983. Pursuant to Standing Order 46(4), this report is deemed to be permanently referred to the Standing Committee on Privileges and Elections.

* * *

POINTS OF ORDER

MR. JOHNSTON—REFERENCE TO SCIENCE AND TECHNOLOGY REPORT BY MR. KEEPER

Madam Speaker: Is the Hon. Minister of State for Economic Development (Mr. Johnston) seeking the floor on a point of order or on a question of privilege?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I believe I am rising on a question of privilege. I would not want to be accused of misleading the House in my response to a question by the Hon. Member for Winnipeg-St. James (Mr. Keeper). The House may recall that he asked that a report be tabled, presumably a report or a study referred to in *The Globe and Mail* article by Thomas Walkom of May 4.

The fact is that I am not aware of any such study, but perhaps I would be misleading the House if I left the impression that I was not aware of the existence of such a document. I do not know what version the journalist in question had, but I think I may have left the impression that I was not aware of the existence of such a document. I am, but I do not know what specific version or edition he looked at. I do not want to be accused of misleading the House by the Hon. Member for Winnipeg-St. James.

Madam Speaker: That was a point of order.

MR. TOBIN—REFERENCE TO MINISTER BY MR. NIELSEN

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Madam Speaker, I have a serious question as to whether or not my privileges as a Member of the House have been trampled on today. I heard Madam Speaker indicate to the Hon. Leader of the Opposition (Mr. Nielsen) that he had used an unparliamentary phrase, "deliberately misled the House", referring to a Minister. I heard the Hon. Leader of the Opposition refuse to withdraw—

Madam Speaker: Order, please.

Mr. Tobin: I believe that my privileges and those of all Hon. Members of the House have been—

Madam Speaker: Order. That question has been resolved to the satisfaction of the Speaker.

Mr. Tobin: On a point of privilege, Madam Speaker—

Madam Speaker: Order.

Mr. Tobin: On a point of privilege—

Madam Speaker: I have told the Hon. Member that the matter has been resolved to the satisfaction of the Speaker.

Mr. Tobin: But, Madam Speaker, I feel that my privileges—

Madam Speaker: No—

[*Translation*]

—and as we say in French, on ne répète pas la messe pour les sourds! I said it once, and I won't say it again.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. NYSTROM—ASSISTANCE TO SENIOR CITIZENS

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, it is a great honour for me today to present a petition in the House of Commons on behalf of the Saskatchewan Senior Citizens "Action Now" Association. I have had a chance to examine the petition. It contains nearly 5,000 names of people mostly from the Province of Saskatchewan, some of whom I recognize. These are senior citizens who are in financial difficulty at this time.

The rules do not allow me to read the entire petition, but I want to point out that it calls for the establishment of a Department of Senior Citizens Affairs, for a substantial increase in pensions, for the means test to be eliminated and also for a pension which is equal to some 70 per cent to 75 per cent of the average industrial wage index in Canada.

I ask my fellow Members of Parliament to examine the petition very carefully and to act upon it because these are the people who built this country of Canada. They deserve better from us who sit in the House of Commons today than they have been given recently.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,736 and 4,746.

[*Text*]

TENDERS IN SAUDI ARABIA

Question No. 4,736—**Mr. Herbert:**

1. Were tenders received for the construction of a Canadian Embassy in Saudi Arabia and, if so (a) on what date (b) what were the names and addresses of the companies that submitted tenders and what were their prices?

2. What was the budget figure for the project?

3. Was a percentage Canadian content a requirement in the tender call and, if so, did the bidders conform to the Canadian content requirement?

4. Were the tenders subject to a ninety day acceptance clause and, if so, on what date did that period expire?

5. Is it still intended to build a Canadian Embassy in Saudi Arabia?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. (a) After prequalification, invited tenders for the construction of a New Canadian Embassy Complex in Riyadh, Saudi Arabia were received on Dec. 14, 1982.

(b) The list of names and addresses as well as the tender prices of the five prequalified general contractors who submitted prices is attached. This list was approved by Treasury Board on Oct. 15, 1982.

2. The budget for the overall project, as approved by Treasury Board on July 22, 1982 is $32,762,000 which includes provision for design fees, furniture, and as well, the cost of construction.

3. Canadian products were specified in the tender documents wherever it was reasonable and practical to do so for the construction context of Saudi Arabia. Bidders did conform to the Canadian material content requirement.

4. The tenders were subject to a ninety day acceptance period which expired on Mar. 14, 1982.

5. Although the main construction contract has not yet been awarded, it is still intended to eventually build a new Canadian Embassy in Riyadh, Saudi Arabia.

New Canadian Embassy Complex
Riyadh, Saudi Arabia

List of Prequalified General Contractors	Tender Price Submitted on December 14, 1982
1. Bell Canada International 1 Nicholas St., 8th Floor Ottawa, Ontario, Canada KIG 3J4 Telex No. 053-4849 Attention: R. E. Bays Phone (613) 563-1811	SR 72,477,150 (approx. CDN$ 26,091,774)
2. Foundation/Skanska Joint Venture c/o Foundation Co. of Canada 1 Younge St., Toronto, Ontario, Canada M5E 1E8 Telex No. 065-24213 Attention: J. A. Whyte Phone (416) 361-4666	SR 72,767,000 (approx. CDN$ 26,196,120)
3. Laing Wimpey Alireza c/o John Laing Construction of Canada Ltd. Suite 505, 170 University Ave. Toronto, Ontario, Canada M5H 3B3 Attention: Doug Orgill Phone (416) 593-5971	SR 54,629,659 (approx. CDN$ 19,666,677)
4. Pomerleau/Nesma Al Fadl Joint Venture c/o Hervé Pomerleau Inc. 521 6e ave-nord, St. Georges Beauce-Sud, Quebec, Canada G5Y 5C1 Telex 05-833520 Attention: Hervé Pomerleau Phone (418) 228-6688	SR 55,191,782 (approx. CDN$ 19,869,042)
5. Walsh & Brais/Sainrapt & Brice Joint Venture c/o Walsh & Brais Inc. 7690 boulevard Marie Victorin Ville de Brossard, Quebec, Canada J4W 1B2 Telex 055-61379 Attention: Marcel Malo Phone (514) 671-5944	SR 78,364,000 (approx. CDN$ 28,211,040)

INCOME TAX

Question No. 4,746—**Mr. Epp:**

From 1970 to 1981, how many persons were prosecuted by the Government in violation of Section 31 of the Income Tax Act?

Hon. Pierre Bussières (Minister of National Revenue): None.

[*English*]

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

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

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

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

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

Madam Speaker: Shall all items listed under Private Members' Public Bills preceding No. 388 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

CRIMINAL CODE

AMENDMENT RESPECTING ISSUANCE OF FIREARMS PROFICIENCY CERTIFICATE

Mr. Blaine A. Thacker (Lethbridge-Foothills) moved that Bill C-588, an Act to amend the Criminal Code (gun control), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, once a gain it is Wednesday afternoon when we are permitted to put forth Private Members' Bills. In my mind this is the most important part of the entire parliamentary process because it is an opportunity for ordinary Canadians to have their views, expectations and aspirations brought forth for consideration by all of us as Parliamentarians.

Therefore I rise to move second reading of Bill C-588 and its reference to the Standing Committee on Justice and Legal Affairs so that the Standing Committee can give it detailed study and interested goups of people can present their views on the whole question of gun control.

● (1510)

The Bill specifically relates to the 1978 amendments that have had such a dramatic effect in the minds of many people, particularly those who care about freedom. This is a good opportunity for the public in 1983 to have somne input on a law that was passed in 1978. I hope Members opposite will agree that this is a worthy Bill, will give it second reading and send it to committee. I commend the law officers of the Crown for the excellent assistance they have given me to put this Bill into the proper legal form.

The purpose of the Bill, as I said earlier, is to respond to the honest and legitimate concerns, both practical and philosophical, of ordinary law-abiding Canadians who were and are opposed to the 1978 amendments on gun control. The second purpose is to remove the expensive administrative costs of registering long guns.

Whatever reference is made to guns, certain people think that all guns should be taken away. Others believe we have the right to own a gun, including a hand gun. This Bill in no way affects the existing law as it relates to hand guns.

For many years in this country there has been a system of registration and a rather restricted use of guns. This Bill is not designed to affect that general law. It is designed to respond to those in the west and in the north, because in those rural areas long guns, shotguns and rifles are an everyday part of their lives. Members from downtown Montreal or Toronto have no feeling for this Bill. They have never been in places where a grizzly bear in the backyard is a reality. This is the case for people in my riding and throughout the northern country. This Bill should be given serious consideration. It simplifies the procedure dramatically. For that reason it should be worthy of merit at this time when we have a $30 billion deficit and are trying to find ways to cut down costs.

This Bill will repeal the 1978 amendment which brought in firearms acquisition certificates and the associated registration of guns. It substitutes a requirement anticipated in the 1978 amendments which was never proclaimed. It would have only one condition: before any citizen over 18 can purchase a gun, he or she would need a certificate of proficiency. They would need to know how to care for guns, know the safety aspects as well as the statistics as to how dangerous they can be. As gun owners point out, it is not the gun that causes the problem but the guy who pulls the trigger.

Section 104(2)(c) of the existing law, which was not proclaimed, had a requirement whereby you had to take a course before purchasing a gun. My point is that we do not need all of those other sections in terms of firearms' acquisition certificates, firearms officers across the country and investigations into our individual lives.

When you go to buy a gun, a firearms officer inquires into your life. He can tap all sources in Government to find out whether there is something in your background which would make it undesirable for you to own a gun. That is an invasion of privacy to an amazing degree. This Bill states that before you can purchase a gun, you need a certificate from a recognized gun club or wildlife association, that you know about guns and can handle them safely.

This Bill anticipates that such a certificate would be given by a wildlife association or gun club recognized by the provincial Attorney General. The advantage is that it takes the control out of Ottawa and puts it in the hands of provincial Governments which are more responsive in their particular regions. An Attorney General in Alberta or the Yukon would have a set of requirements and would approve recognized clubs in that Province as bona fide clubs. There would be a similar situation in Ontario and Quebec.

As a result of this Bill, I have received many letters from Alberta, British Columbia and Ontario. I have not received one letter of criticism. Many state that this is the first common-sense approach to the whole question of gun control in a long time and they hope it will pass.

I would like to speak briefly about the practical objections of the original Bill C-51; they are well-known to many Members. The first is related to the cost of the firearms officers, the investigations, the applications and the red tape involved in purchasing a gun. There is also red tape in the police administration—for example, the paper work. There is no doubt that gun store owners are greatly hampered. This red tape has increased the cost of their business dramatically. As a result, there is less revenue going into the Consolidated Revenue Fund. Certainly citizens have been inconvenienced, there is no doubt about that.

The irony is that the existing law did not stop the criminal element. In 1977 there were 13,432 offences and in 1981 17,706, an increase of 32 per cent. In 1977 there were 7,500 robberies with firearms. In 1981 there were 9,040. All the evidence shows that ordinary law-abiding citizens have been dramatically inconvenienced. If you, Mr. Speaker, and I go into the field to shoot ducks, you do not have a firearms acquisition certificate and I lend you my gun, you and I are both criminals under this law. However, the real criminals, those who obtain their guns in the underworld or smuggle them across the border, still continue to use their guns to kill our citizens at an ever-increasing rate.

Beyond the practical is the more difficult philsophical question affecting those who have been born and raised in this country. I speak to many people who come from Eastern European countries such as Poland and the Ukraine on an almost daily basis. Poland, for example, has a long history of great power. They are a highly sophisticated people. There are musicians, artists, in fact the whole gamut of what we call civilization. However, after World War II the first thing the Government did was to take away their guns. That was the start of the loss of their freedom.

They tell me that if individuals cannot have guns, in 10, 20 or 30 years from now the Government will be able to take over. If the ordinary citizen cannot have a gun to protect his home, family and community, it could be that the military would have control. It is hard for native-born Canadians to understand that. We think we are too civilized for that to happen here, but it has happened before. We would be foolish to believe that could not happen in Canada.

• (1520)

These citizens, Mr. Speaker, primarily Canadians from other countries, also point out that the registration of guns has a very large downside in the long run. When we purchase a gun, it must be registered so that any Government knows that you, Mr. Speaker, have 14 guns, I have six guns and our fellow colleagues have so many guns. The Government can come to you at some point in the future and say: "Mr. Speaker, you have 14 guns and we want them. We want your guns or your life." You see, it is an invasion of your privacy.

We do not need that invasion of privacy in this country because surely the objective of gun control is the safe handling of guns. The way to achieve that objective is to make sure that people know how to handle guns rather than have them go through an inquisition to obtain a firearms acquisition certificate and then be able to purchase any number of guns as long as they are registered. Why should the issue not be approached from this other perspective?

People have the right to own guns just as they have the right to own cars. But they have to know how to drive those cars because public safety is at stake; therefore they must take a course to learn how to drive a car properly. I would say that is the route to follow, Mr. Speaker, in gun control.

In conclusion, I want to say that we need this Bill. I am hoping that other Members will let it go through because it will save money, It will meet the legitimate philosophical and practical needs of our fellow citizens, and I think it will be for the good of the country in the long run. Let us have the Bill go to committee so that our fellow Canadians may testify as to what they believe we should do, and then, for a change, let us act on it.

[*Translation*]

Mr. Gilles Marceau (Jonquière): I am very pleased with this opportunity to take part in the debate and to comment on the suggestion put forward by my hon. colleague.

I am sure Hon. Members will remember—I know I do, because I was a Member of the House at the time—all the controversy about Bill C-51. It was not surprising, if we consider that gun control is a subject on which public opinion is very clearly divided and which gives rise to heated debate.

This is understandable, because the subject is one that is literally a matter of life and death and concerns the very essence of our individual freedoms as Canadian citizens. We have all heard the arguments on gun control before. Positions

go from one extreme to another, from outlawing guns altogether to removing all controls. A gun control system reconciling these extreme positions would necessarily be complex and in itself highly controversial.

The gun control measures tabled in Parliament as part of Bill C-51 and passed by Parliament as part of the Criminal Law Amendment Act, 1977, have brought about basic changes in Canadian gun control legislation. The Government has introduced a control system which I myself, and I think most of us, will recognize as being effective, and which is based on the principle that guns have a legitimate, sometimes essential and often enviable place in the lives of many Canadians.

Guns have played an important role in Canada's history, from the times of the explorers and frontier days till the present time. Throughout this period, Canada has maintained a tradition of responsibility in the use of firearms, and that is what has led us to avoid extreme solutions, such as registering all firearms or setting up depots for firearms that are not in use. The Government has not changed its position, and this philosophy is reflected in the legislation.

Since the introduction on January 1, 1979 of the Firearms Acquisition Certificate system, it is now clear, I hope, that the system was designed to ensure that there would be as little inconvenience as possible to the responsible person who wishes to own and use guns.

Increasingly, it is being recognized that the measures adopted by the Government have been very helpful to police forces in controlling the irresponsible and criminal use of firearms and thereby reducing the number of homicides, accidents and suicides that occur in Canada every year. The proposals being made by my hon. friend deal directly with this matter, and although the procedures he is suggesting are not those I myself would favour, I think his approach is positive and that it has the same objective we all have, which is to use firearms as they ought to be used and not as a means of violence and destruction.

Mr. Speaker, I am proud of the fact that the Firearms Acquisition Certificate system was introduced unobstrusively and without any real problems, that it was very well accepted by Canadians and that since it became effective, the system, as shown by studies made by independent groups, has helped to contribute, together with other gun control measures, towards reducing the number of homicides, accidents and suicides caused by the use of firearms.

I am sure that on the other side, my Opposition colleague is just as anxious as we are to stop the violence that is so often present in our society. I think his suggestions may be useful.

However, I must say I deeply regret the fact that the Member for Lethbridge-Foothills (Mr. Thacker) is now sponsoring Bill C-588, which would replace our present efficient system with new, untested measures that are less strict and that might destroy the progress we have made in the last four years. I listened carefully to the Hon. Member's speech, and although the measures he is proposing would not, according to him, have that effect, I am not so sure he is right. He has good ideas, and I realize that if his proposals were to destroy the gains we have made, that is certainly not my hon. colleague's intention.

By substituting for the Fireams Acquisition Certificate system the measures proposed in Bill C-588, we would seriously compromise the effectiveness of Canadian gun control legislation. I am convinced that all Hon. Members will reach the same conclusion after looking at the purpose of the Firearms Acquisition Certificate system and at the very extensive screening measures provided by the system which would no longer be applied once Bill C-588 is passed, as proposed by my colleague in the Official Opposition.

• (1530)

For the information of the House, I shall now review briefly the objectives of our gun control legislation and the specific means provided to attain those objectives.

Mr. Speaker, I shall, if I may, give the three general objectives of the Criminal Law Amendment Act. They are first of all, to prevent the irresponsible use of firearms, second, to promote and safeguard the sensible possession and use of firearms, and third, to punish and discourage the criminal use of firearms.

I am sure that my colleague opposite will agree that these objectives are valid ones and should be followed. However, I submit that the means he is suggesting are not necessarily one we would be willing to support at this point. The firearms acquisition certificate system helps to meet the first two objectives through specific control mechanisms. The provisions concerning this system came into effect on January 1, 1979. Since then, anyone aged at least 16 who wants to acquire a firearm by whatever means must obtain a firearms acquisition certificate. This certificate is valid for five years and allows the individual to acquire an unspecified number of unrestricted long-barrelled guns, such as shotguns and rifles. The certificate is usually issued by the firearms officer of the local police force and provides for extensive screening mechanisms. All this might seem somewhat elementary, but since a few years have now elapsed, I feel it is important to go over the objectives and contents of this legislation which has played a significant role, as my Hon. friend reminded us today in making his suggestions.

A certificate will not be issued if the officer is aware of any fact that could make it desirable in the interests of the safety of others or of the applicant that he not be authorized to acquire firearms. Moreover, the certificate will not be issued if, within five years immediately preceding the date of the application, the applicant has been treated for a mental disorder, whether in a hospital, mental institute or psychiatric clinic or otherwise, and whether or not he was confined to such an institution when his disorder was associated with violence.

How can we determine whether the applicant comes under one of these provisions? First of all, in his application, he must indicate whether any one of them applies to him and a penalty is provided for anyone who makes a false statement. Second, all applications are examined by the centralized records service. In addition, all applications are referred to the local police division of the region where the applicant resides. My friend and colleague said earlier that there is a lot of red tape involved and that many provisions seem to delay application of the law, but I believe that those I have just described are essential and that it would be difficult to replace them by other provisions which may expedite matters, but would not meet the objectives of the law. Several important provisions to which I have just referred would be removed with Bill C-588. Under the present system, firearms acquisition certificate is issued by a firearms officer and it is an important provision since it guarantees an effective screening to prevent irresponsible individuals from acquiring firearms. The police has access to some information which is unavailable to others and this enables them to eliminate applicants who could eventually imperil their own lives and those of other people.

Applying for and obtaining a certificate may appear to be a complex exercise at first glance, as my colleague pointed out, but few Canadians are taking exception to the screening process and to what is considered to be troublesome paperwork for law-abiding citizens. However, it has been clearly established that Canadians are quite ready to abide by the law. This does not mean that I do not agree with my colleague that we should try to avoid some procedures which may perhaps seem cumbersome but to the extent that wherever the purpose of the legislation remains valid, we should not, under the pretence of speeding up the system, be prevented from pursuing our priorities which warranted the legislation which came into force in 1979.

We should not forget that in the first year of implementation of that system, well over 250,000 Canadians were granted firearms acquisition certificates, which means somewhow that the problems met by some individuals did not deter a considerable number of Canadians from obtaining it.

More than 629,000 applications were processed in the first three years. Most Canadians have shown willingness to abide by these provisions and, in light of my own experience and of official reports I can say that, considering the number of applications received, there were few problems and criticisms indeed. I presume that my colleague might point to certain instances in his area where the law may have been difficult to apply, I quite agree. Still, I would suggest that the significant aspect is whether the implementation of the law generally has proved useful, reasonable and acceptable. Given the information I have to date, it does seem that the over-all legislation is quite acceptable, even though certain sections might be better amended.

And what about the selection process? Figures show that in the first three years the numbers of rejected applications were 997, 1,107 and 1,006 respectively. In each of those three years, the rejection rate has been well below 1 per cent of the total number of applications. During that period, appeals were made in 6 to 7 per cent of rejections and, before 1981, 57 per cent of those appeals were submitted by institutions.

Mr. Speaker, it would seem that, generally speaking, the purposes of the legislation have been achieved and, although some applications may have resulted in delays and injustices for people who normally would have been issued those certificates more rapidly, I must conclude that the over-all situation is promising indeed. Again I say that my colleague of the Official Opposition has raised a very challenging and valid issue. I have tried to take a positive approach today and my intention was not to play down the purpose of the Bill which my colleague proposed and perhaps to express a different opinion concerning the various objectives we may share.

I respectfully submit to the House that at this stage it would be premature to consider such major and controversial amendments as those advocated by the Hon. Member for Lethbridge-Foothills. Before considering any radical change to our legislation on firearms control, we would be well advised to give the public and the numerous groups of people concerned an opportunity to study the final conclusions of the assessment review and express their opinions and suggestions on appropriate amendments. Again I thank my colleague for this opportunity to air my views on this subject. In the course of the debate, perhaps we will be able to find even more effective formulas to reach the goal we share, namely help Canadians achieve positive rather than negative results with firearms.

[*English*]

The Acting Speaker (Mr. Corbin): The rules and procedures do not permit questions and answers at this time.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I would like to speak against this Private Member's Bill. I do not believe it is well thought out. I feel some of the provisions in it could actually be quite harmful.

The Bill is intended to substitute a proficiency test for the existing requirements in the Criminal Code for the acquisition of a firearms certificate. What the Hon. Member neglects to do in discussing the matter is to specify what the different conditions are which his new Bill would omit from the controls on possession of a gun. Let me summarize them: "A person who has been convicted within five years immediately preceding the date of his application of an indictable offence; an offence in the commission of which violence is used against another person, threatened or attempted; within five years immediately preceding the date of the application has been treated for a mental disorder in various places; where the disorder for which he was so treated was associated with violence, threatened or attempted; has a history of behaviour occurring within five years immediately preceding the date of

his application which included violence or threatened or attempted violence on the part of the applicant".

• (1540)

These are all rather serious matters. As for the Hon. Member's suggestion that everyone has a right to own a gun even if he has attempted, threatened or used violence in the last five years, well, I suggest that such a person has forfeited the right to possession of a gun. Merely to undergo a proficiency test which shows that the person knows how to use a gun is hardly a substitute for showing responsible behaviour and being a person who can be trusted with a weapon which can be and has been used to kill people.

The Hon. Member also neglected to look carefully into the statistics. He was rather glib in talking about crime increasing. He suggests that the current provisions only cause a nuisance to law-abiding citizens and have not had any effect on crime. This is not so. The Solicitor General's Department commissioned a study to look into the effects of gun control legislation after it was passed in 1977. There is also an independent study by Professor Martin Friedland of the University of Toronto, Faculty of Law. These studies show there has been an impact on violent crime. There has been a reduction in the rate of homicides since introduction of gun control legislation. There has also been a reduction in the number of hunting accidents and in the number of suicides using firearms since the introdution, showing that the legislation has actually been fairly successful.

It is always difficult to pinpoint precisely what caused the reduction in homicides, accidents and suicides because the Provinces have been taking steps in the meantime to improve gun control by virtue of requiring hunting licences. All of the Provinces have gun safety programs. Indeed, six Provinces, British Columbia, Saskatchewan, Manitoba, Ontario, Quebec and Nova Scotia, have compulsory proficiency tests. New Brunswick is planning to institute these shortly and Newfoundland has a test for one kind of hunting only. So that the Provinces are taking steps and that, combined with better gun control legislation at the federal level, has seen reductions, which of course is what we want. It is actually fortunate that in Canada we do not have a tradition of violence. We have a long tradition of gun control legislation. I suggest these are very healthy signs we want to keep the good traditions we have.

In 1979 less than 60 homicides were committed with hand guns in Canada, only four in Toronto, a City of two million. In comparison, in the City of New York there were 900 hand gun killings. Hand gun homicides were 20 times higher per capita in the United States, and hand gun acquisitions are ten times higher in the U.S. So, the legislation and traditions we have have been extremely healthy and we certainly want to keep them; we do not want to go in the opposite direction. In fact, a Gallup poll indicated that Canadians would be happier to have tighter gun control legislation, and this includes the West where the Hon. Member suggests that people see this as such a great right. Canadians do not recognize this so-called right, and they are very concerned to keep violence down to the lowest level possible.

Another point I would like to raise, Mr. Speaker, is the provision in the current legislation for proficiency tests which the Hon. Member would make the only requirement for the acquisition of a firearm. There is an existing provision for the Provinces to make a proficiency test compulsory in order to get an acquisition certificate. Thus we can add requirements under the existing legislation which would not be the case under the proposed Bill. No Province so far has instituted this compulsory proficiency test for the acquisition of a firearm, but they are working in that direction. There have been discussions and the Provinces do want to go that way. Certainly they have been going that way with regard to hunting legislation. It would seem to me the best course is to let the current legislation continue to work, that consultation between the Solicitor General (Mr. Kaplan) and the Provinces be pursued on the best way to handle proficiency tests which will probably be proclaimed when the Provinces are ready for it. We have effective legislation right now, the problems are not terribly great, but neither should we introduce new problems by slackening legislation which has actually been successful.

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Mr. Speaker, I am indeed pleased to have the opportunity of speaking on this Bill. The subject matter has been before this House previously and I note in particular that it was the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) who first presented a similar Bill in Bill C-451.

Mr. Huntington: Similar? There is something wrong here; you have not read the Bill.

Mr. Robinson (Etobicoke-Lakeshore): The purpose of that Bill was to extend the present law relating to firearms acquisition certificates to the ownership, possession and use of firearms and to change the name "firearm acquisition certificate" to "firearm possession certificate". The Hon. Member for Lethbridge-Foothills (Mr. Thacker) who presented this Bill today has substantially the same kind of Bill except he changes the term from "firearms possession certificate" as outlined in Bill C-451 to "firearms proficiency certificate". I am suggesting that basically the two Bills are on all fours.

Mr. Thacker: On a point of order, Mr. Speaker, I would not want anyone reading *Hansard* to have even the faintest impression that there is a similarity between Bill C-451 and my Bill, C-588. There is absolutely no similarity at all.

Mr. Robinson (Etobicoke-Lakeshore): Well, Mr. Speaker, in spite of what the Hon. Member says, it appears to me that the difference between the two Bills is basically terminology, as I have outlined. I suggest that is really the basic change.

Now, Mr. Speaker, this raises in my mind some very serious concerns not only for this House but for the well-being of the Canadian public. First of all, there is a provision in the present legislation, as yet unproclaimed, calling for the applicant for a firearms acquisition certificate to have successfully completed

a course or test relating to the safe handling and use of firearms prior to the certificate being issued by the local police. This provision can be implemented upon provincial request. It is necessary to work out the administrative mechanisms to proclaim this provision and we are attempting to do just that with the Provinces at the present time. The House will recall that the whole firearms acquisition certificate system was delayed so we could have extensive consultations with the Provinces on the smooth implementation of this system.

What worries me most is that this Bill requires only that the individual be able to handle a firearm proficiently. The Hon. Member has done away with all the screening procedures presently required. I suggest to him that it is absolutely essential that there be some kind of screening procedure to make sure that people who are habitual criminals or inclined to violence will not have the opportunity of owning a hand gun, or even a rifle for that matter. An individual would be able to obtain a firearm simply by fulfilling the proficiency provision. Obviously in our prisons today there are many people who are proficient at handling firearms and there are many people who would not be using a firearm anyway unless they were proficient in the handling of it. But I suggest there are other criteria to be considered.

Even those not in favour of all aspects of our present legislation do not want those with criminal records involving violence, perhaps a history of violence with firearms, to obtain further weapons. This is what the Hon. Member's Bill proposes to allow. The applicant will not have to complete an application form on which he is questioned about indictable criminal convictions, or treatment for mental disorder for that matter. There will be no requirement for a police check on any individual as long as he can produce a proficiency certificate, regardless of where it was obtained. This, in my view, is not gun control. This is not keeping firearms out of the hands of dangerous persons. This is simply ensuring that the individual knows how to use the firearm. Although this is a very important item in itself, it is certainly not the only one with which we are concerned.

• (1550)

Our jails are filled with people who know how to use firearms, have used them well in the past and would most likely use them well in future if they had the opportunity to do so. The Bill, in fact, means that one of these people can leave jail one day, successfully take his course in handling a firearm the next day, and right after that he can buy a gun. With the possession of the gun he is able to commit crimes if he wishes to do so. Does the House really want to support this kind of legislation? I suggest that it does not?

How does the Hon. Member intend to establish these proficiency courses or test? Are the tests to be uniform in all Provinces or will it be left to each Province to establish its own test, thus making it easier in one Province to obtain a proficiency certificate than in another? There should at least be some standardization, some uniformity in the kind of test which would be required before a proficiency licence would be issued to the individual requesting same.

Another question is, what association does the Hon. Member have in mind to issue proficiency certificates? There are just too many questions left unanswered, I suggest, with regard to the proposal of the Hon. Member.

In terms of the present firearms program and its provision for a course or test in the safe handling of firearms, I can tell the House that the federal Government is working with the Provinces and, in particular, the hunter safety co-ordinators to develop a uniform set of guidelines to be used across Canada for courses in the safe handling of firearms when their requirements is proclaimed.

Besides that, the federal Government has begun several other initiatives to promote gun safety. We have produced a series of educational film strips on firearms, use and safety, for northern and remote students in Canada. I note that this is one of the areas with which the Hon. Member was basically concerned, I believe, with regard to the people in the north and those who might also be considered our native people who require long guns. I suggest to the Hon. Member that there is definitely a distinction between the use of long guns and the use of hand guns. Perhaps the Hon. Member's real concern with the legislation totally involves long guns rather than hand guns. If this is so, I think that that kind of distinction should have properly been made; but I did not hear it in his remarks today.

I am pleased to tell the House that the response and reaction to this kit has been most positive and that its use is being expanded by the Provinces in all areas of the country, including urban centres.

In order to bring the gun safety message to those who use firearms but do not necessarily belong to organized groups, we have developed a display card and pamphlets containing the so-called ten commandments on gun safety and information as to where individuals may obtain their firearm safety courses.

This is an important subject and I congratulate the Hon. Member for bringing it forward because it is of continuing interest and concern. However, I do not feel that I can support the legislation proposed by the Hon. Member for Lethbridge-Foothills in its present form. With the proposals, the universal principle of keeping guns out of the hands of dangerous individuals is completely destroyed. I would, however, commend to all and sundry that the pamphlet on the so-called ten commandments on gun safety should be widely distributed to everyone. I commend it to the Hon. Member as well. I note that it pertains to safety in all of its aspects. At the beginning it states:

> The safe use of your firearm can provide enjoyable sport and recreation. Misuse can injure or kill.

It is the whole intent and purpose of the present Government legislation to see to it that the individual does understand safety and the use of weapons and does, in fact, have proficiency in using a weapon before being licensed in any way, shape

or form. This, of course, is to ensure that accidents are prevented in the use of firearms, to ensure that those who are using the firearms are properly instructed in how to use them and to ensure that they are used for no unlawful or illegal purpose.

I want to commend the Hon. Member for Broadview-Greenwood (Ms. McDonald) as well for the point she made with regard to the studies which have taken place in the Department of the Solicitor General concerning the effects of gun control. The statistics do show that the present legislation has, in effect, been successful and has provided a great boon to safety in the country.

Therefore, to the Hon. Member I say I appreciate that he has brought this matter of continuing concern before the House today, and I support his suggestion in part, if it refers only to long guns and not short guns. Unfortunately, the way the Bill is phrased today, I cannot support the legislation.

Mr. Gordon Taylor (Bow River): Mr. Speaker, no one in his right mind would argue against a proficiency course or training on how to use guns, when to use guns and so on. That is not the point which is being raised here. The present gun laws are not working satisfactorily. The Hon. Member for Broadview-Greenwood (Ms. McDonald) and one of the Liberal Members have been indicating that the present gun laws are reducing casualties and robberies, which is not so. The police of our country know more about this subject than anyone else. They are the ones who must deal with it.

Let us consider what the police told five judges of the appellate court in Edmonton. *The Edmonton Journal* of November 30, 1982, states:

> The five judges of the appellate court were told that city police statistics show there were 562 armed robberies in Edmonton in 1981 of which 242 involved knives, 169 firearms and 151 other weapons.

The figure is taken as though all of these deaths were caused by guns. Guns are really instruments used by individuals who want to kill, to harm, to hurt. The present gun law is bothering innocent people who obey the law. The laws are not keeping guns out of the hands of the criminals. The Canadian people certainly want guns taken out of the hands of the criminals, but they do not want them taken out of every home, out of the hands of every individual; not at all.

In Edmonton only 70 per cent of these armed robberies were committed without using guns. Baseball bats, knives, swords, axes and hatchets are all instruments which can kill. If I were to be killed, I would much rather be killed by a gun than by a hatchet or a baseball bat. However, I do not want to get killed in either manner and we do not want anyone else to get killed in either manner.

We are discussing safety. We are trying to improve the gun laws of this country because the present gun laws are not working. The first paragraph in an article in the Halifax *Chronicle-Herald* of February 10, 1983, states:

> The police are still not happy with Ottawa's gun control legislation because it is not proving to be sufficiently effective in controlling the criminal use of firearms.

That should be the purpose of gun control rather than control over everyone, which the Hon. Member for Broadview-Greenwood wants. I do not want control over everyone. We live in a free society. I do not want the Government telling me that I cannot have a shotgun or a rifle. I have a lot of fun with a shotgun or a rifle and I do not hurt anyone. I give the birds a chance. I never shoot at a duck when it is sitting on the water. I wait until it starts to fly and then if it is a better flyer than I am a shooter, it lives. If it is not, it comes home in my pocket for dinner.

Some Hon. Members: Hear, hear!

Mr. Taylor: I have seen hunters shoot ducks sitting on the water by crawling up to the water and then shooting them. They also crawl up on a deer. Sometimes it is possible to kill one, if one is really good at that type of thing. However, I believe in giving an animal a chance, and all hunters do to. Hunters are probably the best people in the world for ensuring that guns are used properly and in the proper sense. However, the control of the criminal element is why we want gun control and our present laws are not effecting that control.

• (1600)

Let me go on with the article in the Halifax *Chronicle-Herald:*

> Spokesmen from the police forces in Halifax and Dartmouth have indicated that criminal use of firearms has increased—

The Hon. Member for Broadview-Greenwood is not here but she should be listening. The article continues:

> —in the past 10 years. Even with the gun-control legislation, it is not difficult to obtain a firearm and, of course, there are illegal channels through which purchases may be made.

Further on in the article we find this:

> It is a responsibility of government to protect the people of this country from criminal activity.

It is not the Government's responsibility to control the use of guns in anybody's home and in anybody's hands. As a matter of fact, there is a good effect to having a gun in your home. Robbers who want to kill and want to rob who know there is a gun in my home are going to think twice about coming in. Then we need also to give some common sense to some of these laws.

With regard to short hand guns, the Hon. Member for Lethbridge-Foothills (Mr. Thacker) did not mention or refer to them at all. Today you can get permission to own a hand gun but the regulations are so ridiculous that if I want to move my hand gun from my home to my farm where I use it and practice with it—and I do not want to leave it there all the time because someone might steal it and then I am responsible for it—I have to go to the police to get permission. I cannot take it from my home to my farm which is two miles away without permission from the police. What kind of regulations are we trying to impose on the people of Canada? Can we not be given a little credit for some maturity?

With regard to the firearms acquisition certificate, I know a case where the police simply walked in and took two shotguns

from a home and the person had to prove that he was not irresponsible. He had to prove that he had the right to use those guns. He was guilty before he was even tried. He had to go to a magistrate and prove that he was a responsible citizen. Such rules are not the kind we want in this country. If the police think I am irresponsible, let them go to a Justice of the Peace or a magistrate and let them prove I am irresponsible before they say I am guilty and before they come into my home and take my guns.

Yes, there are a lot of regulations that need to be improved with regard to this present gun legislation. It is not working. It is controlling the peaceful citizens and those who obey the law. It is not controlling the criminals. Members on the other side of the House and Members of the New Democratic Party had better wake up before something really serious happens in this country.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Jean-Guy Dubois (Lotbinière): Mr. Speaker, when I hear my colleague opposite say, in connection with Bill C-588, that something must be done to prevent people from being killed or wounded, I do not think anything will be achieved by adopting this bill, just because it happens to be called an Act to amend the Criminal Code (Gun Control). This kind of bill is not going to change the situation for criminals in Canada or prevent anyone from attacking someone else with a firearm, and in fact I think the present version of the Act is far more adequate than what my colleague opposite has been proposing this afternoon with a great deal of emphasis and rhetoric. The Bill explains, and I quote:

Since January 1, 1978, the acquisition of firearms has been subject to the issuance of a firearms acquisition certificate. The purpose of this Bill is to replace such a requirement by an obligation to produce a firearms proficiency certificate.

A number of serious questions arise if we consider the difference between the Firearms Acquisition Certificate and the Firearms Proficiency Certificate, and if we look at various provisions, especially the present Section 95 of the Criminal Code which provides all the information regarding Firearms Acquisition Certificates. I think we are much better off with the provisions of Section 104 which provides what must be done when a person receives an application for a Firearms Acquisition Certificate—that person must be satisfied that the information provided is relevant, and if the applicant has some kind of record, the application may be denied. The point I am trying to make is that if someone does not have the first certificate but does have a Proficiency Certificate, criminals and people liable to commit criminal acts will meet other people and commit armed robbery or something else, and obviously, they are far more proficient than some of my colleagues here in the House of Commons. These will most probably be people who either have not yet come before the courts or have been convicted and are now on parole or have returned to society to be rehabilitated and who then apply for a Proficiency Certificate in order to be able to use a firearm. It is clear that this kind of situation would open up the field considerably, and contrary to what my hon. colleague just said, it would be even worse than the serious situation he himself was predicting. What is important and what I wish to emphasize is the present wording of Section 104 which deals with firearms acquisition certificates. If I may, I would like to read a few paragraphs of this Section which I find quite relevant. It reads as follows:

"104. (1) Where a firearms officer to whom an application for a firearms acquisition certificate is made, after considering the information contained in the application, any further information that is submitted to him pursuant to a requirement made under subsection (8) and such other information as may reasonably be regarded as relevant to the application, does not have notice of any matter that may render it desirable in the interests of the safety of the applicant or any other person that the applicant should not acquire a firearm, he shall, subject to subsection (2) and on receipt by him of the appropriate fee, if any, issue a firearms acquisition certificate to the applicant.

The next part sets out prohibitions and even penalties. It reads as follows:

(2) No firearms acquisition certificate may be issued to a person who

(*a*) is under the age of sixteen years;

(*b*) is prohibited by an order made pursuant to section 98 or 101 or by a condition of a probation order referred to in paragraph 663(2)(d) from having a firearm in his possession; or

(c) fails to produce evidence in conjunction with his application for a firearms acquisition certificate that he has

(i) completed—

—and I believe this is very important—

—a course in the safe handling and use of firearms, or

(ii) successfully completed a test relating to the safe handling and use of firearms

I would like to point out another very important aspect of the firearms acquisition certificate, namely the fact that the certificate will not be issued if the applicant, and I quote:

(a) has been convicted within five years immediately preceding the date of his application, in proceedings on indictment, of

(i) an offence in the commission of which violence against another person was used, threatened or attempted, or

(ii) an offence under this Part,

Or if the applicant:

(b) within five years immediately preceding the date of his application, has been treated for a mental disorder, whether in a hospital, mental institute or psychiatric clinic or otherwise and whether or not he was, during that period, confined to such a hospital, institute or clinic, where the disorder for which he was so treated was associated with violence or threatened or attempted violence on the part of the applicant against himself or any other person;

The fact is that all this is now provided in the case of firearms acquisition certificate applications. Obviously, no system can be perfect either in this area or anywhere else, whether in the Quebec Civil Code or the common law of English-speaking provinces. Nothing is perfect, but there is quite a difference between admitting this and suggesting proficiency tests, and that is why I do not support this bill.

The Constitution

The Acting Speaker (Mr. Corbin): Order, please. Pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings.

• (1610)

[*English*]

Shall all items listed under Private Members' Public Bills preceding No. 283 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

THE CONSTITUTION

AMENDMENT RESPECTING FEDERAL GENERAL ELECTIONS

Mr. Ron Stewart (Simcoe South) moved that Bill C-483, an Act to amend the Constitution of Canada (duration of House of Commons), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, it is a privilege to speak on Bill C-483, an Act to amend the Constitution of Canada, in particular its provisions relating to the duration of the House of Commons. The purpose of this Bill is to provide an element of predictability in the calling of federal general elections.

At present there is almost total discretion in the Prime Minister (Mr. Trudeau) to choose a time that is convenient to the Government. Under this Bill elections would be held regularly at four-year intervals, except where a term was cut short by the defeat of a Government on a matter of confidence. In the latter event the newly-elected Government would start a fresh four-year mandate. Nothing in this Bill would prevent the Governor General, where a Government lost the confidence of the House of Commons, from calling upon the Opposition to form a new Government in circumstances where the Governor General already has such power.

Through this Bill I would therefore propose that the Constitution of Canada be amended under appropriate procedures in the following manner:

That the term of Parliament be so structured as to allow the House of Commons to continue until dissolved by the Governor General, which shall be not sooner than four years less 40 days, nor later than four years plus 40 days, from the day that the last preceding Parliament was dissolved.

I further propose notwithstanding this set term that:

The Governor General may dissolve a House of Commons at any time if the Government is defeated on a motion for the approval of its budgetary policy, a motion to concur in interim supply or Main Estimates, or a motion expressing loss of confidence in the Government by the House.

This setting of a specific four-year term for Parliament would as a result require a change to the Canada Elections Act. Through this Bill I propose an amendment to the Canada Elections Act, such amendment to enshrine in statute law the constitutional convention that writs for an election are to be issued immediately upon dissolution of Parliament. I propose that writs of election for a general election shall be issued on the day that Parliament is dissolved, and further:

That the Governor in Council shall fix the day on which the poll shall be held at an election which shall not be later than 80 days after the day that the writ of election was issued, and that day shall be named in the writ of election.

I feel this would ensure that general elections and by-elections are always held within a reasonable time from the day the writs are issued. I do not have to point out that this is not the case today and refer to the inequities which have occurred. At present, as Hon. Members are well aware, the maximum period for the duration of Parliament is five years.

In our history there has been one exception. During the First World War the Parliament which was assembled in 1911 was extended to 1917 by a special amendment to the British North America Act because of the exceptional circumstances of that war. As there was a section in the British North America Act, there is also a Section in the Canada Act which also allows for the continuation of Parliament. We are all very familiar with the following well-known phrase:

—in time of real or apprehended war, invasion or insurrection, if such continuation is not opposed by the votes of more than one-third of the House, or the legislative assembly, as the case may be.

This statement has been very controversial in the past. On three occasions Parliament has run its full five-year limit. In 1896 and in 1935 the Governments of the day were each defeated during the following general elections. On the third occasion, in 1945, the Government just barely managed re-election, which is indicative of my point and of this Bill.

The shortest Canadian Parliament, in 1957-58, was technically less than six months, while the Parliament of 1925-26 was slightly more than six months.

Despite the frequency of elections during the decade following 1957, Parliament usually lasts about four years. Our five-year limit for the duration of Parliament is based upon the British model. I am a strong supporter of the British parliamentary system but I believe that a four-year term is an improvement which can be made, much as I dislike criticizing the system of Government because I think we enjoy the best in the world.

In Britain, prior to 1715 there was no limit to the duration of Parliament. In that year the term was set at seven years. With the proclamation of the British Parliament Act in 1911, the duration of Parliament was reduced to five years. Only twice since then has the limit been extended and both times, similar to Canada, because of world wars. The Parliament which began in January, 1911 was extended to eight years; and the Parliament which began in November, 1935 was extended to ten years. Thank heavens for Winston Churchill. The duration of Parliament in Britain, like that in Canada, rarely lasts the specified five years; the British average is between three and four years.

I have provided this information as background to illustrate to the House why I feel the five-year limit to the duration of the Canadian Parliament must be changed. As I have shown, the limit is rarely adhered to and is therefore somewhat meaningless. By practical tradition five years has only been a "not beyond" date and not a fixed and practical limit to the

life of a Parliament. The extending of the duration of Parliament in very exceptional circumstances may indeed be acceptable, but on those three occasions when Parliament lasted the full five years it did so for political expediency only. This, I submit, is not a sound or democratic practice. By having what is in essence a "not beyond" but "anything before" date, the democratic process is in the hands of a small group or in many instances in the hands of one man. From what I have seen of this Government in action, that one man frightens me like no one since Adolf Hitler.

As long as there is an alternative time for an election, the Prime Minister is able to pick and choose the time most favourable to him. His own interests become paramount, not those of the nation. This right to select a most appropriate time is of tremendous advantage to a Government—and let there be no mistake—and particularly to its leader. If the situation in the country is not encouraging, to put it mildly, the Government can cling to power, hoping to wait out the storm like right now, unmindful of the harm it continues to inflict upon the nation. What such a Government must realize is that a Government which puts off calling an election until the last possible moment is sure to be criticized during the election campaign for not having the courage to face the voters sooner. Such was the case, as I so well remember, in 1979.

In the situation of a maximum five-year duration it is also very relevant to draw attention to the right of a Government to call an election any time after Parliament convenes. This, too, is a travesty which must not be allowed to continue. Again the Government of the day is permitted to pick and choose issues and circumstances most favourable to itself. There is always the temptation for a Prime Minister to use his power to retain power or to promote Party ends, even though such ends might not be in the public good.

A Prime Minister and a Government, knowing privately when an election will be called, can set about lavishly spending taxpayers' dollars on a host of projects. Have we not seen that? They are known as election goodies for the simple purpose of purchasing goodwill for themselves prior to the election. I am sure we all recall the ringing phrases and the claims of "the just society" and repeatedly being told that "the land is strong". Just as easily we can remember being assured that there would be no wage and price controls.

If specific four-year terms were set for Parliament, the public would realize instantly what was being done at the time it was being done and respond accordingly at the polls when they put that crucial X on their ballots.

The ability to call snap elections, especially in times when the Government's popularity is negligible, is also a powerful tool in the hands of the Prime Minister. When the electorate clearly indicates, primarily through public opinion polls, that it sees the Government as the source of its problems, the Prime Minister can use the threat of an election to keep his Party under control. I think we have seen that displayed dramatically across the way.

Backbenchers on the Government side would be very reluctant to vote against the Party line in the House of Commons or to voice disagreement with Cabinet policy—or perfidy—if threatened with an election. This is a situation very familiar these days to Members across the way. Many of the 74 Quebec-bloc Members are shuddering right now. How many Government Members feel secure right now? How many would like the election to be called in February next, which would be the case if the four-year term were in place? I am sure they would be shivering in their boots.

• (1620)

A committed 52 per cent of Canadians would like to see a Progressive Conservative Government in office right now. We would welcome an election tomorrow. This Government, knowing just how unpopular it is, is doing everything in its power to try and convince Canadians that it is really doing a bang-up, marvellous job.

The Government is spending the money of Canadians to try and get this false message across. This all bears relevance to a four-year term. The largest advertiser in Canada is not a giant multinational corporation. It is the federal Government telling Canadians how proud they should be of it, and it has to advertise to do it.

It has been estimated that the Government spends about $70 million on advertising a year, and the figure is growing. This is three times the amount spent by the second largest advertiser, can you imagine, General Foods. British parliamentarians have recognized the problems inherent in the system, including the undue advantage given the Government, and there have been many proposals to that Parliament for fixed terms like those of the United States Congress. To my knowledge, this Bill represents the first time a proposal of this nature has been presented to this House.

The system in the United States is a little different from that of Canada and Great Britain in that the nation's leader, the President, is elected by an independent popular vote and does not achieve office by virtue of being the head of the party obtaining the majority of seats in Congress. I do not agree with the system but I do agree with the fixed term.

Those in Congress, in the House of Representatives and in the Senate, as we are all aware, are elected for specific terms. Every two years the entire House of Representatives faces a general election. Senators are elected for six-year terms, but the system is such that only one-third of the terms expire every two years. I am not going to get into Senate reform and an elected Senate, which is long overdue.

Elections for both are held on the first Tuesday following the first Monday in November of even-numbered years. Their term of office begins at noon on January 3 in the year following the election. It is simple, predictable and it works.

The President of the United States is elected for a four-year term, so he is held accountable for his actions at the end of that time. We in Canada would do well seriously to consider placing the same onus of accountability on our Prime Minister in this year of parliamentary reform. We perhaps should consider limiting the term of office of the Canadian Prime Minister to two four-year terms. I hope to introduce a subsequent Bill in this House in the near future to address this issue.

The need to place a firm and fixed limit on the duration of Parliament has many other advantages besides limiting those of Government. In keeping with our efforts at parliamentary reform, the specific time limit would provide for a more orderly and practical resolution of the business of Government. It would enable potential and declared candidates from all political parties and those running as independents to plan their election or re-election campaigns in a less costly and more practical manner.

In my own case, I was nominated in March, 1978. At that time it was generally thought the election call was imminent. All the signs pointed to it. However, the election was not called until May of the following year, a period of 14 months; a maiden-in-waiting, if you will!

I am sure such a move would also be welcomed by the Chief Electoral Officer whose duty it is to conduct the general election process. Sometimes the materials are received way ahead of an election, and sometimes not. I understand that some have already been received in my riding. Eliminated would be the chaotic, last minute scramble to implement the gigantic task of enumeration and the vote itself. I am positive the majority of Canadians would support such a cyclical system of Government.

If we wish to restore the public's esteem of Parliament and its respect for the institution, we must think seriously of presenting ourselves to the public on a regular basis for approval or disapproval and not spring emotional surprises on them.

We are the representatives of the public and those we represent must have the opportunity to express their judgment of us at specifically designated intervals. We must not have the right to pick and choose when we will allow Canadians to sit in judgment, particularly if the times chosen are for political purposes and not for the public good.

I am presenting this Bill to the House at this time and by doing so I feel I am giving my clear support to this desirable system of accountability, accountability sadly lacking at this juncture in our history. A four-year term in this Parliament would give the Canadian people some hope after the classic mismanagement of the economy by the present Prime Minister, a Prime Minister supported by a horde of docile, spineless followers who, regardless of the issue or of thoughts for their constituents, rush blindly in his wake saying "Me too".

No matter what the duration of this Parliament, which is the longest in Canadian history with 504 sitting days, I have great faith that the Canadian people will remember the waffling on the budget, the Canadian people being absolutely subjugated. They will remember the pay-offs, the pork-barrelling, the subterfuge, the chicanery, the lack of intestinal fortitude, the deceit and the duplicity of the present regime.

Most Canadians, thank God, have awakened to the fact that the Prime Minister is a man who believes he has the right to rule instead of govern. That sort of thing went out with the divine right of kings. A four-year term would do much to alleviate this sort of action. The character of the left-wing, demagogic Prime Minister is most aptly described by the statement of Lord Acton when he said "Power corrupts and absolute power corrupts absolutely".

When thinking of a four-year term, I am sure the Canadian people would like to see it in place right now so that in February they could throw these rascals out. This time, regardless of when the election is held, no amount of bluff will help our chameleon Prime Minister. The people will not be fooled by a budget purporting to support free enterprise, by the last minute wooing of President Reagan or by a supposed stand that we saw in the House of Commons today against the U.S.S.R. in the Cruise missile situation. The socialist policies of the Prime Minister are now well known and documented. The lack of honour will be remembered. Voters will remember the fact that there were no resignations from discredited Ministers Lalonde, Chrétien and MacEachen over the Gillespie affair or budget leaks. I am sorry, I should not mention names, Mr. Speaker; I apologize.

The "Kings Row" across the way is in reality "Skid Row". It is occupied by a group of derelicts who have forged signatures, approached judges, lobbied for contracts, provided free Air Canada passes, refused to prosecute known enemy agents, allowing our allies to do it for us, elevated cronies to the Senate, been involved in the uranium cartel and then imposed an official silence on the issue. The list is as shameful as it is endless. It is condoned by the leader of this country. Their greed, incompetence and indifference will not be countenanced for much longer.

With the assistance of a public now fed up with the actions of this Government, I am more than confident that our Party as the only alternative will form the next Government. If this Bill passes into law, our Government will be the one charged with the responsibility of putting this four-year time limit into effect. I can assure this House and Canadians in general that we will not be afraid to face them after four years in office.

Mr. D. M. Collenette (York East): Mr. Speaker, I came here this afternoon to participate in Private Members' hour, being a great supporter of the right of the Private Member to bring forward ideas into the House of Commons. I looked at the Bill of the Hon. Member for Simcoe South (Mr. Stewart), C-483. I thought it was a serious proposal and I prepared some remarks in a serious vein. I will make those serious remarks. In listening to the arguments the Hon. Member put forward this afternoon, we can see that he is not particularly serious in trying to get the House to accept this proposal.

As one of those which the Hon. Member calls a spineless, docile Government supporter, I am pleased to stand here and respond to the argument of someone I would consider an intellectual dwarf. The Hon. Member has recited the most superfluous, trite criticisms of the present Government that really reflect the opinions of the lowest common denominator in society, all in support of an argument that I thought at least merited debate. So let us deal with the serious aspects first and the trite and ridiculous later. Mr. Speaker, I hate to respond to someone such as the Hon. Member for Simcoe South (Mr.

Stewart) but, quite frankly, if I do not, someone else must. We must talk this measure out.

• (1630)

I am a member of the Standing Committee on Standing Orders and Procedural reform, and I respect the rights of Hon. Members to bring matters to the House of Commons for serious debate. However, upon hearing the kind of argument put forward this afternoon by the Hon. Member for Simcoe South in support of his Bill, one sometimes wonders whether or not it is worthwhile to give private Members an entire Wednesday afternoon or to enhance Private Members' Hour at all because of the kind of arguments that have been presented.

Let us take the Hon. Member's proposal at face value and deal with it seriously. Then I will respond to the ridiculous things that were said earlier. First, the Bill would provide a situation where every four years on could expect an election. Now, to say that an election would fall on every anniversary date four years hence would, I think, cause some logistical problems. For example, the most recent election was held in February of 1980. This Bill would therefore commit us for a long period of time to having elections during the winter. Now, I suppose the Hon. Member for Simcoe South would propose to allow the Government 40 days, either before or after the anniversary date, in which to call an election, giving the Government three months' leeway. Clause 3 of the Bill would fix a maximum length for any federal election of 80 days.

This Bill would lead to what I would consider to be radical changes in the operation of Canada's current political system. I wonder to what extent short Private Member's Bill should be the avenue for radically changing the parliamentary system. The Hon. Member has said that he is a great student of British parliamentary democracy. One would have to question that statement given the arguments that he has marshalled this afternoon.

Let us look at the specific content of this piece of legislation. The first Clause would repeal Section 50 of the Constitution Act, 1867, by substituting the following:

50. (1) A House of Commons shall continue until dissolved by the Governor General, which shall be not sooner than four years less forty days, nor later than four years plus forty days, from the day that the last preceding Parliament was dissolved.

(2) Notwithstanding subsection (1), the Governor General may dissolve a House of Commons at any time if the Government is defeated on a motion for the approval of its budgetary policy, a motion to concur in interim supply or main estimates, or a motion expressing loss of confidence in the Government by the House.

This amendment to the Constitution Act, 1867, would create a great deal of confusion since it could be interpreted as being in conflict with Section 4 of the Canadian Charter of Rights and Freedoms which reads:

4. (1) No House of Commons and no legislative assembly shall continue for longer than five years from the date fixed for the return of the writs at a general election of its members.

(2) In time of real or apprehended war, invasion or insurrection, a House of Commons may be continued by Parliament and a legislative assembly may be continued by the legislature beyond five years if such continuation is not opposed by the votes of more than one-third of the members of the House of Commons or the legislative assembly, as the case may be.

What will be the limit? Will it be four years, five years? Will the Government be authorized to carry on in time of war or invasion? The Hon. Member does not address that particular concern. He pointed out three examples of Parliament going to its full limit, and I take him at his word as I have not researched it. He said it happened in 1896, 1935, and 1945. He dismisses this by saying that Parliament went to its full limit for political reasons. Well, he did not elaborate on those political reasons. Perhaps I can help him. First, in 1896, the incumbent Conservative Government was fearful of going to the polls and decided to wait for the full five years. In fact, I think it went a little beyond the five years, but it did not do anything wrong. To my understanding, that was not made an issue in the election. There were no charges brought against that particular Government of doing something anti-democratic.

Similarly, it was Mr. Bennett, another Conservative Prime Minister, who went the full limit in 1935. That was not the issue in the election campaign. People did not accuse him of subverting the democratic process.

In 1945, under the Government of Mackenzie King, there was a legitimate reason. The country was still at war and it would have been absolutely irresponsible to have an election take place during the war. There was an election in 1940, just after the war had started, but that was before Canada had fully mobilized and before the attitude of the Canadian society had fully changed to accommodating the war effort. Those are the three examples that he has given.

The Hon. Member goes on to state that he wants to amend Clause 3 of the Bill which, if adopted, would modify Subsection 22.(1) of the Canada Elections Act in such a way that a maximum length for any electoral campaign would be created. Thus we would have in the Canada Elections Act two series of provisions. One would concern the minimum length of a campaign, being Subsection 6(3.1) of the Canada Elections Act which reads:

6.(3.1) Notwithstanding subsection (2) and (3), in no case shall a writ of election be dated or issued on a day that is later than the fiftieth day before polling day.

Another provision would concern the maximum length of a campaign, the proposed Subsection 22(1) which would read:

22.(1) The Governor in Council shall fix the day on which the poll shall be held at any election, which shall be not later than eighty days after the day that the writ of election was issued, and that day shall be named in the writ of election.

Therefore, the combined effect of these two provisions would be that once the writ had been issued, the election should be held no carlier than 50 days and no later than 80 days from the day that the writ was issued.

The global result of these proposed amendments and of the existing provisions of the Canada Elections Act is that a Government would be in a position to call an election any time in four years less forty days from the last election, which election could be held 50 days later, that is, four years plus ten

days from the previous election; and four years plus forty days, which election could be held 90 days later, that is, four years plus 130 days from the previous election. This means that the Government would have a real leeway of over four months, leaving a certain amount of discretion with the Prime Minister, something that the Hon. Member for Simcoe South has decried in his speech this afternoon.

Mr. Speaker, let us get down to the real issue. It is really necessary to have set dates for elections? Would that improve our electoral system? There are three countries where elections are held at fixed dates. I am not sure whether the Hon. Member mentioned all three countries, but he did mention the United States. Let us look at France, West Germany and the United States.

In the case of France, the constitution of that country fixes the normal length of a legislative mandate to four years, and elections are held within 60 days of the end of the incumbent's mandate. But the President also has the power to dissolve the National Assembly on special occasion, and he often uses this prerogative. As a matter of fact, only half the number of French legislative elections were called at the end of a four-year mandate.

In the case of West Germany, the Government of that country has found a way to get around the constitution provisions by provoking its own defeat in the Bundestag. We saw this occur last fall. Such a thing would be possible here too since the Prime Minister could arrange to lose a non-confidence motion when he saw fit, or any time within the four-year period.

In the case of the United States to which the Hon. Member referred, the President is, after only two years in office, already back on the campaign trail. We are seeing this happen right now. President Reagan as the incumbent President is supposedly above politics, but he is campaigning day in and day out for his re-election bid later next year. This forces the office of the President to be more responsive to organized lobbies and, in my view, handicaps seriously his margin of manoeuvre. This is one of the main problems with fixed elections. It handicaps the power of the Government and often places the Government at the mercy of organized sectorial interests from inside or outside the country. If federal elections in Canada were held at fixed dates, to be sure some provincial Governments would take advantage of that. We have seen what kind of political games the Provinces have played in the last ten years.

I also have a concern about byelections, one which I do not particularly want to go into at this time.

The Hon. Member is a great admirer of the British parliamentary system, yet from my reading, I do not recall any demand on the part of the Opposition or of the Government in Great Britain to change the system. It is a well established rule in the British parliamentary system that five years is the normal term except where there are extreme circumstances as occured in Great Britain between 1935 and 1945 and as occurred here in Canada from 1911 to 1917 in the case of the war. As I mentioned earlier, it was unnecessary to invoke that special provision in 1945 because the Government still had its mandate intact, but the ending of the war more or less coincided with the ending of the mandate of Mackenzie King's Government. If we look to the mother of Parliaments, I do not believe that that issue has ever been raised. I do not say categorically, but I do not remember from my reading that this matter is of great concern to the people of Great Britain.

• (1640)

The real reason why the Hon. Member has brought this bill before the House this afternoon has been given by him. His Party has been somewhat frustrated by its inability to gain the favour of the electorate in this country. The Conservatives seeing themselves positioned rather well in the opinion polls, want to change the whole nature of the British and Canadian parliamentary system simply to accommodate their somewhat distasteful lust for power. That is really what it is all about, Mr. Speaker. I would ask the Hon. Member, is this the official position of the Conservative Party? He has stated unequivocally that, should a Conservative Government ever be elected again, this would be the Party policy.

Mr. Stewart: Mr. Speaker, I rise on a point of order. This is Private Members' Hour. It is not the opinion of our Party, unless I interpret the rules of the House incorrectly. I ask the Hon. Member to read the date on the Bill.

Mr. Collenette: Mr. Speaker, the Hon. Member is perhaps in a bit of a fog. He is the one who stated that if the present polls continue, and if his Party comes to power—

Mr. Stewart: If, if.

Mr. Collenette: Yes, those are great "if's", and the Hon. Members have great reason to say "if" because it is by no means assured. I believe the action today by the Premier of Ontario, William Davis, has pointed to the fact that there is a very big "if" about those opinion polls. If it was so assured, I am sure he would have entered the race. However, Mr. Speaker, I did not want to digress too much into partisan politics. The point is, though, the Hon. Member for Simcoe South has said, whether or not he knows what his Party's position is, that if the Conservative Party forms the next Government or a subsequent Government, then that Party would change the rules and have a fixed term. I have not heard any of the Leaders of the Opposition, the Hon. Member for Yellowhead (Mr. Clark) or the Hon. Member for Yukon (Mr. Nielsen), or any of the leadership candidates state a position on this particular policy.

The fact of the matter is, Mr. Speaker, there is no desire for this kind of change in Great Britain because there is alternation between the major Parties. I believe the longest period of time one Party has dominated in the British House of Commons in this century has been the 13 years of Conservative rule between 1951 and 1964. The remainder of the time there has been alternation. Of course, in Canada, we have seen the dominance of the Liberal Party in this century nearly 60 years out of the 80.

Mr. Cullen: For good reason.

Mr. Collenette: My colleague, the Hon. Member for Sarnia-Lambton (Mr. Cullen), says, for good reason. It is because the Liberal Party has answered the needs of the Canadian public, and I am sure we will do so in the next election and be triumphant, notwithstanding what the ups and downs of the opinion polls might reflect. The fact of the matter is, Mr. Speaker, this Bill really reflects the frustration of the Conservative Party at not being able to organize itself and so present itself to the country as the Party that can form the Government with some regularity.

I believe one only has to look at the debate which took place on Saturday in Toronto between the leadership candidates to realize the Conservative Party is still not ready to assume national office. It still cannot debate the major national concerns of the day, and it certainly cannot be trusted in terms of forming a new Government. That is why the Hon. Member is frustrated. To be charitable, Mr. Speaker, I can understand his frustration. He has not been here very long so I believe he is a bit impatient, but some of his colleagues have been around for a quarter of a century or more and I believe perhaps they have the right to be frustrated. The answer is not in changing the constitutional system in this country, the parliamentary system, and our constitutional heritage. That is not the answer. The answer is for the Conservative Party to try to get its own act together so that it can curry the favour of the voters and form the next Government.

I have talked just about long enough. I could be accused of killing time, and no Hon. Member likes to be accused of that. I do admit, however, that this afternoon I have tried to kill time simply because this measure, as it is written in Bill form, is a legitimate intellectual proposal which has come before the House. However, the arguments which have been martialed behind it by the Hon. Member for Simcoe South have shown that this Bill deserves to be talked out.

I hope other Hon. Members of the House will not let this Bill see the light of day because if it ever did get to committee it would do so for the wrong reasons. It would get to committee for reasons of narrow partisanship, answering a weakness of the Conservative Party and a frustration. I do not believe Private Members' Hour should be taken up with the frustrations of the Conservative Party, and certainly no committee should deal with this further, given the fact that that is the real reason the Hon. Member has brought forward this Bill today.

Mr. Rod Murphy (Churchill): Mr. Speaker, I certainly do not wish to speak this Bill out. I would like to express some concerns with regards to the proposed legislation. I would like to support some of the concepts which are in it. I found that much of the earlier debate on both sides of the House really deviated from the merits and the disadvantages inherent in the legislation. I feel that is unfortunate. The previous speaker was right in one respect, that is that Private Members' Hour—Private Members' day as it is now becoming—is the only opportunity which private Members have to talk about legislation and concerns which should be dealt with in a legislative manner. That is a right which is in some ways abused in this House, in that almost every piece of Private Members' legislation is talked out. It is not allowed to go to committee for further action. I find that unfortunate. There is no monopoly on brains and good ideas, and we should have a system in the House of Commons which allows reasonable pieces of private Members' legislation to be studied by appropriate committees of the House, and if there is a consensus within that committee, that it be referred back to the House of Commons for further resolution.

I believe we in the Opposition do ourselves harm when, in the interest of promoting our Bill, we sometimes use all the wrong rhetoric. I can agree with some of the sentiments in that rhetoric, but I feel that to bring it in at this particular time is probably inappropriate and probably did hurt the valuable suggestions in the legislation which the Hon. Member proposed. I believe one of the remarks of the last Liberal speaker points out why I can support this particular Bill. He said, and I will paraphrase, "It maybe inconvenient for the Government in terms of its dealings with lobbying groups and others if it had a fixed date for an election." I would suggest, Mr. Speaker, that the full concept of when an election should be called is no longer a matter which should just affect the Government and its ability to survive. We in this House should all agree that elections are really the property of the people. Certainly, if various lobbyist groups wanted to speak out on disarmament, on the issue of abortion or on the issue of wage and price controls, they have that right. We may condemn some of the procedures which lobbyist groups use, and from time to time I am sure all of us do that. However, they have the right to speak out during an election, before an election and, of course, after an election. I do not feel, therefore, that is a valid argument on behalf of the Liberal Government.

In terms of an election itself, Canadians should know when the next election is going to be held. They should be in a situation, as well as the Government, to be able to plan for a certain time period for that election. I believe that is reasonable and has much value for Canadian society as a whole. I also believe it has a great advantage for people who would like to run for public office. Many people who would like to seek election are not in a position to run campaigns which may last from 18 months to two years, depending on when the election is finally called. Many people simply cannot afford it. Many people, by the nature of where they work and what they do cannot afford a long-drawn-out period of time prior to an election being called. I am sure that the fact the 1979 election was not called much earlier created economic hardship on some candidates. I certainly remember hearing about candidates who withdrew after nomination. I think there would be great democratic value in knowing exactly when an election was going to take place, not only regarding where you work but because of the cost involved which many people cannot afford. If they have to wait around, as I said, a year or two years for an election to be finally called, that effectively takes

away from the rights of many Canadians to actually take part in an election.

• (1650)

Thirdly, Mr. Speaker, there is another democratic value to a fixed term of the House of Commons. Under the present laws of this land federal Government workers must resign their employment as soon as they indicate they are going to run for nomination. In this country, over 300,000 Canadians are prevented from seeking election unless they resign their jobs.

Mr. Munro (Esquimalt-Saanich): Leave of absence. There is a difference.

Mr. Murphy: Leave of absence, I am sorry. The Hon. Conservative Member says there is a difference, certainly technically there is, but being unemployed for two years is an economic harship for people and that is my concern with the present arrangement. We have had situations where people who say they wish to run for a Party nomination are immediately told they must take that leave of absence. The nomination may not take place for five or six months, and the election may not take place for another year or year and a half. So they may be in a position where for two full years they cannot take part in their regular employment. Most Government workers cannot afford that. So I think there is a lot to be gained for the individual.

I think some of the concerns expressed by the Government Member are also legitimate. So I favour this legislation going forward to committee for study. I think many Members on all sides would take part in that study and, if it was possible, come back to the House of Commons with proposals which I think almost all of us, certainly most Canadians, could accept. It would enhance the democratic right of Canadians not only to change the Government when that is their desire, but also to run in elections when that is their desire.

Let me say in closing, Mr. Speaker, that in light of the events which have taken place over the last few days in this House, it is interesting to note that this Private Members' Bill, which changes the Constitution, asks for committee study but does not put a deadline on it and does not insist that the House of Commons pass it after a one-day debate. If you remember the discussions and games-playing to which we have been subjected in the last few days in the House on the important issue of property rights, people want to speed it through the process and they want deadlines for each step of the process. I suggest that sending this Bill to committee for study for whatever length of time is necessary and allowing the House of Commons to debate it for whatever length of time is necessary before we actually pass or fail to pass the legislation, is probably closer to the proper process that we should use for a constitutional amendment. I hope that once we get past the games-playing on the issue of property rights we in this House will sit down and look at a way of dealing with all the proposed amendments which will be made to the Canadian Constitution.

We know that there is an effort to have property rights put into the Constitution. We know that there is still the unresolved issue of what special rights the Province of Quebec should have with regard to the amending formula and other items in the Constitution. We know that we will be asked in the next little while to deal with the issue of aboriginal rights in some proposals which came out of the First Ministers' Conference. Yet we in this House really do not have a process or understanding of how we wish to deal with constitutional amendments. I might add that as a result of some court decisions which are likely to occur over the next few years we can expect to find things in the present Constitution we did not realize we put there, and that the House of Commons may wish to make some corrections. If we decide to make those corrections we should not make them as a result of political expediency or public outcries by one group in society but because we want to make constitutional changes—and we are not talking about changing the whole things as we did two years ago, but rather, of making one or two amendments at a time—and we should think of how we want to do it. This Bill has given me a chance to speak on that, and I think it is something all Members of the House are concerned about and would like to see resolved.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, it is a pleasure to be afforded the opportunity to speak on this subject. I commend the Hon. Member for his attempt to change the Constitution. There are some aspects of this particular Bill which I find interesting and perhaps could support. There are some aspects that I cannot support and I would like to deal with both of them.

I think the obvious weakness in the Bill, of course, is that although the Hon. Member wants a fixed term, he gives all kinds of reasons why the term should not be fixed. Of course one of them would be that a Government decided it would like to go to the people at a certain time because it was to its advantage and it was before the four-year period was up. I submit that the reason the Hon. Member is sitting on the opposite side is precisely that the Government, which came in in May of 1979, let itself be defeated in December of 1979. There was no reason in the world for that Government to have been defeated had it wanted to stay on. Certainly on this side we gave the Government the one opportunity they had to go on, and that was, to defer discussion of that budget to a later date.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, perhaps the Hon. Member for Thunder Bay-Atikokan (Mr. McRae) could explain why a longstanding tradition of this House was broken on that particular occasion when the Secretary of State—

The Acting Speaker (Mr. Corbin): Order, please. If the Hon. Member wishes to ask a question he should follow the procedure and ask if the Hon. Member would accept a question at this time.

Mr. Munro (Esquimalt-Saanich): Oh, I am sure he would accept a question.

The Acting Speaker (Mr. Corbin): Would the Hon. Member for Thunder Bay-Atikokan accept a question at this time?

Mr. McRae: I accept a short question, Mr. Speaker.

Mr. Munro (Esquimalt-Saanich): Thank you for the correction, Mr. Speaker. Can the Hon. Member explain why the Government broke a tradition of long standing in this House, offending all the traditions of this House, by having the spokesman on foreign affairs stand up in this House and vote when he knew perfectly well that the then Secretary of State for External Affairs was away on Government business? Never before had it happened, and may it never happen again.

Mr. McRae: I find this quite incredible. I have sat in this House and it seems to me that we do not have any rules in this House that if there is a vote on any subject, a vote of confidence, and if the Minister is away, the critic would not vote.

Mr. Munro (Esquimalt-Saanich): Just check your traditions.

Mr. McRae: It certainly has not been the case so far as I can recall. The point is that had that vote been held two weeks later and, as expected, we had continued to sit through the Christmas break, I am sure that a good many Hon. Members on this side would not have been here. The fact is that it was the decision of that Government, as far as I am concerned, that it could do well by going to the polls at that particular time. When there is this sort of clause which says that there are all kinds of reasons the Government can be defeated, such as by votes of confidence, the real basis of the first section is really removed, because an election can be held at any given time.

• (1700)

I am basically not opposed to a fixed term, but what bothers me about this particular statement is that it still leaves in this whole business of votes of confidence. I have been in this place for many years, and the longer I am here the more I believe that the really serious breakdown in the House concerns its adversarial nature. One of the advantages of a fixed term is that people would not necessarily be bound or forced into elections if we voted against something or if groups teamed up and did different things. It is the adversarial concern which would lead me to believe that perhaps a fixed term would be good. However, if we are to have a fixed term, we should get rid of the notion of motions of confidence, and so forth.

The Canadian public, especially now, after years of watching Question Period on television, are appalled at the adversarial nature of our system. They must believe that when we get outside the door we have fistfights because the way we act in the House would certainly lead them to believe that we would "have it out" once outside the door. Of course, such is not the case. However, no matter what the Government brings in, and I suppose that if we were in Opposition we would do the same, the Opposition must almost inevitably oppose it. That is the nature of the game. There must be opposition.

Mr. Siddon: Constructively.

Mr. McRae: We bring in a good budget, one which the business community says is a good budget, and the Opposition opposes it because there is nothing in it for business. I do not blame Hon. Members opposite for doing that because it is part of the game. However, the problem is the process under which we work. We are constantly in an adversarial position. If I want to say a certain thing concerning a Government Bill, and I am on this side, I will speak to the Government. However, if the Opposition wants the same change, I will not speak to the Opposition and we will have a fight over it. It is this kind of thing which is the most bothersome.

There is something to be said for a fixed term, if it is a fixed term. The Hon. Member for Simcoe South (Mr. Stewart) spoke of the U.S. fixed term system, but he did not speak of a term in which the Government is defeated and an election is held in a short period of time. It is a fixed term. We speak of that Monday in November every two years. There is no way that Mr. Reagan or the Democrats can be defeated in the House. There are some advantages and disadvantages. However, we must start to consider how we can work things out together.

If any of us were Congressmen or Senators in the United States Government, we would be provided with many more employees than we have in our offices here. However, in such an office, everyone, from the receptionist at the front desk to the Congressman or Senator, would be constantly lobbying. I might lobby someone. The Hon. Member for Simcoe South is a good example. I respect his views. In fact, he is very articulate. I intensely disagree with what he says, but there might be a time when he and I would have to say, "Look, we both want the same thing because it will be good for our constituencies in Thunder Bay-Atikokan and Simcoe South". We might not sit down and sign an agreement, but we would make a deal. That is the way we would work, even though we had quite divergent political philosophies. As I see it, that is impossible to do in this House at this particular time.

A few of us from all sides of the House have been working on the issue of disarmament. We have certain views on it. I know the Hon. Member for Simcoe South does not agree with those views because I have heard him speaking differently in committee. The point is that it is very difficult for a handful of us to work together in an effective way, simply because of our adversarial system. We must vote pretty consistently in accordance with our Party's views. Once in a while Liberals can vote against the Government or an Hon. Member opposite may vote against a Party view, but it does not work very often or very well. It is a system which is different.

I always have some difficulty when someone says to me, "I believe in the British system". I have accepted the British system. Much of its value has been passed through to our parliamentary system. However, since we are on the North American continent, we are always being buffeted by what

happens in the United States. We in Canada are influenced by both sides. Sometimes we have the worst of both worlds, and maybe this is one of them. For instance, concerning the trade union movement, I think we have the worst of both sides because the American trade union movement is not nearly as adversarial and works together.

However, in the House we should be working, not toward taking over the American system but, rather, toward adjusting ourselves to an idea which is part British, part American—sort of North American. From the American example we should come to realize that we are not elected by the people of this country to fight against each other. However, that is what happens. Question Period is a show, almost a three-ringed circus. It is always adversarial. A Liberal may ask a question which is either favourable to the Government or to the Opposition, but it does not seem to matter. It does not make sense. It is entirely ridiculous, and I am sure that the Canadian people, seeing this constantly, feel the same way.

Therefore, I believe we can borrow from the United States to some extent. Mind you, when we start borrowing, we must be careful. One of the problems in the American system is that because there is so much lobbying, people believe that politicians always have their fingers in the till. This is rather reinforced by American television programs.

It is very seldom that I have a chance to make a deal with someone from the other side. It simply does not happen. We are labelled as politicians because people feel that we are somewhat like American politicians, but we are not. We do not sit down frequently and decide that the two of us will push something. That type of thing does not go on between Parties in this country, and maybe it is good. We must be very careful that when we borrow, we borrow only the best and that we do it in such a way as to avoid becoming involved in the kind of lobbying which is very bad in the United States.

I would be inclined to study the first Clause, but I would not like to speak about the Clause which says that we—

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. Pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings.

Shall all items listed under Private Members' Public Bills preceding item No. 355 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

• (1710)

All Items preceding No. 355 allowed to stand by unanimous consent.

[*English*]

CANADA ELECTIONS ACT

AMENDMENT RESPECTING PUBLICATION OF THE RESULT OF OPINION POLLS

Hon. Sinclair Stevens (York-Peel) moved that Bill C-555, to amend the Canada Elections Act, be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: If I may, first I would like to inform Hon. Members of the main thrust of Bill C-555. As I have indicated, Mr. Speaker, it is a Bill designed to amend the Canada Elections Act, so that if it carried, no opinion polls would be published between the twenty-eighth day prior to polling day and the day on which the polls are closed. By publishing we refer to publishing by radio, television, newspaper, news sheet, poster, billboard, hand bill or in any other manner.

Mr. Smith: Word of mouth.

Mr. Stevens: In answer to the Hon. Member, who will undoubtedly have an opportunity to speak on this Bill, we are not prohibiting private polls and we are not prohibiting whatever organizations political Parties feel they need to sense whether a Party is doing well or poorly. What we are saying is that surely, if we want to maintain a responsible democracy, we must as least consider whether it is right to have people, in some cases people who may be well qualified and in other cases people who may not be very professional in their approach, coming out with public opinion polls with a view to publishing them and possibly influencing the election dramatically.

Let me give an example of what happened in the last election. I have here a copy of the *Saturday Star*, for February 16, 1980, which you will notice, Mr. Speaker, has a well chosen picture of the then Prime Minister of Canada, I would say a picture deliberately included in that edition of the *Saturday Star* to put the Prime Minister of the nation in the worst possible light. Offsetting that picture is the headline "Liberals lead Gallup by 20 points." The article is written by Peter Regenstreif, copyright, incidentally, by the *Toronto Star*, 1980. The article commences with:

> A solid 20-point lead in the Gallup Poll for the Liberals over the Conservatives points to a probable Liberal majority government after Monday's election.

The truth is that that poll was totally inaccurate. The pollster goes on to say that their records show that 48 per cent of decided voters would be voting Liberal in the ensuing election, 28 per cent would be voting Conservative, and 23 per cent would be voting NDP. In short, the thrust of the poll and the way the article was written was that the Liberals had an unbeatable 20-point lead over the Conservatives, which meant a majority Government.

The fact was that the result in the election showed that the Liberals did not have 48 per cent but 44 per cent of the results and the Conservatives did not have 28 per cent but 33 per cent. While the pollsters portrayed the image of a 20-point gap between the then Government of Canada and the Opposition,

on election day the gap in points turned out to be about half of that.

The reason I introduced this Bill, Mr. Speaker, which incidentally was introduced on May 2, three years ago, was that, having lived with the consequence of what the pollsters did in that 1980 election, I felt the time had come when we needed some type of constraint on those that publish polls prior to elections. If you check the repercussions of this type of thing, you will find that most people in this House will tell you that during the 1980 campaign, when meeting people on the doorstep or at public meetings, rather than hearing them say, "Tell us more about the issues or tell us about your leader as opposed to other leaders", the almost inevitable statement was, "It looks like you are going to lose". People told us that they were reading in the paper of a 20-point gap and because of that they would say to us, "Somehow, you cannot make it." The issue became not who should govern this country but who a pollster said was going to win on election day.

Naturally, there are two ways to look at that, both of them wrong. You could say the bandwagon approach is going to favour a person or the Party that looks to be in the lead. That, I suggest, is wrong. Or you could argue exactly the reverse and say that perhaps it will garner a lot of support for the underdog. Taking that scenario, if it is going to be one or the other, I would much sooner be on the bandwagon side than be worrying about getting support for the underdog.

Mr. Smith: That is why you are with Mulroney.

Mr. Stevens: The Parliamentary Secretary can catcall and treat this lightly, but to me the people of Canada are concerned about this issue. While the Grits may laugh, the tragedy that has beset this nation for the last few years is partly a result of those election results which, in turn, were partly triggered by unfair polling right up to election day. It is something which that Member should not be laughing about any longer.

Mr. Smith: You don't believe that!

Mr. Stevens: What are the disadvantages of publishing polls right up to election day, as it can be done now? Let me put it succinctly. Think of the effect if it were seriously suggested that a newspaper could take a group of polls—if this could be done—and have the people vote in those polls in some kind of a preliminary election. Let us take the advance polls. What if we published the results of the advance polls prior to election day? Surely there is not a person in this House who would say that that should be done. Why should it not be done? In their heart they would know somehow or other that that is counter to democracy.

How people vote at five advance polls or 100 advance polls should be kept secret to the day the election results are actually tabulated. It would be grossly unfair to have certain advance polls published prior to an election. I do not think there is any doubt about that. If, under the proper scrutiny of the electoral process, we agree that an advance poll should not be published, what on earth is the justification for having people, for a fee or otherwise, poll 1,000 people or 2,000 people? First of all, it is an invasion of their right to keep how they vote secret by asking them how they are going to vote. Second, what is the justification for taking the totals of, let us say, 2,000 people who have been contacted and issuing the results as if they were indicative of what would happen in the ensuing election?

• (1720)

If we agree that the publishing of an advance poll is wrong—which, after all, would be properly supervised—why should we say that an amateur poll or a professional poll of a random sampling of people is somehow or other okay, is part of freedom of speech or God only knows what, and should not be restrained? We must add to that the fact that any pollster will tell us he can influence the results of a poll by the method he uses in gaining whatever data he needs and how he frames the question. If he wants to be completely fraudulent, he only has to make sure to call the right people who will give the right answers. If all these things are true, I would say the time has come for Parliament at least to consider whether there should be some restriction on this complete, carte blanche publishing of polls literally right up to the day when Canadians are asked to vote.

How often have we heard how people in western Canada resent watching television on election night and seeing the results from eastern Canada being reported? They realize that virtually whatever they have done in the form of voting is almost immaterial. If voters in western Canada feel that way, surely we must ask ourselves why. The reason is that they sense a certain futility. If they feel that way, why is it right to let some amateur or professional group of pollsters tell them in effect the same thing one or two days before?

Some Grits must feel warm all over as they remember the 1980 election and how the polling published in *The Toronto Star* helped them in the Toronto area. If they want to rise in the House today and defend it, let them also tell us why it was necessary in the Canada Elections Act to prohibit the publication of results in Newfoundland in another time zone in Canada, prior to the polls being closed in that time zone. Obviously it was included because it was felt that if people in British Coumbia knew how the vote had gone in Newfoundland, it would have some influence before the polls closed in British Columbia. If they think that such results should be blacked out on election day and not openly disseminated in British Columbia, why is it all right to have an amateur or professional pollster in effect doing the same thing right up to voting day for whatever devious or other reasons he wants to do it?

Having said that, Mr. Speaker, you might ask, "Yes, but what other country has ever been so bold as to prevent this type of publication?" First, I point out that the Province of British Columbia has a ban on public opinion polls during elections. We have Hon. Members from British Columbia here. Perhaps they could correct me if I am wrong, but I

understand that the ban has been in place for almost 30 years. For example, a radio station in Nelson was actually prosecuted in the last election in British Columbia on the basis that its poll contravened the regulations. In France, no polls may be made public during the last week of an election campaign. Australia has a ban, but I am not sure how extensive it is. The Hon. Member for Edmonton West (Mr. Lambert)—who said that he would like Hon. Members to know that if he were in the House he would certainly support my Bill—pointed out that this has become quite an issue in that part of the democratic world. Australia feels that a ban on this type of polling is necessary.

We could argue that the publishing of polls is something that may either hurt a Party in one election or help it in the next, but that is not what we are talking about today. We are talking about how we can ensure that our elections are as open, fair and democratic as possible. This entails no preliminary glimpses of how people will vote, because that type of thing becomes self-fulfilling. Those who have the wherewithal to commission polls can commission them as they see fit. They can ask whatever questions they see fit and publish the results as they see fit. I do not think anyone in Canada should have such a right if we want to respect our free democratic system.

Let me point out the types of things a pollster generally will not tell a person making inquiries. I went to see certain officials of the Gallup poll organization and questioned them about the 1980 results. I asked them whether they would reveal who exactly was surveyed, when they were surveyed and where. Other than being given general data, such as between dates and that type of thing, they say that that information is private, and they will not disclose it. If we ask who commissioned the poll or who actually paid them for it, of course we are told that that is private. If we ask whether the interviews that resulted in the data they felt was necessary were conducted by telephone or in person, we may or may not obtain an answer.

I think all these things should be open. If people are to be allowed to continue to publish polls and to show them to whatever advantage or disadvantage they feel will result, surely we should have the right to know who exactly they surveyed, who commissioned it, who paid for the poll and whether the interviews were conducted by telephone or in person.

Professional pollsters have told me that there is a tremendous difference in responses. For example, if they telephone persons, they obtain much more guarded answers than if a professional interviewer sat down with the person, led him up to the question and finally got the answer out of him. The tactics are another matter which I will get into at another time, but we are never furnished with the knowledge of what exactly was the breakdown in terms of number of males polled, number of females polled or the language, how heavily it was oriented to the French, to the English or to any other ethnic group. It was never related, and of course it could not be related, to such things as the total population. Most pollsters will say that they can never be entirely sure of turnout. In complete good faith they may come up with a poll showing that there will be a vote similar to the one I indicated and if, because of weather or other reasons, a disproportionate number of voters do not turn up, their poll will be automatically inaccurate. They acknowledge the fact that some elections have heavy turnouts and others have comparatively light turnouts. This is something a pollster cannot judge.

The point I am making is that poll results are written up, as they were in *The Toronto Star* to which I referred, as if they were Gospel on which people can count, but the pollsters tell us that they are accurate, within 4 per cent either way, 95 per cent of the time.

• (1730)

If we cherish our free democratic system, is it right that we allow people to publish polls that can be and literally are admitted to be often inaccurate? That is what we are talking about today.

I would hope that Hon. Members who choose to either talk out this Bill or possibly even speak against it will hesitate to do so. If they believe in democracy in Canada, let them show it by saying that they do not feel there should be this unfair polling of the public leading up to general elections such as happened in 1980.

[*Translation*]

Mrs. Céline Hervieux-Payette (Montreal-Mercier): Mr. Speaker, I am pleased to join in the debate on Bill C-555. I begin my remarks by saying to my colleague who has spoken in favour of this Bill that I have too much respect for the intelligent electors of Canada to think they might be swayed by public opinion polls during electoral campaigns. I would remind him that we Quebecers have lived through much more trying times during the referendum campaign when many opinion polls gave contradictory results, yet that did not prevent men and women in Quebec from choosing Canada.

[*English*]

The purpose of Bill C-555 is identical to that in two Bills which have already been debated during the present session. The first one, Bill C-208, was introduced by the Hon. Member for Athabasca (Mr. Shields) and debated on June 20, 1980. The second one, Bill C-262, was sponsored by the Hon. Member for Cumberland-Colchester (Mr. Coates) and was debated on November 26, 1981.

One may wonder if all that could be said about this topic has been exhausted. Maybe the Hon. Member for York-Peel (Mr. Stevens) was absent when the two Bills I mentioned were debated. In any case, for his benefit I would like to repeat some of the comments previously made about this kind of Bill.

The purpose of his proposed amendment to the Canada Elections Act is to prohibit the publication in any manner during the 28 clear days preceding the time that polls are closed in an electoral district in which an election is being held of the result or purported result of a poll of the political opinions of the electors in relation to the election. That is totally unacceptable to me. It is an insult to the intelligence of

the Canadian electorate and is a denial of their right to information about themselves.

At first glance it seems rather shocking to have such a proposal to muzzle the press and to deny information to people coming from a Member of the Conservative Party, a Party which has been an energetic champion of the cause of freedom of information. It is interesting that this comes at a time when that Party is out of office and is running 52 per cent in the Gallup poll. It is apparently now in the best interests of this country. However, Members of that Party have not been known for their consistency.

The Hon. Member for Cumberland-Colchester, who is a guiding light in his Party and is trying to assist his Leader in many ways, sponsored Bill C-262 which would prohibit the publication of the results of opinion polls for the entire election period. This may be a little sterner stuff, but I think the real problem of what we are talking about here is that such a Bill really does not treat the Canadian people with much respect. I think it more or less implies that they are like lemmings, that they are like sheep, or like buffalo on the prairies stampeding in one direction, and that direction is whichever way the polls seem to be following.

These fears for the ignorance and gullibility of the electorate for only four weeks do not make much sense to me. I am reminded of the phrase of Franklin D. Roosevelt, Fear nothing but fear itself, and he should have known. In 1936 there was a very famous poll conducted during the U.S. presidential election which showed that Alf Landon would thump Franklin Roosevelt. What in fact happened was that Roosevelt thumped Landon, but the *Literary Digest* only consulted people who subscribed to the magazine. In the middle of the Depression, the only people who could afford magazine subscriptions were Republicans. Not too long after that, the *Literary Digest* went out of business.

One can only hope that this House will give this Bill the treatment it so richly deserves, that which was meted out to similar Bills sponsored by the Hon. Member for Cumberland-Colchester and the Hon. Member for Athabasca. Both Bills, Bill C-208 and Bill C-262 respectively, would have prohibited the publication of the results of opinion polls during an election, as is proposed by the Hon. Member for York-Peel at this time; three times in two years.

I might note that a very distinguished Member of this House, no less a distinguished a Member than yourself, Mr. Speaker, said, and I will quote from the Minutes of Proceedings and Evidence of the Standing Committee on Privileges and Elections for Tuesday, April 13, 1976, as follows:

Mr. Cullen: Mr. Speaker, I rise on a point of order. I did a little research on this. I believe it was the Hon. Member for Ottawa West (Mr. Francis), not the present incumbent of the Chair.

The Acting Speaker (Mr. Corbin): In any case, Hon. Members should avoid attempting to draw the Speaker into the debate, please.

Mrs. Hervieux-Payette: That is correct, Mr. Speaker. It is the Hon. Member for Ottawa West (Mr. Francis). I apologize for the error. The Hon. Member for Ottawa West said this about the poll, and I quote:

> Well, if you were to try to do it on a national basis, you would have the kind of thing where the Detroit paper would do a poll on Canada and publish it in Detroit. The United Kingdom tried to do this and they had it from radio Luxembourg, beamed at the United Kingdom, back and forth. I just do not think it is enforceable. And, while I do not like opinion polls, and while I understand why someone presented the bill, and I wish I could think of a good, ultimate, valid reason why I could achieve the same result, I have to say, deep in my heart, I think it is wrong.

The point raised in that Committee is a good point. What would happen if a Detroit radio station decided to make public the results of a poll done in Canada? With the cable network and with the techniques we have now, such as the satellite discs, you could have an Atlanta television station broadcast the results of a poll. Are we going to try to stop this? It raises rather horrendous scenes.

You can picture people in eastern Europe huddled beside their radio with the lights out or turned down very low, listening to the "Voice of America" waiting for the police to break down the door. I can think of many movies of the Second World War where the Gestapo would storm in and find somebody with the earphones on. Is that the sort of thing we are going to do? It does not seem very realistic. Once we start muzzling the press and denying the press the right to publish information, where do we stop and, I should say, where do we start?

I understand the motivation behind the Bill presented by the Hon. Member, but it is a very slippery slope. Once you start that sort of process, I do not think there is any guarantee that it will not creep away from us and eat into very fundamental and precious rights. We have always had a free press in this country. A person such as myself on the Liberal side can say that we have enjoyed criticism and all sorts of remarks. We have survived over the years. What would happen if someone would take a poll and then we had a version of a Hyde Park corner in this country? Are you going to extend the Bill to preclude somebody from taking a poll and then standing up on a soapbox to announce it?

Where do you draw the line? The final week ban on publication of poll results involves a clear and obvious abridgement of freedom of expressions. It would restrict individuals, the press, magazines, radio and television for a crucial seven-day period. In the language of journalistic ethics, it would flagrantly and without any question abridge the right of the public to know.

• (1740)

If a late change in public sentiment were under way, this rule would require that knowledge of the change be witheld from the general population. The Bill's sweeping demand, it should be noted, would withold all polls, those accurately reflecting the trend as well as those that might in one way or another be seriously misleading.

[*Translation*]

I should like to make a brief comment on that, Mr. Speaker. Being from Quebec where I was with the Department of Social Affairs, I know that very often a good many of our departmental policies stemmed from documents drafted after and based on a poll. In my opinion, it is a scientific tool and that is a fact with which well informed people agree today. As to whether all polls are reliable, that is for the client to decide and, in this instance, they are usually sponsored by newspapers during an electoral campaign. I would suggest that the reputation of polling firms has been established, and those which do have some credibility would not jeopardize their future by playing with figures or publishing misleading results. I think that the future of those firms weighs more heavily than the outcome of any election.

[*English*]

Look at the results of the last election. Does anyone think that the results were seriously affected by the polls? Certainly the polls were broadcast far and wide. The voters in western Canada were not very much influenced by them if they believed the polls which indicated that the Liberal Party would do well in eastern Canada. It did not cause a stampede toward the Liberals on the Prairies. Perhaps if anything, it did cause some weakening of our support.

Look at the polls. They did not all say the same thing. The CTV poll, the CBC poll, the Carleton University poll and the *Toronto Star* poll did not give the same figures, but they all indicated the same trend, and the trend was that the Liberals would win. In fact, the Liberals did win.

What would happen, for example, if we were to ban polls during only the last four weeks of an election campaign? The Ken Taylor Iran incident caused the Tories to think that this might be their salvation, that it might turn things around. Anyone working for the campaign in Toronto during that election who talked to a Conservative worker knows that this incident gave them a real shot in the arm, a real flow of adrenalin. They could hardly wait for the next poll to come out. They felt that somehow a twist or a change in their fortunes would be indicated as a result of the Iranian incident. I must say, however, that they were not responsible for the incident.

Are we to deny the Conservatives the hype or the adrenalin or the good morale that would result from an incident occuring toward the end of an election campaign? Are we to say that if something great happens during the first part of a campaign, the poll will reflect it and the effect may be felt by the electorate and they may go in that direction like lemmings, but that this must not happen in the last four weeks? If that were the case, the Conservatives probably would have asked Ken Taylor to get out of Iran two or three weeks earlier so that there would be time for the polls to reflect that upsurge in their fortunes. This is the ridiculous sort of thing this legislation could trigger.

A point raised by the Hon. Member for Athabasca was the way in which knowledge of the mood of the country would affect the decision of a voter. Somebody who may feel strongly about a majority Government might like to know if one of the two major Parties had a better chance to form a majority Government than the other. A voter may prefer one of the two major Parties, but actually feel strongly about minority Governments. If he thought the NDP had a chance of holding the balance of power, he would vote for that Party, but only if it would hold the balance of power. I do not see anything wrong with that. That is valid information that should not be denied the electorate.

If anything, in terms of knowledge of politics, elections and the issues, voters are becoming increasingly more sophisticated. I do not think we need to stuff up their ears so they cannot hear information they had a right to hear in the past in case somehow their minds would be tainted and they would go off and do something they would not otherwise do. Mr. Speaker, I believe that in a democratic country such as ours, that is not the kind of thing we must anticipate. As far as I am concerned, the polls can continue.

If a voter was very concerned about having a majority Government and wanted to know which Party had the best chance of forming a majority Government, he could do his own poll. However, the results would only be relevant in his own riding, and the trend in his riding might be going in the opposite direction from that in the rest of the country. In a country that is so spread out, almost 5,000 kilometers long, it is valid for a person in one part of the country to want to know how people in other parts of the country feel.

Our Party will take its chances on the impact that such information will have on the electorate. I do not think that there is a possibility that very many people will place their vote based on the mood of the rest of the country, causing everyone to react in the same way.

[*Translation*]

Mr. Speaker, the people of Quebec often say that they will not behave like a bunch of sheep. I think that if the leader comes down from the mountain, there is no need for everybody to jump in the water.

[*English*]

The results of the last election, particularly from the area of the country west of Winnipeg, will indicate that. If there was a buffalo stampede in the West, it was not in the direction of the Liberals. It was in the opposite direction, notwithstanding the fact that the direction of the polls was well known.

Another interesting question that arises is the difference between the work of a political commentator, of a syndicated columnist, of a magazine writer and of a pollster. Let us assume a rough equivalence in terms of talent and sensitivity on the part of the three. Are we to say that a political commentator whose columns are carried in newspapers across the country cannot say that he has been talking to many people and finds it pretty clear that the mood of the country is that the Liberals will win this election or the Conservatives will win that election? People respect a columnist's judgment. People believe that if Lynch, Fisher or Fotheringham say something

and they have gone up on the mountain and got it in tablets of stone, it must be true. However, one knows that what columnists say is not always true, but if that is the information the people are looking for, they will certainly believe Mr. Lynch or Mr. Fisher. The Conservatives usually believe Mr. Fisher. Are we to say to columnists that they cannot write columns like that in the last four weeks of an election campaign? The Bill does not purport to do that, but what is the difference? Both the columnists and the pollsters give an impression, albeit one is a personal reflection and the other is a scientific impression.

If people are so easily influenced by what authoritative people may say about the mood of the country, rather than read polls by Martin Goldfarb or Peter Regenstreif, they will simply read columns by Charles Lynch or Doug Fisher. We all know how authoritative they are. Their opinions may differ from time to time, but so do the opinions of the pollsters. Opinions are not always identical. That is another problem that can occur if you follow this route.

Mr. Speaker, I will conclude my remarks by saying that in Quebec we believe in taking polls during the election campaign, and that the safeguard provided for the last day only is enough. We believe enough in the freedom of expression and in the judgment of the people of Quebec to allow them to hear the truth right up until the last minute.

[*Translation*]

The rules of the game and the way polls are taken lead us to believe quite simply that our fellow Canadians can make up their own minds on these issues. As a Member, Mr. Speaker, I very often consult reference books. Recently, in the course of my duties as a Member, I had an opportunity to read a document published by Jean-Pierre Hogue and entitled "L'héritage de Jacques Cartier". Mr. Hogue uses that book to know the values of—

[*English*]

Mr. Stevens: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Corbin): The Hon. Member for York-Peel rises on a point of order.

Mr. Stevens: Mr. Speaker, I was wondering if the Hon. Member would accept a short question.

[*Translation*]

The Acting Speaker (Mr. Corbin): Would the Hon. Member for Montreal-Mercier (Mrs. Hervieux-Payette) entertain a question?

Mrs. Hervieux-Payette: Yes, Mr. Speaker.

[*English*]

Mr. Stevens: Mr. Speaker, I thank the Hon. Member. She mentioned that it is good to have the people know the truth right up to election day. How can she tell that they are getting the truth when the poll that I referred to was obviously not the truth?

[*Translation*]

Mrs. Hervieux-Payette: Mr. Speaker, I think that the Hon. Member's question is of a philosophical nature because, in the context of scientific methodology—and that is what I wanted to tell my colleague when I mentioned the work of Mr. Hogue—truth in the end can always be subjective or objective. I am thinking of someone who takes an honest poll and makes the results public. There may be flaws in the way the people polled were selected, in the way the figures were collated, or the system may be distorted. I think that the value, the quality, the accuracy and the reliability of polls depend mainly on the reputation of the firms which take them, as well as on the qualities of the pollsters themselves. I consult the work of Mr. Hogue because I want to know how reliable the samples can be and which scientific methodology can be used. As a Member—generally speaking, for many years and even before my election to the House—I must say that not only polls are useful and important, but in my opinion they are essential to Canadians and people deserve to know the truth.

• (1750)

[*English*]

Mr. Laverne Lewycky (Dauphin): Mr. Speaker, I am glad to be able to put a few words on the record with regard to this Bill which has been proposed by the Hon. Member for York-Peel (Mr. Stevens). I believe, in view of the great number of people in the House, that Hon. Members opposite might be agreeable to allowing this debate to continue past its normal time until 6.10. Could I have the unanimous consent of the House to that so I will not be accused of talking out this Bill?

The Acting Speaker (Mr. Corbin): The Hon. Member for Dauphin (Mr. Lewycky) is seeking unanimous consent to proceed beyond the ordinary time of adjournment, which is six o'clock, so as to complete the full hour or 60 minutes provided under the rules of debate. Is it agreed?

Mr. Collenette: If I understand, Mr. Speaker, the Hon. Member just wants to extend the period of time to the full hour, not beyond, is that right?

The Acting Speaker (Mr. Corbin): That is the general understanding, in which case the Chair should indicate the debate would end at ten minutes past six o'clock. Is it agreed?

Some Hon. Members: Agreed.

Mr. Lewycky: Mr. Speaker, I thank the House for its indulgence. I do want to put a few words on record and still allow at least a few minutes to anyone who might want to comment on this particular Bill.

I believe this Bill raises a crucial issue in terms of the whole election and/or referendum procedure because it seeks to divide public opinion on the matter of public property or private property. I listened very carefully to the arguments presented by the Hon. Member for York-Peel. I know there are two sides to the coin, and he has very adequately presented

the one side. I would like to perhaps reiterate some of those aspects. In addition, I will illustrate some of the concerns which we in this Party have with regard to the other side of the coin.

One side of the coin follows the premise that a publication of a public opinion poll pertaining to a particular election would subsequently sway opinion. I believe the Hon. Member for York-Peel referred to it as the "bandwagon" effect. As a result, this would have some impact on the election outcome. The second premise which logically flows from this way of thinking is that such swaying of public opinion is manipulative and, of course, this manipulation is bad. Therefore, we have the conclusion drawn by the Hon. Member that there should be a ban on all public opinion polls of electors during an election, and he suggests for a period of 30 days.

On this particular side of the coin, I am prepared to concede that it can probably be ascertained from various studies that opinion polls do affect public opinion, political or otherwise.

I would like to look at the other side of the coin for a moment. What would happen if this Bill were implemented? This, of course, would not prohibit the use of private polling. That would mean that certain political Parties which have x number of dollars would still be able to commission private polls. They would be able to use the information during the 30-day period to their own advantage.

Much reference has been made to the Toronto area. Let me illustrate one scenario. Under this particular Bill, a poll might be conducted by the Conservative Party which might find out that perhaps the Liberal Party had made a few gains in the Toronto area. Therefore, based on its own private poll, it could innundate the Toronto area with good, solid, Conservative advertising. But would the public be any wiser?

If it were a public poll and all of a sudden we found that the Liberal Party had gained by a certain number of points in the Gallup poll and the Conservatives then innundated the Toronto area with their—I was going to say "propaganda", but let us say advertising, if it were public the discerning person in Toronto could say that is to be expected. This is what the Gallup poll says. And here we have an innundation of the Conservative advertising. So at least this public opinion, the opinion which had been solicited by the public, is at least at a present time still available for the public in general.

I believe that in this day and age more and more people are becoming aware of and alert to the parameters of public opinion polls and how they are conducted. They are, perhaps, a bit more aware of the shortcomings in the way in which these polls are conducted.

It has been mentioned that there is a ban in British Columbia and in certain other parts of the world. I suppose I should ask the question, what is the result of the ban which exists in British Columbia and in other parts of the world? The major political Parties still conduct their own private polls. In accordance with the law, the results are not published. The question I ask is, is the public any wiser in terms of their decisions and in terms of what might still be termed as manipulation on the part of the people who are involved?

In addition to that, I do have some questions about the charter of Rights and the whole question of freedom of the press and freedom of opinion, as mentioned by the previous speaker. Let me just mention some of these concerns. I would be a lot happier if the Liberals would agree, along with the Conservatives, to at least refer this subject matter to committee, because in this short time I cannot underline all of our concerns. If this subject matter were referred to committee we could perhaps bring in some evidence from British Columbia, take a look at the experience in Australia and consider other experience. We could take a look at both sides of the coin. In a short period of time such as we now have available that is certainly not possible.

The Hon. Member indicated the importance of having public information with regard to who does the polling, what are the parameters and what are the statistical methods being used. I noticed he referred to the whole question of random sampling. I am sure the Hon. Member is aware that when we talk about random sampling, it is a statistical technique and method which has been scientifically derived. It is not as the English word would suggest, a "random picking". Those are some of the things which I certainly would like to have taken into consideration. If the Hon. Member had included that type of concern in his Bill, that there be public information available, then this, of course, would be something we could support.

• (1800)

I find it a bit humorous, that the Hon. Member, who speaks so frankly about private enterprise, should today be speaking against these private entrepreneurs who consider all this information private property. All he is really underlining for me is the fact that the whole discussion we have been having, even on the question of property rights, is a little bit broader than what we may have been led to believe.

As to the results of public polls and whether they actually influence an election, the previous speaker referred to the previous election, and that because the people knew there might be a Liberal majority, that did not affect the vote in the west. She underlined a very good point that we should take into consideration, that even the knowledge that the east had gone Liberal did not have an impact on the west. We are fairly independent thinkers out there.

I did want to underline some other concerns, Mr. Speaker. I wish there could have been unanimous consent to have this referred to committee because I would love to see this studied a bit further. I would like to see the Hon. Member come before the committee as a witness to expound a little bit more on this issue. I hope he will not let the issue die.

I know the Commissioner of Official Languages will be bringing forward some recommendations with regard to the Official Languages Act. I hope the Hon. Member, knowing as he does that this Bill will be talked out by the Government, will at least make it a point to send off a representative to the commissioner expressing his concerns. In that way it would be on the public record as something the Commissioner of Official Languages will have to consider, and something which

could be brought in for discussion in committee, perhaps as a result of a report and recommendations of the Chief Electoral Officer. I trust the Hon. Member for York-Peel will take my advice and write to the Commissioner so that this is on the public record. Perhaps in that way it might get the airing it deserves in the days ahead.

I thank you, Mr. Speaker, for the opportunity to share some of these concerns.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I would just like to make two or three comments on this particular Bill. It is one of a series brought down by thoughtful Members. You will notice the date on it, May 2, 1980.

There were a number of measures which occurred to me and other thoughtful Members following the election, amendments we felt ought to be made to election procedures. I brought one forward last week in relation to mobile ballot boxes, and I have a number of others. Polling is the matter facing us today.

Permanent electoral polls might have been mentioned. These matters should be brought forward while we are all deeply conscious of the things which come to mind during an election. We cannot discount this subtle influence on voters' minds. The Hon. Member for York-Peel (Mr. Stevens) mentioned the ban on the publication of results from the east prior to the closing of polls in the west. That matter is being considered by the committee concerned. There is the very obvious reason for that, because of the influence of the results from the east in the west. Such results can influence favourably or negatively, or they can suggest to people that there is no damn use going out to the polls anyway, so they might as well stay home. That is not good. People should not be influenced in that way. They should be free to express themselves on the candidates and the issues. There is sometimes a desire to get on the bandwagon or defy the bandwagon or, as I say, stay home.

Those people who have spoken so far, particularly on the other side, forget certain things because they live in the centre of this country. They forget that there is a four and one half hour time difference from one side of the country to the other. The results in Newfoundland are known one and one half hours before they are known here. The results in the great metropolitan areas of Ontario and Quebec are known three hours before we close our ballots out on the West Coast.

For the same reason that there should be a ban on the publication of those results, and there is except that they come through via the United States, there should be a ban on influencing voters by means of polls during those last few days. I am not sure whether it should be for 28 days, but on the day an election is called there should be no polls. Individual parties can poll for their own purposes, and that is fine, but they should keep the results to themselves. They know where their soft spots are and what are their issues. They should use the results for their own purposes, not for public purposes.

I fully agree that the Bill should at least go to committee and be considered there.

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, I do welcome this opportunity to participate in the debate. I tell Hon. Members quite frankly that I would have been prepared to see the subject matter referred to a committee—

Mr. Stevens: Let's do it.

Mr. Cullen: —if we had been speaking of Gallup Polls, because I think there is a good deal of unsettled feeling on both sides of the House about the manner in which polls are conducted.

The Hon. Member for York-Peel (Mr. Stevens) specifically referred to the manner in which a poll is conducted and the people who are contacted. He mentioned that if there is a heavy vote turnout, that may throw the poll totally out of whack. The fact is that people who do the polling have a whole series of escape valves available to them. They print it, write about it and discuss it as though it were written or holy rote. In effect they have about eight, nine or ten opportunities to say that if there had been the expected turnout the votes would have gone such and such a way. They might say that no one could have anticipated that there would be such a heavy swell against the leader, or for a leader or whatever the situation might be.

The Hon. Member for York-Peel highlighted some of the great deficiencies in the conducting of polls. He mention professional as opposed to amateurs. I sometimes feel that the amateurs probably do as good a job, if not better, than the professionals because they have a sincere interest in finding answers. One sometimes wonder, when seeing the questions asked in some of these polls across the country from time to time, if the pollster had not already made up his or her mind as to what he or she wanted people to say. By phrasing the question in a particular way, giving it a certain nuance, it is very easy to—

Mr. Munro (Esquimalt-Saanich): Okay, let's go to committee, then.

Mr. Cullen: —receive an overwhelming result one way or the other. On the subject of poll-taking, perhaps there should be more professionalism or disclosure, as to how the results are interpreted.

Mr. Stevens: I rise on a point of order, Mr. Speaker.

Mr. Cullen: However, I do not see the banning—

The Acting Speaker (Mr. Corbin): The Hon. Member for York-Peel is rising on a point of order.

Mr. Stevens: Mr. Speaker, I hope that the Hon. Member has no doubt in his mind. I am perfectly prepared to have the present Bill withdrawn. Let us refer the subject matter to the appropriate committee.

Mr. Cullen: It is the typical position taken by the experienced Hon. Member of the House of Commons, to rise at the very last minute and throw something else in for consideration. I thought he sincerely, genuinely wanted to have a

ban on the publication of the results of polls prior to an election. Now we have a complete reversal of his position—

Mr. Stevens: No.

Mr. Cullen: —a complete abandoning of his position, and he will try something else.

Mr. Stevens: All you're doing is talking it out.

Mr. Cullen: Is that what we have been debating here? I am opposed to the banning of polls.

Mr. Munro (Esquimalt-Saanich): Let us take it to committee and we will vote on it.

Mr. Cullen: It connotes a lack of respect for the intelligence of the Canadian citizen who votes at election time, so I could not support the Bill on that particular basis.

Mr. Stevens: Let's refer it to a committee.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. It being 6.10 p.m., the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

At 6.10 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 5, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1983-84 (NO. 2)

MEASURE TO ESTABLISH

Hon. Paul J. Cosgrove (Minister of State (Finance)) moved that Bill C-151, an Act to provide supplementary borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, in beginning my comments on Bill C-151, I would like to draw to the attention of Hon. Members the remarks of the Minister of Finance (Mr. Lalonde) on October 27, 1982 when as the Minister of Finance he presented his comments on an economic plan in Parliament. I quote from his comments:

I have also made it clear by the estimates I have presented that further borrowing authority will be required before the end of this fiscal year. In the budget I intend to present early in 1983, I will review again the fiscal situation for the current fiscal year, set out estimates for 1983-84 and future fiscal years, and then seek additional borrowing authority as required.

• (1110)

The Minister of Finance in his speech on supplementary borrowing authority of February 17, 1983 made reference as well to his intention to seek authority as is sought in Bill C-151 by these words:

I intend to introduce a Bill covering all of the borrowing authority needed for fiscal year 1983-84 after providing Parliament with the necessary information in my budget.

During debate on borrowing authority at the time the Minister made that speech, Members opposite insisted that they were not seeking to interfere with Government operations and they were not necessarily challenging the valuable social assistance programs that are supported by this borrowing authority. It was argued that they were willing to deal with borrowing authority if only they had adequate financial information. For example, on February 17, 1983 the Hon. Member for Vancouver Centre (Miss Carney) stated that her Party:

—would be much more willing to debate and pass this Bill if we knew what the money was needed for—

The Member for Mississauga South (Mr. Blenkarn), who is in the House today, also indicated, both in Committee and in the House of Commons, that he would be willing to pass the legislation quickly if the Minister would give him a reasonable explanation of the economic position of the country with respect to the current fiscal year. He said that in the House on March 22 of this year.

The budget has been presented, Mr. Speaker. It does contain current and fiscal year projections. The budget contains the Government's economic forecast and its assumptions about the country's likely economic performance. We have, in effect, laid our cards on the table and provided the information which is the basis for the borrowing authority sought in Bill C-151. As Members opposite have indicated, they may quarrel with any or all aspects of the budget or its background information, but certainly they cannot argue that we have not presented, as comprehensively as we are able to, the basis for the request for speedy consideration of the Bill before the House, Mr. Speaker.

The Financial Administration Act stipulates that, except when Section 39 is used, statutory borrowing authority must be obtained from Parliament in order for the Government to increase its debt and to have additional authority for borrowing. Under Part IV Section 36 of the Act is the legislative basis for the request before us today. It reads:

No money shall be borrowed or security issued by or on behalf of Her Majesty without the authority of Parliament.

This refers to new money only, as under Section 38 of the Act there is a continuing authority to borrow funds to repay maturing debts. Consequently, in order for the Government to borrow money to meet its financial requirements, statutory borrowing authority must be obtained from Parliament. Section 39 does provide for the Governor in Council to authorize the borrowing of money when it appears that funds will not be sufficient to meet disbursements from the Consolidated Revenue Fund. This legislation is designed for short-term loans under limited terms to maturity not exceeding six months.

I have indicated the legislative basis of the legislation for which approval is sought today. I have indicated that the material which is the financial basis and foundation of that legislation is before us. We are now seeking speedy consideration of this legislation by the Opposition.

In so far as the budget is concerned, Hon. Members will know that it contains a large number of new initiatives to support and encourage economic recovery, to create jobs and to position the economy to take full advantage of the economic expansion phase that is developing in the world economies and reflected in the Canadian economy.

• (1115)

The $4.8 billion program of private investment incentives and public spending is the main centrepiece of the budget strategy. We believe it will lead to the creation of good, rewarding jobs for Canadians right across Canada and that it will improve the economic basis on which our growth potential depends so much. Plans for federal capital projects worth half of that amount, that is $2.4 billion, are being finalized. As Hon. Members know, they will be put on a fast track in order to ensure that their contribution to the economic recovery comes quickly, within weeks.

Additional tax incentives through the business sector comprise the balance of the $2.4 billion, and this provision has received almost unanimously favourable comment across the country in the days since the budget. We believe this centrepiece, the $2.4 billion of accelerated and new funding, will contribute greatly to economic recovery.

The Special Recovery Program will go some distance in stimulating job creation in Canada, not only immediately under the capital works projects that we have set for the months and years ahead, but as well by virtue of the building blocks that the tax incentives, which are permanent changes to the Income Tax Act, will achieve.

The Government is doing more toward this end of creating jobs. The housing sector will benefit, and benefit greatly, from the measures in the budget and construction-related employment will continue to expand rapidly. The specific measures which will provide stimulus in this sector include modifications to the Registered Home Ownership Savings Plan, extension of the Canada Home Ownership Stimulation Plan and the Canadian Home Renovation Plan, as well as additional allocations for the Residential Rehabilitation Assistance Plan, for both Indian and social housing.

Furthermore, the Government is providing major additional support to employment through direct job creation measures. More funds have been allocated for the New Employment Expansion and Development Plan for local employment initiatives and for special youth job creation programs of several kinds, including the Summer Canada Program, Katimavik, the new defence Extended Youth Training and Employment Program and youth wage subsidy and internship programs. All of these allocations in the budget to which I have referred bring the total federal amount to be spent on direct job creation in 1983-84 to $1.5 billion, a figure which is impressive both on its own and in comparison to previous spending of the Government.

On the other hand, as indicated in the budget revenue growth is likely to remain relatively weak this year and the budgetary deficit is expected to be $31.3 billion. The net source of funds provided by non-budgetary transactions is projected to be somewhat larger for 1983-84 than it was in 1982-83, due in large part to the increase in Unemployment Insurance premiums that took effect on January 1, 1983. Thus estimated financial requirements, excluding foreign exchange transactions, are forecast to be $26.6 billion this fiscal year.

Passage of the present borrowing authority Bill, Bill C-151, of which we are speaking today, will ensure the Government is in a position to implement the important measures in the budget and to meet the projected requirements for funds as identified in that plan for economic recovery.

The request for borrowing authority in 1983-84 is based on the financial requirements that I have mentioned, plus a reserve for contingencies. As we already have $14 billion in borrowing authority for the current fiscal year, we are seeking an additional $12.7 billion, to provide us with a total of $26.7 billion borrowing authority for the current year, an amount equivalent to the financial requirements, plus an amount for contingencies.

• (1120)

For purposes of clarity, Mr. Speaker, I would for the benefit of Hon. Members like to set out the history of the borrowing authority numbers in more detail. Part II of Bill C-143 passed last March provided interim borrowing authority of $14 billion for 1983-84. In addition, Part I of Bill C-143 conferred $5 billion of borrowing authority on the Government for use in the years 1982-83, of which an unused amount in excess of $2 billion was to expire on March 31, 1983. As it turned out—and I will provide the House with details later on—there was $2 billion of unused authority available to be carried forward into 1983-84.

Clause 2(1) of the Bill currently before the House seeks additional borrowing authority for fiscal 1983-84 of $14.7 billion. Clause 2(2) of Bill C-151 provides that any unused portion of this amount, to the extent that it exceeds $2 billion, will be cancelled on March 31, 1984. Thus passage of the current Bill, along with the borrowing authority provided in Bill C-143, will provide a total of $26.7 billion in new borrowing authority for 1983-84, plus a non-lapsing contigency of $4 billion.

There are two fundamental reasons, Mr. Speaker, for the non-lapsing contingency. They were the reasons, Mr. Speaker, which had prompted Parliament to put such a contingency in borrowing authorities previously, and they were borrowing authorities not only of this Government, but under the régime of Hon. Members opposite when they formed the Government as well. First, there is a need to have an amount in place to accommodate exchange market pressures and the effect they have on the level of official exchange reserves. Second, it is to enable the Government to continue with its regular debt program when the House is not in session.

In the foreign exchange market, when the Canadian dollar is firm the exchange fund account accumulates American dollars, and in order to finance this increase in official reserves, Canadian dollars must either be taken from cash balances or borrowed and charged against the borrowing authority.

On the other hand, when the dollar is weak the U.S. dollar reserves fall and these balances must be supplemented by drawing on the two standby credit facilities which the Government has with both the Canadian and international banks, or

by other types of foreign borrowings. Any of these borrowings must be charged against the borrowing authority. This has been the practice of the Government for many years. It was the practice, as I said, which was carried on by Hon. Members opposite when they formed the Government.

Events which took place in May and June, 1982 are probably the best example to illustrate the type of situation which I have called upon just now. In that period the dollar was under pressure and nearly $3.5 billion of borrowing authority was used for foreign borrowing. And for all of 1982-83 foreign exchange operations added $1.5 billion to the financial requirements.

It is in case of any such repeated circumstances, Mr. Speaker, that we have asked for the contingency. As I say, such contingency has been granted by Parliament on all previous requests made heretofore. The request for a non-lapsing contingency amount, therefore, is not new.

I would like to turn, Mr. Speaker, to an explanation of how the borrowing authority situation stood at the end of 1982-83. Including the $5 billion borrowing authority provided by Bill C-143, the total amount of authority granted for 1982-83 was about $26.1 billion. Approximately $23.1 billion of this amount was used; $9.7 billion through the issue of Treasury bills, $4.9 billion through the issue of bonds, and $7.6 billion net Canada Saving Bonds sales. Foreign borrowing added a further $.9 billion to the use of borrowing authority. The foreign borrowing represented U.S. $750 million borrowed in the Eurobond market last June, and a partial redemption of Deutschemark maturity early last year. Thus there was approximately $3 billion unused of which $2 billion, as I indicated, was carried forward, and about $1 billion was cancelled on March 31, 1983.

• (1125)

I mentioned at the outset, Mr. Speaker, that Section 39 of the Financial Administration Act can be used in special circumstances. I would like to make reference to the actual amount of Treasury bills that were used by the Government under Section 39. Hon. Members will recall that in mid-February virtually all of the borrowing authority authorized for 1982-83 had been used. By early March it became apparent that Bill C-143 would not be passed for several weeks. In fact, we know that Royal Assent was not received until March 30.

Projected financial requirements over the March to June period were extremely large, and in order to continue with a regular debt program that would satisfy these requirements it was decided to make use of the temporary powers granted by Section 39 of the Financial Administration Act. Permission was sought from Cabinet to use Section 39 to authorize a total of $2.3 billion of net new Treasury bill issues over the March 11-31 period. However, due to Canada Savings Bond redemptions occurring during that period which had the effect of increasing the authority, and since new authority was conferred in time to authorize the March 31 issue of Treasury bills, total usage of Section 39 amounted to approximately $1.4 billion. This amount was in any event charged to the new authority under Bill C-143.

I would like to refer to the final clause in Bill C-151, Mr. Speaker, which has recently been a standard clause. Clause 2.3 refers to the ability of the Government to borrow and repay loans in foreign currency and has been included in the last six Borrowing Authority Acts. Over the years Canada has borrowed and repaid funds in a number of currencies. In recent years, however, this Clause has been added to confirm Canada's right to borrow in foreign currencies.

Bill C-96, which received first reading in the House in March, 1982, proposes a number of amendments to the Financial Administration Act, including a general amendment clarifying the Government's ability to borrow and repay in foreign currencies. Once this amendment has been passed, there will no longer be any need to have the specific request included in the borrowing legislation, such as Bill C-151 before the House today.

In conclusion, Mr. Speaker, I began my comments by pointing out that the Minister of Finance had, in the fall of last year, in his first official statement to the House as Minister of Finance, indicated his intention to seek the authority we are today asking for. He again made reference to his intention to seek the authority once a fiscal and economic plan had been placed before Parliament and we have concluded debate on that budget. The vote recently concluded the initial debate on that exercise.

• (1130)

In the request of the Government for interim borrowing authority, we took the opportunity to remind Hon. Members that the last occasion prior to today when borrowing authority was requested was for borrowing authority pending the production of the budget and the financial material in the budget, although the Estimates had themselves been presented earlier. Therefore, today Bill C-151 is a follow-through of the Minister's intention signalled in October of last year to seek the support of Hon. Members to provide the wherewithal to carry out the economic program which is so important to this country at this time, especially those features of the Government's plan identified in the budget as the Special Recovery Program, at the same time maintaining the Government's support of its social net and safety provisions which have been and are so important to Canadians less fortunate than others who have, for example, needed the support of the Unemployment Insurance Fund. The request today is to continue the Government's new initiative in its economic plan and to continue its social commitment to Canadians who need that kind of support at this time.

The legislation, I understand, would go to committee for detailed examination. Hopefully, the consideration at second reading, the deliberation by committee, the return to the House and the proceeding with the legislation to ensure support for economic recovery, which has been well received

by Canadians right across this country, would continue in a manner which illustrates the commitment of Parliament toward supporting the recovery which is very apparent.

Miss Carney: Mr. Speaker, I would like to ask the Minister a question. In his remarks he referred to the fiscal requirement as being $26.6 billion.

The Acting Speaker (Mr. Blaker): Order, please. The ten-minute period for questions, answers and comments applies to speeches which themselves are 20 minutes. The first three Hon. Members speaking on the Bill have access to a total of 40 minutes if they so wish.

Mr. Cullen: Unanimous consent.

The Acting Speaker (Mr. Blaker): The rule providing the ten-minute period for questions does not apply. However, I did hear the Hon. Member for Sarnia-Lambton (Mr. Cullen) note that if the House wished to give its unanimous consent to an exchange of questions and answers, that could be easily done. Is there uanimous consent to an exchange of questions and answers?

Some Hon. Members: Agreed.

Miss Carney: Mr. Speaker, my point was that in his remarks the Minister mentioned that his fiscal requirement amounted to $26.6 billion. The budget papers state $26.7 billion. I would like to ask the Minister to clarify which is the correct figure.

Mr. Cosgrove: Mr. Speaker, I cannot, except to say that I suspect that was possibly—

Mr. Blenkarn: That was part of the photo session.

Mr. Cosgrove: —a result of the amendments, the addendum which was filed by the Minister of Finance after his speech on the budget. However, I did agree and give unanimous consent to answer questions at this time. It is my hope that these questions in exchange may possibly speed the method by which we can solve some of these technical problems. I would certainly have that information available for the Hon. Member. I would conceivably shorten the time in which the legislation would be required in committee as well. Therefore I can undertake to give the specifics in so far as that discrepancy is concerned. I believe it relates to the additional $200 million added to the Special Recovery Fund for the Capital Works Projects.

The Acting Speaker (Mr. Blaker): The Hon. Member for Vancouver Centre.

Miss Carney: Mr. Speaker, in opening debate on Bill C-151—

Mr. Blenkarn: May I ask a question? I rise on a point of order. I was about to ask a question, if the Minister would permit me. Your Honour is open to debate; is that correct?

The Acting Speaker (Mr. Blaker): The Chair recognized the Hon. Member for Vancouver Centre for a further question, and if the Hon. Member for Mississauga South (Mr. Blenkarn) also wants to ask a question—

Mr. Blenkarn: I would like to ask a question, Mr. Speaker, if I could, yes.

The Acting Speaker (Mr. Blaker): —there will be time to do so. I have already recognized the Hon. Member for Vancouver Centre, unless the one Hon. Member wishes to give way to the other.

Miss Carney: Mr. Speaker, I am willing to give way to my colleague, and then I would like to make my speech.

Mr. Blenkarn: I simply want clarification from the Minister. He started off this year, or March 31, I gather, with $2 billion left in non-lapsing borrowing authority from Bill C-143 and $14 billion in borrowing authority for the current fiscal year available, for a total of $16 billion. He has now asked for $14.7 billion, totalling $30.7 billion. Is it the Minister's view that he really needs, as a contingency, $4 billion extra in non-lapsing borrowing authority just to be able to manage the Government?

Mr. Cosgrove: Yes, Mr. Speaker. I have indicated that the practice of the Government in preceding requests for borrowing authority in Bills has always been to ask for non-lapsing contingencies. It is the Government's best estimate that a prudent amount to be held for contingencies would be the additional $4 billion.

We requested that for two reasons which I made evident. The first is the need to protect the Government's flexibility in foreign exchange markets. I gave an example as to how the Government had to intervene last year to the extent of $1.9 billion in a rapidly fluctuating foreign exchange period. The Government has no assurance, but that situation might occur or might not occur again. The point is that the Government needs that flexibility to protect the orderly movement of the Canadian dollar.

Second, the Government is requesting the contingency because it does not want to be in the position in which it found itself in having to rely on Section 39, an extraordinary measure to which the Government had to resort for the first time this year. In order not to be put into that position, the Government has requested the $4 billion. We are motivated in requesting the $4 billion because it is our feeling that when we had to rely on Section 39, it did conceivably have some impact on the markets and on interest rates in Canada. When interest rates rose, we felt that could have reflected the tardiness involving the last interim borrowing authority process in the House. Therefore, it is our best guess that the $4 billion is a prudent request for contingency.

The Acting Speaker (Mr. Blaker): Debate?

Mr. Blenkarn: I would like to ask one more question.

The Acting Speaker (Mr. Blaker): The Hon. Member for Mississauga South may ask a further question.

Mr. Blenkarn: I was wondering if the Minister could advise why, in Bill C-143, the $2 billion carried over in the Bill never lapses; it carries on forever. In Bill C-151, the $2 billion carries on forever. Particularly when the evidence of the Minister of Finance before the Finance Committee was that $2 billion was more than enough for a contingency allowance, why is it all of a sudden necessary to have $4 billion in contingency carryover money?

Mr. Cosgrove: With respect, Mr. Speaker, I think that is really a repetition of the last question. In considering the first question asked, I realized that the forecasts were $26.7 billion. Mine was a reading mistake. The notes indicate $26.7 billion.

The Acting Speaker (Mr. Blaker): Debate.

● (1140)

Miss Pat Carney (Vancouver Centre): Mr. Speaker, I thank the Minister for that clarification. In opening debate on Bill C-151, an Act to provide supplementary borrowing authority, I want to stress that this Government is either callous or careless. It is callous because it is asking Parliament to approve a Bill for $4 billion more than it needs according to its own fiscal requirements as set out in the budget. It is callous because that padded borrowing must be added to the increasing debt which must be paid for, in the final analysis, by our children.

It is careless because padding the deficit by that amount of money, $4 billion, indicates that the Government is indeed acknowledging that its sloppy and slipshod financial projections are continually changing. It is also careless because it is all too clear that by padding the borrowing Bill and padding the deficit forecast, the Government is providing itself with an election slush fund to be borrowed and spent before Canadian voters turf the Liberals out.

This Government has come before Parliament seven times this session to ask it for more borrowing authority. In the fiscal year 1982-83 alone, the Government came hat in hand to Parliament for authority to borrow more money on four separate occasions. Just a few weeks ago we approved the largest borrowing Bill in our parliamentary history, Bill C-143.

The Government still has $16 billion of that borrowing authority left. Since its financial projections as stated in the budget and confirmed by the Minister are for $26.7 billion in the current fiscal year, it requires only $10.7 billion for the balance of the year. Further, the Minister himself has told us that the Government requires $2 billion in cash balances. Yet as of this week he has almost $6 billion-plus on hand. In fact, when one subtracts the surplus $3 billion cash in hand from his financial requirements, the Government requires only $7.7 billion in additional borrowing authority to meet the fiscal proposals set out in the April budget.

We have already seen how a careless Finance Minister can add $200 million worth of debt to cover up his inadvertent budget leak. We now see how the same Minister can pad billions of dollars to the borrowing authority and to the public debt.

Further, by returning to Parliament so soon after his last borrowing Bill, the Minister is showing his contempt for Parliament. He wants this Bill approved now so that he can avoid parliamentary scrutiny of his spending plans for the balance of the fiscal year which will end close to an election. He wants to spend his borrowed funds without the inconvenience of explaining to Parliament and the country how he means to use them. He will use these borrowed funds to establish his election goody bag. That is a shameless abuse of the institution of Parliament and it is one reason why we oppose this Bill.

The Government must be accountable to Parliament and Parliament must be accountable to the people. The Government cannot account for the billions of dollars requested in this Bill which is surplus to its cash reserves, its existing borrowing powers and its spending plans as set out in the budget.

We must remember that this is the same Government that took four runs at estimating last year's deficit, tripling it in the process, before giving up and saying that it would come in "somewhere" between its third and fourth estimates. Who suffers? Not just Parliament or Canadians who are required to foot this Bill and who will be paying an additional $5.7 billion in tax increases over the next four years. The real victims of this Government's dishonest approach will be our youth, who will be paying for years to come. That will be their legacy from the Liberal Party.

Who are the winners and who will benefit, at least in the short term, from this Liberal largesse? The Government has a long history of paying off its supporters and rewarding its friends. The Government will pour as much of our money as it can into Liberal ridings before the next election in order to stem the Tory tidal wave. If last year was the year of the dog according to my Chinese friends, this year will be the year of the pork barrel. Let me give the House a few examples.

The centrepiece of the Special Recovery Program announced in the budget is the $2.2. billion capital projects fund. Control of this pork barrel will be in the hands of a special Cabinet committee. The same people who brought us Canadair, Consolidated Computer, Coalgate and the National Energy Program now have a lot more mad money.

Even though they are the cornerstone of the Government's job creation effort, the projects announced so far have contained few job estimates. Numbers that have been provided have proved to be inflated and grossly misleading. For example, the Government announced that it will be spending $147 million to purchase 20 Canadair CL-215 water bombers in order to develop a national firefighting fleet. In the original announcement, the Minister of Finance (Mr. Lalonde) said that 650 jobs per year would be created through this measure. In fact, the Government is committed to purchasing only four of these water bombers and has bought two of them for the Yukon where the fire season starts before the ice is out of the

lake. That is another example of forward planning and fast tracking. The other 16 will be bought only if the Provinces agree to buy a matching 16 planes. Since the Provinces have never been eager to foot the extremely high cost of this plane, the purchase of all 36 planes is far from assured. Some Provinces have indicated that they are not interested since their terrain is not suited to this particular aircraft.

Even if orders are placed for the full complement of planes, Canadair has told us that the Government's job estimates are grossly inflated. In fact, no jobs would be generated this year at all. Canadair is actually laying off people this summer. By January, 1984, if all the planes go ahead, 155 jobs may be created. By May, 1984, assuming all of the planes go ahead, 300 jobs may be created. By December, 1984 that number will rise to 525 jobs, and it will not be until the peak of production in June, 1985 that there will be the 650 jobs associated with this project as suggested by the Minister.

Similarly, the Government announced it would be spending an additional $185 million on the coastguard and generate 20,000 jobs in the process. This job figure has turned out to be grossly exaggerated. A much more realistic estimate is that approximately 2,000 jobs may result some time in the future.

While little effort has been made to provide accurate job forecasts for these projects, elaborate attention has been paid to staging the announcement to garner maximum attention. Despite the program's claim that it will provide immediate economic and employment opportunities throughout Canada, it is clear that its major goal is maximum political development for the Liberal Party rather than maximum economic development for Canadians.

Similarly, the Minister responsible for regional and economic expansion announced a restructuring of the programs in his Department last week. The intention of the new Industrial and Regional Development Program he said, is to distribute federal financing assistance more effectively than before. I would be most interested in the Minister's definition of "effective", but I can guess that he means he has devised a better way to channel money into Liberal ridings. The Minister calls it targeting.

In deciding what region will receive federal money, the country is divided into its 260 census districts. A formula called a development index will be applied in order to determine the level of assistance. The index will be based on three factors: the rate of unemployment in the census district; the level of income per person in the district; and the fiscal capacity of the Province in which the district is located. That means the ability of that Province to raise money.

At first glance it all looks very objective. It does not take much analysis, however, to uncover some real difficulties with this approach. For example, the same size for determining the unemployment rate in each district, if it is based on the labour force statistics, will be too small to be reliable. Even if this measurement were accurate, it would not take account of overall employment. In other words, it would not consider how many people have dropped out of the labour force. The data will therefore be skewed away from areas with high seasonal unemployment which are just the areas that can benefit the most from programs such as these.

A more accurate measure of unemployment might take account of the number of people registered at Manpower or collecting Unemployment Insurance Benefits. Furthermore, the index will draw on data dating back to 1976 in order to focus on areas with historical levels of high unemployment and low income. Unfortunately, this does not permit a quick response to changing circumstances. It will work against my own Province of British Columbia, for example, which has been very hard hit by the recent recession. By factoring in the fiscal capacity of Provinces, the program will discriminate against hard-hit areas of relatively well off Provinces, such as Alberta, British Columbia and Ontario. Theoretically, every riding would qualify for some federal money. In this way the Government may find it a lot easier to inject money into favoured ridings which would not have qualified under the earlier programs designed to alleviate regional disparity.

• (1150)

The Minister has not said precisely how the formula will work, but the Government's past track record, for example with ILAP and the Canadian Community Development Program, suggests it will be jigged to work in favour of Liberal ridings. We in the Opposition want to know if the formula will be legislated or whether it will be left to ministerial discretion. We can only hope that it will operate at least a little more objectively than the Special Employment Incentives Program which has just received an infusion of $150 million over two years in the recent budget. This money is to be spent on the following:

> Localized, employment intensive projects under existing Government construction and other programs.

So far we have had Liberal Senators, such as Senator Olson and Senator Argue, announcing funding for swimming pools and community arenas. But there is no formal application process for this money, so we cannot tell on what basis these successful projects were selected. It certainly is a "special" employment initiatives program. We do not know what criteria these projects must meet to qualify. We do not know how many jobs they will generate. We do not know how many go to which Provinces, and we do not know what the cost per person-year of employment is for each job created. But we know who announces them—Liberal Senators.

What is important are the economic consequences of the Government's actions. We have just been through the worst recession in 50 years, a recession that has inflicted hardship on millions of Canadians. The Government says that its policies are designed to ensure recovery takes place and that it lasts. Sadly, its policies are liable to have the opposite effect.

The result of this Government's actions may be to choke off recovery just as it gets started. As we pointed out in our official response to the budget, the Government is making no attempt to restrain spending even though its expenditures jumped by 17 per cent last year. It is true that the Government promises to keep its spending in line with increases in GNP,

but this means that the Government's share of the economy, which increased during the recession, will not decrease with recovery.

The Minister of Finance claims that there was nothing of substance in the official response to the budget. I would like to review exactly what I said because my comments are now being echoed by many other analysts. I pointed out that the Minister is making no attempt to restrain spending. Indeed, he plans to increase expenditures to help pay for his recovery program. I outlined the impact on social programs which are threatened by the runaway spending. Unless we can balance the books, there will be no money to pay for the social programs upon which Canadians depend. I also pointed out the divergence between the Government's fiscal and monetary policies. Sustained recovery will depend upon lower interest rates, but the increasing deficit threatens to crowd out the private sector incentives the budget is supposed to encourage as recovery takes hold. We cannot prevent interest rates from rising again in light of the Minister's deficit projection; the result will be a choking off of the recovery just as it gathers steam.

I also reviewed the budget's effects on various sectors of the economy. For example, I pointed out that it is not as favourable to business as it may at first appear. Certainly small business does not stand to gain very much, and that is a pity since approximately 32 per cent of new jobs in the country are created by that sector. Unfortunately, many small businesses were so weakened by the recession that they will not be able to take advantage of the investment incentives announced in the budget. Those incentives are not particularly useful to small businesses anyway; large businesses are more apt to use them. Of more use to small businesses would have been the adoption of the small business corporation which would have allowed them to increase their equity and improve their cash flow. This would have relieved the cash flow problems by allowing small businesses to take in partners who could write off losses against their income.

All businesses will be hurt by the tremendous tax increases which will be levied on consumers over the next four years. In fact, taxes will be increased by $5.7 billion by 1986. Increased spending by consumers is the principal need of small business. Unfortunately, consumption is liable to be reduced by the budget measures.

I reviewed many of the tax increases, including the elimination of the $100 standard deduction, the restructuring of the federal tax credit, the freezing of the children's exemption, the maintenance of the Canadian ownership charge, and the increase in the manufacturers' sales tax. The impact of many of these taxes will be regressive. Low and middle income Canadians will be the hardest hit.

We made all these points on the day after the budget was presented in the House. Now others are beginning to realize what the real impact of the budget will be. Thomas Maxwell, the Chief Economist of the Conference Board, has warned that the recovery is likely to stall by the end of next year. In a recent interview he said:

> Essentially what we see is enough momentum generated to keep us growing into 1984. The question is what happens towards the end of 1984 and into 1985. That I think is where our forecast and Lalonde's forecast start to part company. Because in our forecast, the economy sort of comes to a screeching halt in 1985 and 1986 as the very high interest rates combined with the tax increases associated with the later years of the budget start to put a constraint on growth.

Roger Keane of Midland Doherty said:

> It is a mistake to view this as a pro-business budget; what it really has is all the attributes of a budget in which new public expenditures are brought down off the shelf.

I noticed today that Thomas D'Aquino who speaks for a group of businessmen is echoing our concern that business is being set up as the fall-guy in the budget, if they are unable to respond to the tax incentives it will provide the Government with a chance to intervene in the economy again.

I understand why people welcome the budget of the Minister of Finance compared with the three previous Liberal budgets. But this borrowing Bill only underlines the points I have been making about the economic mismanagement we have endured and will continue to endure under the Liberal Government.

Let us put this Bill into context. Over the past 15 years Government spending has ballooned by nearly 700 per cent. Just since the Liberal re-election in 1980, spending has increased 84 per cent on a national accounts basis. Government spending is now equal to 26 per cent of Canada's Gross National Product.

The Government argues that it must keep up its level of spending in order to combat the problem of unemployment in the country. But if one looks at historic levels of Government spending and their impact upon unemployment, it is clear that simply throwing more money at the problem solves nothing. For example, in 1970-71 the deficit stood at about $370 million and the unemployment rate ran at 5.7 per cent. In 1975-76 the deficit was $5.4 billion and the unemployment rate was close to 7 per cent. Today, with a projected deficit of over $31 billion, the unemployment rate tops 12 per cent. If we look at the projections of $25 billion per year budget deficits and unemployment rates of well over 10 per cent, we can see that running deficits does not help create employment and that there seems to be a distinct linkage between the size of the deficit and the increase in the unemployment rate. It is clear that this approach has not worked in the past and will not work in the future.

What do we need? We need to hold the Government accountable. The Government must explain its need for these additional funds. For it to be accountable, it must regain control of its expenditures. The Government cannot be permitted to inflate its borrowing authority in order to avoid returning to Parliament to explain how the money will be spent. We must oppose this Bill because it allows the Government to borrow far more money than it needs. The country cannot afford fiscal cushions for incompetent economic managers or election slush funds for desperate Liberals. We must keep in mind who will be paying the bill for this legislation.

At I said at the outset, it will be our children and grandchildren who will be saddled with the burden of excessive taxation

unless we do something now. Unless we rein in Government expenditures, we will never as a nation achieve the level of prosperity we once enjoyed, nor will we have the capacity to adapt to the economic challenges of the 1980s. As I said, we may not even be able to afford the social programs to protect those who need it most. We will not be able to exploit our natural advantages in order to compete successfully in world markets. Our children will never enjoy the standard of living we have had. It is a grim outlook for the future—that is the real Liberal legacy.

• (1200)

It need not be this way. As our Party has stated, Canadians have the best chance right now to capitalize on our advantages, to be productive and competitive. The effects of the recession have been wrenching. However, those who survived are leaner, more efficient, more realistic. Excess capacity has been wrung out of the system. Faced with shrinking domestic markets, we have begun to look outward to promote our products in world markets to a greater extent. Many firms have reduced their oppressive debt loads and are ready to produce and be innovative again. Workers who have lost their jobs are beginning to think of retraining for new positions or starting their own businesses.

If we are to guarantee a recovery, we must be alert to new possibilities, aware of past mistakes and eager to adjust to changing circumstances. We must identify areas for improvement. For example, a survey conducted by the European Management Forum ranks 22 countries according to a range of factors, such as their productivity, industrial efficiency and human resources. It outlines Canada's advantages. We rank third in human resources, second with our natural resources and infrastructure, seventh in economic dynamism and sixth in competitiveness.

The survey also identifies an array of weaknesses. We are thirteenth in industrial efficiency; seventeenth in outward orientation or the will and ability to promote trade; sixteenth out of 22 in innovative forward orientation, which is the commitment to research and development and human resource development. We are in last place in employee productivity trends; and last again in export flexibility. Over-all we rank sixth. We should rank higher.

We must start working on these problems. We must improve our productivity and our competitiveness. We can no longer rely on our natural resource exports to ensure our prosperity and position in the world. We can no longer indulge in regional factionalism. We must use our regional diversity as a strength. We must develop an economic strategy that emphasizes the assets of each region, such as Canada's place on the Pacific Rim, and co-ordinate the actions of each level of Government to achieve this aim. We must address the problems of various economic sectors in the economy, such as energy and fisheries which have been ignored or abused by this Government. We must work to improve our management-labour relations.

These are just a few of the positive steps we should be taking. To ensure recovery, we must increase our markets. To increase our markets, we must increase consumer demand. We can achieve increased demand by putting people back to work. To put people back to work, we must increase our export markets. To do that, we must be more competitive. To become more competitive, we must become more productive. To become more productive, we must expand our technological research and more aggressively apply it to industrial production.

To take these actions, we must change our attitudes and patterns of behaviour. It is an exciting challenge for us. A Government that demonstrates it is tackling these problems with determination, tenacity, co-operation and leadership will inspire confidence. That is what Canadians are looking for. That is what Conservatives can provide. That is why we will be proposing two amendments to this Bill at the appropriate time.

We believe the Government must account for all the money that is borrowed in its name. That is why we will be seeking to amend this Bill to include the financial requirements of Crown corporations. We believe the Government should seek authority to borrow only as much money as it needs. That is why we will be proposing an amendment to reduce the borrowing authority granted to half the amount that is currently being requested. We want to hold this Government to account. It must begin to control its expenditures. This Bill is a good place to start.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the Bill before us today asks for an additional $14.7 billion in borrowing authority. The Minister kindly explained to the House that $4 billion will be for a contingency fund. As the House knows, this is in addition to the contingency fund and borrowing authority granted to the Government in February when Bill C-143 was introduced and eventually passed through this House. That Bill authorized the Government to borrow an additional $19 billion. A short two months later, we are being asked to grant authority to borrow an additional $14.7 billion.

There will be a great many questions the Government will have to answer. As I said, the Minister did explain the proposed use of $4 billion in contingency funds. He said in part it was to meet runs on the Canadian dollar. He referred to the occasion in the last couple of years when the Government found itself spending $9.1 billion in an effort to stabilize the Canadian dollar. He also pointed out the Government wanted to avoid having to trigger unusual methods of financing by using Section 39 because of the effects this sort of action has on the stock market and money markets, not only in this country but around the world.

Having just received a budget statement from this Government, we must now ask what the money will be used for. We can speculate. There will be some increases in costs. Unemployment is at a record high, and therefore funds being drawn out of the Unemployment Insurance Fund will continue to increase. Part of this borrowing authority will probably be used to cover the resulting deficit.

As people have more difficulty finding a job and as their Unemployment Insurance benefits run out, more and more of

them are forced on to welfare in order that they and their families can subsist. The federal Government pays about half the welfare cost. Given the present economic conditions, some of this money will be used to offset these calls on the federal Treasury. As well, there will be continuing interest costs to cover the very high Government expenditures. While interest rates have dropped for the Government as well as for the rest of us, the volume of money being borrowed by Government continues to rise.

We note from the budget material that the usual revenues that offset the high cost of these federal programs will not be received to the same extent. Revenues from energy taxation will be down because of the reduced demand due to current economic conditions. The energy demand has dropped between 15 per cent and 18 per cent. Therefore, revenues from that source are down even though the Government attempted to maintain the oil compensation charge which it promised to drop at the beginning of this year.

Another area where normal Government revenues are expected to carry the show, so to speak, is in the area of personal income tax. As more and more people become unemployed, there will be less goods and services and less people paying income tax. The take from that source will be down as well. The take in corporate income taxes will likely drop because of economic conditions and because the budget further reduces the level at which corporations are taxed. In fact, I think one of the main thrusts of the budget is to create an impact upon the Government, causing it to come before us for additional borrowing authority.

• (1210)

There is now a continuation of the policy that both Liberal and Conservative Governments have embarked upon over the last 25 or 30 years. It is a continuation of the policy of increasing taxation for individuals and reducing taxation for corporate citizens. In the late 1950s, the revenue from income tax was approximately 50-50, half coming from corporations and half coming from private individuals. I should point out that in the early 1950s, close to 70 per cent of the revenue was from corporations and only 30 per cent was from individuals. By the end of the 1950s it had gone to a 50-50 basis. At the end of the 1970s approximately 30 per cent of income tax was paid by corporations and about 70 per cent by individuals.

Since we are talking about the difficulty the Government has keeping a large enough cash flow and since we are talking about raising funds, I would be remiss if I did not point out that there are a lot of deferred corporate taxes that have accumulated in this country. That deferred corporate tax is almost enough to cover the deficit that the Government has accumulated for the people of Canada.

Mr. Blenkarn: That is not so.

Mr. Althouse: I believe it would cover about half of it; between $60 billion and $70 billion in deferred taxes versus the $130 billion to $140 billion accumulated deficit of the federal Government.

Using my own personal favourite corporate taxpayer, Canadian Pacific Limited, as an example of what this means, Canadian Pacific has deferred taxes in the neighbourhood of $1.6 billion. There are no Canadian studies which will indicate, and we do not know from Canadian experience, how much of these deferred taxes will ever find their way into the revenues of the Government. We do know that studies in the United States indicate that less than 5 per cent of deferred corporate taxes are ever collected and find their way into the revenues of the federal Government. For practical purposes, we can say that those deferred taxes are tax gifts to that particular sector of the economy. Discontinuing that sort of practice would leave the federal coffers in much better shape because there would be approximately half as much money paid out in interest to maintain the level of debt that must now be maintained.

I would like to make a few remarks concerning the way the budget has addressed the problems of the advantaged and the disadvantaged in our society. It is relevant to discuss this now at a time when there are something in the neighbourhood of 1.6 million to two million individuals in Canada who are unemployed and looking for jobs. These people have no work but they still have the daily costs incurred to maintain themselves with warmth and shelter and food and clothing. They are still trying to educate their children and provide some means of enabling the next generation to survive in Canadian society.

It is my belief that the budget failed miserably in addressing the rift that is growing between the advantaged and the disadvantaged in our society. I say this because it seems to me that the only tax breaks offered in the budget were tax breaks to upper income earners. As the budget is being analyzed more and more, I think the consensus now among most of the tax analysts is that individuals with incomes in the $60,000 and up income bracket have received a fairly substantial tax break from the budget.

The *Globe and Mail*, in an article on May 3, said it as succinctly as it could be said. The headline stated:

"Low, middle income earners losers: analysis of a regressive budget." I do not think the budget can be called anything other than regressive when uppper income earners who have the ability to pay a higher proportion of income tax are given a break while the lower and middle income earners are having some of the tax relief that was previously available to them gradually eroded.

As a case in point, I bring to the attention of the House the $200 tax relief that was introduced last year which is being reduced by $100 this year. Apparently, the budget papers tell us that that will be eroded by another $50 next year and will be phased out completely by about 1986. That tax break was previously offered to low and middle income earners in an attempt to increase total demand in the economy.

It is our Party's analysis that the only way this economy can get back in gear and back on the road is to introduce a tax policy that will allow middle and low income earners to increase their expenditures and their demand so that there will

be a market created for goods and services, thereby putting more people back to work. This would create more investment as well and would make the preparations necessary to return to full employment in the society.

Another small provision in the budget that we see as being regressive is the changes to the child cost allowance. This must be put into perspective. The change purports to create an increase for families or individuals who are maintaining children, but the big question that has not been properly answered by anyone from the Government side that I am aware of is what happens to the availability of that money if one or both parents are suddenly left unemployed? The interpretation we seem to have at this time is that if one or both of the people raising children in a normal family are left without a job, there is then no reason to have child care costs as part of the family budget because one person will be at home. It has been forgotten that that unemployed person should not be at home but should be spending time looking for a new job. It appears to us from our interpretation of the budget that that child care allowance will no longer be made available to them.

Again, the budget is regressive. The people who need the tax break, the people who have lost their jobs and could benefit from an additional $1,000 tax break, will have that withdrawn. As well as being left unemployed, these people will take a further loss by losing a tax advantage that they thought they had at the beginning of the year.

To accentuate further the rift in the Government's attitude toward the advantaged and the disadvantaged, there is the Indexed Securities Investment Plan, the ISIP. We have here, according to the budget papers, an attempt by the Government to encourage investment. Indeed, it may encourage some kinds of investments. As I said earlier, the kind of income earner who is best able to take advantage of an ISIP will be someone with a fairly large income, probably in excess of $40,000 or $50,000 a year, because an ISIP must be set up somewhat like the old Registered Home Ownership Plan. A plan must be established through a trust company or an insurance company or some such agency. The assets that are put into such a plan can only be stock purchased on the regular open stock market. It seems to me that this is drawing a very curious line between small individual investors, people who run their own small businesses or farms, or people who may even be incorporated running a family corporation not offered on the stock market. This is setting up two levels of investors, consistent with Government policy, I guess. The Government seems to be hell-bent on setting up two classes of people in this country, the very rich and the very poor.

• (1220)

As I read the program, the Government is setting up a two-tier attitude when it comes to taxing capital gains. Those people who set up an ISIP get some advantage. They get a good chunk of their capital gain written off. They can absorb the gain and transfer it into income at a later date, perhaps when they are ready to retire. But a small-businessman or a farmer is still tied to a V-day of 1971. A person setting up an ISIP gets a V-day of 1983. At the end of each year he can review his portfolio and pay only 25 per cent of his capital gain. The rest is rolled over and he gets the advantage of it. There is an inflation index written into the ISIP which the small-businessman, the farmer or the holder of a small private corporation does not have the benefit of.

We see with this budget a total ignoring of the small people who are actually the fuel and main motor of the economy. The investor in common stocks, with all due respect to the Government, does not provide that much of an incentive. He or she is not providing a whole lot of expertise for the building and the growth of the economy. All they are doing is plunking some money on the line and hoping the people managing the affairs of that common stock company will, in fact, invest in something which will grow.

When I look at the investment choices of some of these large entities that are financed through common stock, it seems to me, from recent history at least, that the trend has not been to create new investment, to shoot off into new fields, with perhaps the possible exception of the computer and high-tech industry, but to amalgamate. For example, there was the Hudson's Bay Company and the Simpson's and Zellers operation of a few years ago. Very large operations, instead of using surplus funds to create new jobs and new enterprises, amalgamate existing enterprises and do away with some of the competition they had. At the same time they do away with an awful lot of jobs.

I think the new investment policy which the Government outlined in the budget does not make it at all clear where the investment should take place. The Government talked about 100 different programs around the country on budget night. We still hear Government Members using the number of programs but we are not seeing any announcements of where the investments will be and where these great projects are going to take place. It is a particularly good question to be asking, Mr. Speaker, because we note with interest that plant capacity in this country is running around 60 per cent or slightly lower.

Faced with that reality, what reason is there for an investor to rush out, build a new plant or wreck an old plant and build a new one? There may be some industries where that might happen. When it does happen, as it does occasionally in the high-tech industry, the plant created as a result requires fewer not more people, and it does not lead to an increase in employment. Touting this particular budget as a budget that will bring about recovery and employment through increased employment and creating demand is a dream and an illusion which the Minister of Finance (Mr. Lalonde) would have us believe. He has not presented any facts. There is no factual material accompanying those allegations to show us that what he says will happen will happen.

I would now like to speak about the use the federal Government is making of its moneys. It is pertinent because the Government is asking us for another $16.7 billion in borrowing authority. The last few moments of my time I will talk about the Government's program for railway redevelopment in this

country. What the Government is proposing to do is throw $3 billion-something at the railways to do some double-tracking and to complete a tunnel needed in the mountains on the eastern slopes of the Rockies. The Government is alleging that this will solve a problem which it perceives concerning the movement of grain.

I will not spend a lot of time reminding the House that far less than 20 per cent of the total traffic on those rails is actually grain and that projections by the end of the 1990s would have that traffic as low as 10 per cent or 12 per cent. I simply want to talk about the manner in which the Government is proposing to spend the money. The Government is proposing to give that more than $3 billion to the railways with absolutely no strings attached. The Government is not proposing to take equity in the railways so the people of Canada can benefit if the railways are profitable and so Canadians can have some say in the decisions made at the board of directors level with respect to the Canadian Pacific side of the railway operation. The Government is not setting itself up for an eventual operation of that transportation system, which I think is legitimately a public utility kind of operation. It is the kind of operation that cries out, even under capitalistic economics and free enterprise thinking, to be an enterprise that is carried on for the public good and should be carried on for the benefit of the public.

The Government has instead decided to make the same mistakes that were made more than 100 years ago by providing funds to friends in the railway companies without taking back any equity. We think the funds would be better spent and better managed if the railways were required to increase their shareholding and capitalization, and Government funds go to pick up those increased shares. This would not result in an unexpected increase in the value of the shares currently held and it would have almost no effect on the profitability or non-profitability of the earnings of the shareholders that now exist. It would allow the people of Canada to increase their control of what has traditionally been a privately controlled transportation conglomerate in this country.

• (1230)

By becoming more involved, we could eventually move to a situation where co-operation would exist between the two railways and avoid a great expenditure down the road for some of the double-tracking which is foreseen. This can be accomplished simply by co-operating rather than continuing the charade of competition. The Fraser Canyon, which is a very narrow access to Vancouver and the Lower Mainland of British Columbia, now has one railway operating on either side. If the two railways could ever be enticed into co-operating, one of those rails could be an outgoing line and the other could be an incoming line and capacity could be increased phenomenally—simply by co-operation. We are suggesting that if capital could go into the railways to increase their capacity, their equity capital, with control maintained on behalf of the people of Canada, and if eventually the Board could be controlled in the interests of the people of Canada, then that sort of co-operation would be greatly enhanced.

We see the economic proposals, the budgeting and the fiscal propositions which have been proposed to us by Government in the last week and here today as being very lacking in forward planning. They do not seem to have a plan for getting us out of this recession. There does not seem to be a clear decision made to try to reduce unemployment and increase demand for low and middle income workers so that the economy can get itself out of this recession. We find that the further call on this House to increase the borrowing authority by another $14.7 billion, virtually on the heels of a borrowing authority of $19 billion, further accentuates what we see as the ineptitude of this Government.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this is the seventh time in this session of Parliament that I have risen on behalf of our Party to speak to a borrowing authority Bill. The first Bill, you will recall, sir, was Bill C-30, a Bill to authorize the Government to borrow $12 billion. That was immediately followed up the following year by Bill C-59, a Bill requesting another $14 billion. Then, starting the fiscal year 1982-83, there was Bill C-111 for $6.6 billion; then Bill C-125, originally for $11 billion and then down to $7 billion. There was then Bill C-128 for $4 billion; Bill C-143 for $19 billion. Now we have Bill C-151 for $14.7 billion. It seems to me that we are spending a great deal of the time of this session of Parliament debating borrowing authority Bills to feed the insatiable appetite of this Government for money or debt.

May I remind you, sir, that on March 31, 1980, roughly when this session of Parliament was about to commence following the 1980 election, the total net debt of the people of Canada was $72.1 billion. That included not only our debt denominated in Canadian dollars, but our debt denominated in foreign currency borrowings. The total amount was $72.1 billion. As of the end of this fiscal year which has just passed, March 31, 1983, the net debt has been moved to $115.8 billion. If this Bill and the borrowing requirements which are contemplated in the budget go through, the net debt of the country will be $142.5 billion by March 31, 1984. I can say to you, sir, that we have doubled the national debt of Canada in the very short period of time since the last election.

There is no justification for that kind of spending, that kind of mismanagement. There is no justification whatsoever. It would be totally improper for any Member of Parliament who loved his country, who had some concern for his kids, who had some concern for his neighbour's children, and their children's children, not to insist that there be some accounting for a program of debt which seems to have no end. This debt will have to be paid. It will have to be paid by my children, by my children's children, and indeed by their children's children. It goes on and on and on! We cannot excuse ourselves by saying: "Well, we are just going into a little bit of debt this year because we have a lot of people out of work and we must do some things to stimulate the economy", because that has not been the case. For part of the session of this Parliament, times are said to have been relatively good, certainly very much more relatively good than they are today. Yet Bills were presented

for $12 billion and for $14 billion, and so on and so on. Therefore it is not a question of just bad times. It is not a question of just tough times now and let's borrow a little and stimulate the economy and get things going again. It is a situation where we have been borrowing both in good times and in bad times.

In that sense I want to go now to the budget itself and take a look at the projections of this Government. If one wants to talk about building confidence in Canada, borrowing authority Bills of this nature do everything but build confidence, although the budget contemplates an increase in the Gross National Product this year of 2.3 per cent in real terms; next year over 5 per cent in real terms; the following year 4.4 per cent and continuing to 4.7 per cent in real terms. In other words, according to the budget Canada is about to enter into great boom times.

But then you must look at the borrowing and the deficit requirements. You find that forever, as far as you can see down the road, we are going to have deficits in excess of $25 billion and borrowings of between $25 billion and $30 billion. How can we possibly have confidence when in times which are supposed to be boom times, times when there is real growth in the economy, where the economy is growing faster, as projected by the budget, than at any time since the War, we have a situation where we will forever have deficits? The fact of the matter is that the budget and its projections are total garbage. They mean nothing. They will lead us to disaster, because as Government borrows it sucks up money from the system and prevents that money from being used by those who create wealth—because Government creates no wealth—and as it does that it drives interest rates up.

I point out to you, sir, that while interest rates may seem, in comparison to 1981 and 1982, to be down now, and likely to be down again when the Treasury bill auction takes place later today, real interest rates—and I am talking about the difference between what is the true inflation and what interest we are paying—are probably higher today than they have been at any time in the past three years.

If we look at the projected inflation rate, not the current inflation rate, and if we look at the projected increase in wholesale prices, we find that the real interest rate, the rate between what is deemed to be the inflation rate and the rate which the banking system charges at prime, today at 11 per cent, is between 8 per cent and 9 per cent. That is an enormous burden. We are only paying that rate of interest because Governments, particularly this one, are borrowing far more than they can legitimately take out of the economy. If the economy improves, as the Government suggests in this budget it will, then I can tell you, sir, that the improvement will not in fact take place because interest rates will go to the moon.

• (1240)

When we look at this Borrowing Authority Bill, we must look at what it does to business confidence and what it says about the financial affairs of the country and the creation of the enthusiasm and drive necessary to make the country work better. The Government in its budget says it needs $26.7 billion to finance its requirements for the year. The Government says that as of the first of the fiscal year, April 1, it had borrowing capacity of $16 billion, so it would seem to need an additional capacity to borrow of only $10.7 billion. However, the Minister says: "I need a contingency. I am not satisfied with the gross amount of $26.7 billion; that does not give me any contingency." That is bare bones, he says.

Well, sir, that cannot be. The Minister talks about foreign exchange problems but he knows when he borrows in foreign markets that money is converted into Canadian dollars, so it does not matter whether he borrows abroad or in Canada. The fact is that the budget says he can get along on $26.7 billion, including contingencies. He says: "I need another $4 billion on top". That is less than three weeks after he produced the budget. And the people of Canada are supposed to have confidence in this Government's financial management, after it says on April 19 it needs $26.7 billion and on May 5 it says it needs $30.7 billion!

Mr. Cosgrove: That is not true. That is inaccurate.

Mr. Blenkarn: We must call this Government to account, Mr. Speaker. We cannot accept this Bill the way it is.

I want to talk for a moment about the Government's six and five program because, frankly, we have had enough of that program. I would refer you, sir, to the Main Estimates filed in the November, 1981 budget. That budget was supposed to look after the fiscal year 1982-83. At that time the Government said it was going to spend $76.3 billion. Well, what did it do? It in fact spent some $81 billion or $82 billion and then produced a budget for 1983-84 and a spending estimate for this year of $88.9 billion. Before the ink was dry, even before the Main Estimates have been passed and we had barely heard the President of the Treasury Board (Mr. Gray) say he could not possibly come to the House for supplementary estimates beyond $88.9 billion, his colleague, the Minister of Finance (Mr. Lalonde) says his new estimates for spending are $90.7 billion, an increase of 18.9 per cent from the estimates for the previous year. That is six and five? No, 18.9 per cent is what it is. So when this Minister says he needs $4 billion in contingency funds, we know that is not what it is. History indicates that it is already targeted for spending.

Mr. Cosgrove: That is not true.

Mr. Blenkarn: The April 19 budget has barely passed this House and he is targeting another $4 billion. It is nothing more than that. He comes here and says: "Gimme, gimme, gimme. I want no controls; I want to spend, I want to borrow".

Government is supposed to be the steward of the people's money, an honest steward, but this Government has failed in that stewardship. I say that seriously because there is no way we can allow a borrowing authority in excess of the alleged borrowing requirements.

Mr. Cosgrove: We want economic recovery right now.

Mr. Blenkarn: The Minister squeaks about economic recovery. Let me tell him a few facts. If he looks at the Bank of Canada's statement of last week he will find that this Government had on hand $5.6 billion in deposits with chartered banks. Let me tell you how that works, Mr. Speaker; it is rather interesting. The Government is supposed to keep $100 million with the chartered banks to cover cheque clearing charges and not accept interest on that money. On anything over that amount on deposit the Government gets interest from the chartered banks at a rate roughly 10 per cent less than the going Treasury bill rate. So on today's market the Government gets 8 per cent on that money, but remember that the Government pays a little in excess of 9 per cent for its Treasury bills.

This Government has declared time and time again that it needs no more than $2 billion to facilitate its general activity. That is enough money in the bank to pay its bills and to look after all of its problems. This Government has $3.6 billion more on deposit than it could conceivably need, and that money costs the people of Canada at least $36 million a year, $3 million a month. That is supposed to be good stewardship. The fact of the matter is that the Government is not operating well. It is not running the financial affairs of the country well. From that point of view we must sit back and say: We will give you borrowing authority a piece at a time because we cannot allow you to have carte blanche.

Mr. Cosgrove: That is economic stagnation.

Mr. Blenkarn: It is the kind of Government which has no management ability. I say that seriously because its expenses are running away. It budgeted in November, 1981 to spend $76.3 billion; by April of 1983 it says it has to have $90.7 billion to run the country. The Government is running away with itself with that type of attitude. We are being asked to finance borrowing authority Bills, one after another. A Conservative Government today would not be coming to the House for borrowing authority. We would have on hand $16 billion in borrowing authority and we would know that with careful management, we would make it possible to operate the Government until October or November of this year.

• (1250)

Mr. Cosgrove: Under whose leadership?

Mr. Blenkarn: We would know that we would not have to be pounding Parliament for another $14.7 billion.

Mr. Cosgrove: Who would be the quarterback?

Mr. Blenkarn: We would do it that way. I say to Your Honour that we would operate the Government on a financially sound basis and would not be borrowing money when we had no money in the till. We would not be wasting money.

At this point the Government does not need this Bill. It will presumably need some borrowing authority for the balance of the fiscal year; it could probably easily get along on $8 billion. In order to expedite the proceedings of the House and its activity, we might be prepared to discuss an amendment to the Bill to reduce the borrowing authority to no more than the budgetary requirement of the Government. However, under no circumstances could we as a Party, or should we as a House of Commons, be prepared to accept the Bill before us.

The simple fact is that the budget had contingencies built into it. The borrowing requirements in the budget had contingencies built into them. To say that contingencies require an additional $4 billion is drivel, unrealistic, nonsense.

Mr. Cosgrove: And you are against economic recovery.

Mr. Blenkarn: The Minister says something about economic recovery, as though the only thing he will attempt to do is to recover himself by borrowing. I do not know how anyone becomes richer by going farther into debt. That is the program of the Government: put the country farther debt. I say that the Government must come to the country and to Parliament clean, and with a proposal which makes sense. To come to Parliament and request total borrowing authority of $30.7 billion, when even the Government's own exaggerated figures indicate that it can get along on $26.7 billion, is a travesty.

Mr. Fisher: Mr. Speaker, it looks as though we are in for a classic debate on this matter. We have just heard a marvellous presentation of the usual blinkered Tory thinking. I would like to pursue the view of the Hon. Member to the effect that no one creates wealth by borrowing, which is a dumb statement. The Hon. Member knows that individuals create wealth by borrowing in the form of mortgages, that companies borrow in the form of bonds, and that Governments borrow as a form of stimulus to the economy when it is flat. I do not know why he drags out these clichés, because he knows fully well that the clichés are a little bit disreputable and he is a much more sophisticated economic thinker than that.

I would like to ask the Hon. Member a very straightforward question. He said that the Conservatives would borrow and would use the $16 billion authority through to October, and then would come back to the House for additional sums needed to carry them through the rest of the year. In October, how would he propose to ensure that people like him would not filibuster in the House in the manner his Party did last March, forcing the Government into the dumbest kind of borrowing that is possible—short-term notes, emergency borrowing, highly expensive borrowing? How would he ensure that his colleagues in the House would give us the co-operation we need to pass an additional Bill at that time without a lot of filibustering?

Mr. Blenkarn: Mr. Speaker, it is pretty self-evident that the Parliamentary Secretary is trying to cover up for ineptness. The fact is that Bill C-143 was presented in the House on February 17. At that time the Minister of Finance refused to answer any questions or give any projections whatsoever. The entire Opposition spoke vigorously on the Bill and eventually debate on the Bill had to be limited by time allocation. If the Minister of Finance had come forward with the figures as he was asked to do, the Bill would have gone through much faster. However, he deliberately refused to do so, and he also

deliberately refused to allow one single financial speaker for the Government, which would have enable questions to be asked in the ten-minute question period, during the first eight hours of debate.

Second, the Minister refused to come, until he was dragged, kicking and screaming, to the Finance Committee. Every effort was made by the Parliamentary Secretary—

Mr. Cosgrove: After we used closure.

Mr. Blenkarn: —to stop the proceedings of the Committee. Eventually, kicking and screaming, the Minister produced some financial figures. At that point there would have been no problem. We were quite prepared to give the Minister the $5 billion he did not need last year. The fact is that he got along with $1 billion less than that. We were quite prepared, as we are prepared right now, despite the fact that we think this is an overspending Government, to talk about giving the Government the money which was approved in the budget.

However, that is not what he want. He wants more money than that which was approved in the budget. He wants $4 billion more. As if that were not bad enough, he wants it now, when he has no need to borrow more money until some time in October, or maybe November or December for that matter. If he handled the affairs of the country properly, he probably would not need any more than the $16 billion which has already been approved. However, assuming he does, why does he now demand $14.7 billion without any evidence of its being required in the budget?

Mr. Fisher: Mr. Speaker, I must be mistaken. It must be another colleague of mine from Mississauga South, not the particular one who rose in the House just now. I must be confused about my colleagues because I know that I sat in the Finance Committee with my colleague from Mississauga South and listened to the Minister of State for Finance (Mr. Cosgrove) on two separate occasions, and the Minister of Finance. We offered the participation of the Minister of Finance for as much time as he needed to answer questions. Some Hon. Member from Mississauga South, if it was not that one, was in the room when the Minister of Finance was there, from nine o'clock p.m. until two o'clock a.m. the next morning, and then for a second session lasting another hour and a half. I think, but I am not sure, that it was either him or his brother or some look-a-like who had plenty of opportunity last March to ask questions and did ask all kinds of questions. They were dumb questions but he asked them anyway.

I would now like to know the answer to my original question. How would the Hon. Member for Mississauga South or his spokesman, the other shadow member from Mississauga South, guarantee smooth passage of a borrowing Bill in October so that the Government would not have to go through the kind of dumb manoeuvring which he is forcing us into with this filibuster?

Some Hon. Members: He doesn't know.

Mr. Blenkarn: It is very simple. All he has to do is to reduce the amount in his Bill and say: "I am coming to the House to ask for approval of what the House has already passed". The House has already passed the Government's budget. The budget calls for $26.7 billion in borrowing authority to meet its requirements. The Minister says that he has $16 billion. He therefore needs no more than $10.7 billion. It would be a very simple matter for the Minister to say: "The budget has been passed; now we would like the money set out in the budget". However, that is not what the Government requests. It requests something far more than that.

Mr. Cosgrove: Mr. Speaker, I do recognize the time—

The Acting Speaker (Mr. Blaker): The Chair will recognize the Minister for a very brief question. As he can see, the time is now one o'clock.

Mr. Cosgrove: I realize that the time is one o'clock. Will the Hon. Member who has just spoken be available for questioning upon resumption of this business?

Mr. Blenkarn: Yes, sir.

The Acting Speaker (Mr. Blaker): It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1.02 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

AGRICULTURE

GOVERNMENT POLICY ON TRANSPORTATION OF CEREAL GRAINS

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, yesterday, the Minister of Transport (Mr. Pepin) announced that he would soon be tabling new legislation to implement the Government's plan for improving the grain transportation system in Western Canada. In this connection, the Quebec caucus committee, which has ten members from various parts of Quebec and which I have the honour to chair, had made recommendations to the Minister of Transport not long ago to the effect that following the proposal made on February 1, the committee recommended to the Minister of Transport that the grain transportation subsidy be paid directly to small railway companies. We are of course very happy with the decision announced by the Minister of Transport yesterday, since we

have been working since September 1982 on preparing recommendations and meetings with agricultural organizations such as the Quebec Farm Producers' Union, the Coopérative fédérée des meuniers, and so on, and we have each followed up these meetings in our respective ridings.

Today, I think we can say that the Quebec caucus agrees with the proposal announced by the Minister of Transport and that this proposal is a satisfactory response to the aspirations of Members from rural areas and of the entire Quebec caucus, and I think the agricultural sector will benefit, not only in Quebec but also in the rest of Canada.

* * *

[*English*]

RAILWAYS

CROWSNEST PASS RATE—OPPOSITION TO PLAN FOR CHANGE

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, in 1897 the Crow rate, with an average cost of one-half cent per ton mile, to move grain by railway from the Prairies was established. Under the Crow rate, grain production prospered, billions of dollars in foreign exchange were earned, and the railways made money. Cow-calf producers, feed lot operators, meatpacking plants and secondary grain processors continued to flourish because the distortion did not affect the over-all natural advantage of western agriculture.

During the late 1960s and the 1970s, due to inflation brought on by the present Liberal Cabinet, the Crow rate became a major distortion between grain producers on one hand and the livestock industry and the secondary grain processing industry on the other. The over-all natural economic advantage was lost. In 1982 the Minister of Transport (Mr. Pepin) created the Gilson consultative process to negotiate a reasonable solution. Nine major farm organizations, the two national railways, and one group of processing companies spent thousands of hours negotiating an over-all compromise.

The Minister of Transport has since made major changes to the compromise whereby the major economic distortions are still in existence. The over-all balance and fairness have been lost. All of this happened without Members of the House ever seeing any legislation or being able to contribute our knowledge and experience.

Surely this whole process shows once again how incredibly incompetent the present Liberal Government is, whereby the nation must once again endure the worst of all possible solutions.

[*Translation*]

INCOME TAX

AMOUNTS PAID IN QUEBEC COMPARED WITH OTHER PROVINCES

Mr. Gaston Gourde (Lévis): Madam Speaker, it is often said in the media, in this House and also in the National Assembly that Quebecers pay the highest taxes in Canada. I thought Canadians and Quebecers would be interested in some information on income tax levels in the various provinces. For instance, a taxpayer with a taxable income of $6,000 will pay $1,496 in income tax in Quebec, $1,119 in Ontario—$377 less—and $906 in Alberta—$590 less. With a taxable income of $25,000, our taxpayer will pay pay $9,229 in Quebec, but would pay $2,098 less in Ontario and $2,569 less in Alberta. I think that these figures speak for themselves, and that all the rhetoric of politicians who are "all talk and no action" is losing much of its impact on the people of Quebec.

Those are real reasons why investors are avoiding Quebec. These are factors over which the Government of Quebec has complete control, and therefore it cannot blame its neighbours or the Government in Ottawa. In fact, Mr. Parizeau will have a chance to remedy the situation next Tuesday when he brings down his budget.

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[*English*]

PENITENTIARIES

MINISTER'S PROPOSAL TO RELEASE GREATER NUMBERS OF INMATES

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, the Solicitor General (Mr. Kaplan) proposes to release earlier, for the first-time, offenders convicted for non-violent offences. We all agree that the need is to get some prisoners out of jail, but only if they are genuinely rehabilitated and not likely to be a danger to the public. We need more qualitative release, not quantitative release. How do we accomplish that? We are obviously not accomplishing it presently.

Rehabilitation is essentially the responsibility of the individual, I believe. We cannot wave a magic wand and have automatic rehabilitation. Only an individual man or woman can rehabilitate himself or herself through their own voluntary change of mind and heart.

The Solicitor General and the Parole Board Chairman are reported as saying that there will be no change in the basic screening process for release. Surely, this is the real point, to determine where we can make a bold move to achieve both genuine rehabilitation and a reduction in the number of prisoners.

Why can we not change the existing process of screening to a meaningful process of qualifying, and put the onus and responsibility for qualifying on the individual prisoner?

We should not have to screen him or her. If prisoners want to get out, they should take the initiative and pass the test of satisfying the Parole Board that they have changed their lives enough to qualify for release. If there is a doubt about this, it should be resolved in favour of the community.

We shall only reduce crime effectively when we tackle the causes, not the symptoms of crime.

* * *

SCIENCE AND TECHNOLOGY

THREAT TO EMPLOYMENT—MINISTER'S STATEMENT

Mr. Simon de Jong (Regina East): Madam Speaker, the Minister of Economic Development (Mr. Johnston) has me worried because he has told us all not to worry. The Minister calmly assures us that an additional two million workers thrown out of work by technology, in addition to the two million now without work or hope, will not be a tragedy. That has me worried.

The Minister says, "Do not worry, put your faith in the private enterprise system, the system will provide." That has me more worried.

When the mechanization of agriculture drove workers off the land, they adjusted by finding work in factories. When the automation of industry drove workers from the factories, they adjusted by finding work in offices and the service sector. Now, computers and micro electronics will drive workers off to nowhere. There is no place left to go.

It is true that we cannot and should not hold back the tidal wave of technology that is about to engulf us. We must join in on the micro electronic revolution, or be swept away. But we must join in on our own terms and in ways that will benefit ordinary people. The Minister's "technology at any costs" vision is blurred by panic.

There are other visions. Some of us, like the Catholic Bishops, see alternatives that would place the emphasis on socially useful forms of production, labour intensive industries, the use of appropriate forms of technologies.

Given such alternatives we would not only survive, we would even prosper as the new wave of technology washes over us. The Minister may think that he has all the answers. The worry is: has he even understood the question?

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POLITICAL PARTIES

NEW DEMOCRATIC PARTY'S OPPOSITION TO CONSTITUTIONAL ENTRENCHMENT OF PROPERTY RIGHTS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, citizens of Canada who value the right of private ownership should be forewarned that Members of the New Democratic Party are philosophically opposed to the constitutional entrenchment of the right to own and enjoy property. If this were not so, the NDP would not have obstructed the property rights amendment which was debated in the House last Friday. By denying unanimous consent on Friday, they purposely prevented Parliament from joining with the legislature of British Columbia in approving this important amendment to the Constitution.

Mr. Deans: What happened to your press release?

Mr. Siddon: The Leader of the NDP (Mr. Broadbent) and his Members have often said that it would be wrong to guarantee constitutionally the right to own property because this could prevent socialist governments from nationalizing industries or restricting the rights of private land owners.

Mr. de Jong: What about your press release?

Mr. Siddon: I am surprised they do not want to listen. NDP provincial Governments have a history of Crown intervention which has tended to liquidate or diminish the assets of property owners. For example, the present NDP policy on mining in B.C. advocates market intervention and social equity ownership.

The NDP in British Columbia and their federal cohorts have pretended to support property rights on one hand, while retaining a fierce philosophical opposition to such a clause in the Constitution. They offer to recognize the right of Canadians to own a farm or a home, but nothing else.

Madam Speaker: Order.

* * *

• (1410)

PROVINCIAL BOUNDARIES

SUGGESTED APPOINTMENT OF ROYAL COMMISSION

Mr. Bill Yurko (Edmonton East): Madam Speaker, under the new Canadian Constitution, new Provinces can only be formed and provincial boundaries can only be extended with the approval of seven Provinces having 50 per cent of the Canadian population. Any Province can accept or veto any changes to its boundaries, under Section 43.

There exists no criteria for creating new Provinces or for changing the boundaries of any Province. Therefore, Parliament should appoint a Royal Commission at the earliest opportunity to recommend criteria for such changes. Indeed, criteria should be established for the granting of provincial status to the Yukon, the granting of semi-provincial status to the Mackenzie region, the possible establishment of new Provinces within the central region of Canada, and the possible extension of provincial boundaries north of the sixtieth parallel into the northern Territories. The creation of additional Provinces would enhance national unity and provide greater equity to the entrenched constitutional amending formula.

CANADA MORTGAGE AND HOUSING CORPORATION

RENT INCREASES FOR HAMILTON APARTMENTS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, on July 20, 1982, the Minister of State for Economic Development (Mr. Johnston) said:

> All price increases are limited to no more than 6 per cent in the 12-month period commencing June 28, 1982, and 5 per cent in the following 12-month period.

Also the Minister confirmed that the policy will apply to all prices established under federal jurisdiction, including Departments, agencies, Crown corporations and their wholly-owned subsidiaries. This was confirmed and reaffirmed by the Minister responsible for housing as being applicable to CMHC on Friday, July 30; on Monday, July 26; and on Friday, July 23.

In December, 1982, the residents at First Place in Hamilton received a letter indicating that "Canada Mortgage and Housing Corporation are requiring us to increase the apartments rents to closer to market value. On this occasion the increased rent will be 12 per cent". This preceded a letter of April 29, 1983, which put in place an increase that, combined with the increase announced in December, makes for a total increase of 21 per cent in less than 15 months.

I suggest that the Minister responsible for housing was either not telling the truth to the House, Canada Mortgage and Housing Corporation is not following the instructions of the Government, or both those two things were happening. I ask the Government to take action to correct—

Madam Speaker: Order, please.

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CANADIAN BROADCASTING CORPORATION

FINANCIAL, VIEWING, AND SERVICE STATISTICS

Mr. Hal Herbert (Vaudreuil): Madam Speaker, in response to a statement that I made in the House on March 14 concerning the number of Canadians watching American television, specifically the Public Broadcasting Service, the President of the Canadian Broadcasting Corporation has drawn my attention to statistics which I want to convey to the House.

First, audience figures show that in Canadian metropolitan centres where PBS television can be received, it attracts only 2 per cent to 3 per cent of viewers. Also I am informed that the cost of operation of the United States public broadcasting system for the year 1981 was $767 million. That is broken down into a federal contribution of $200 million, state and local tax revenues of $272 million, and non tax-based revenues, such as foundations, auctions, and the general public, of $295 million, for a total $767 million.

I also referred to the percentage of Quebecers who watch English television. While it is true that approximately 51 per cent of Francophone Quebecers are reached by English television—that is, they watch English language TV at least once for a quarter of an hour in a given week—only 14 per cent of the total time spent watching television by Quebec Francophones was to English language stations and only 5.5 per cent of that time was to United States stations.

While the CBC expects to receive $820 million from Parliament in this fiscal year, the money will be used to provide programs and services for television networks in English and French, AM radio networks in English and French, and FM stereo services in English and French—

Madam Speaker: Order.

ORAL QUESTION PERIOD

[*Translation*]

HOUSING

INQUIRY WHETHER $3,000 GRANTS WILL BE PAID UNTIL END OF MAY

Hon. Roch La Salle (Joliette): Madam Speaker, in the absence of the Minister of Finance and the Minister responsible for housing, I shall direct my question to the Right Hon. Prime Minister. The Prime Minister knows perfectly well that in his budget, the Minister of Finance had referred to a $3,000 subsidy to stimulate the construction industry, and he said the subsidy might last until the end of May. Yesterday, the Minister responsible for housing informed the House that practically all available funds had been spent and that Canadians applying before May 31 might be disappointed. In the circumstances, and considering the implications of the just society desired by the Prime Minister, can he give the House the assurance that all requests made before May 31 will be met as promised by the Government in the budget?

[*English*]

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I could respond to the Hon. Member by pointing out that, when the original CHOSP program was announced in June of last year, housing starts were at a very low level in comparison with years past. Hon. Members said right off the bat that the result of the program would be ineffective and that it would do nothing for housing.

That program has been very successful. It has been so successful that we have the problem which the Hon. Member raised and brought to our attention, that is, that many Canadians are aware of it and would like to take advantage of the $3,000 grants. The statement of the Minister of Finance in his budget was that indeed the program would be extended beyond the cut-off date, either to the time when the additional $30 million was used up, or to the end of this month.

Yesterday the Minister responsible for housing indicated in the House that there was a large demand, that the program was indeed successful, but that it was the success of the

program that was causing the problem. Housing is now being generated at a very good rate. Housing starts for single families are three times the rate they were when the program was announced.

We think that the industry is very strong. We think that there is no need to continue that subsidy. Hon. Members who are asking the Government, for example, to cut back on its expenditures and to reduce its deficits, should recognize that that industry is now very strong.

[*Translation*]

Mr. La Salle: Madam Speaker, I have a supplementary which is, of course, directed to the Minister of Finance, who said in his budget that the $3,000 subsidy might last until the end of May. I am not challenging the program's usefulness. I am very happy to see that an effort is being made in this area, but the fact remains that probably thousands of Canadians will be disappointed because they will not be able to benefit from the subsidy as offered by the Minister of Finance in his budget. The Minister will realize that the officials who are responsible for implementing the program will have a tremendous problem with applications they will not be able to honour because this budget is inadequate. Could the Minister of Finance, since his program is an excellent one, at least give Canadians the assurance that all applications made before May 31 by Canadians who wish to benefit from this program will be considered and that the Minister will provide the necessary funds to meet his commitments to the Canadian people as was his intention, I imagine, when he brought down his budget?

Mr. Lalonde: Madam Speaker, the trouble for the Member for Joliette is that he cannot read. I said in the budget, and I quote:

—I am allocating $30 million more to the Canadian Home Ownership Stimulation Plan, which should be sufficient to extend this program until about the end of May.

That is what it says in the budget, and if my hon. colleague had bothered to listen instead of interrupting my budget speech on the evening of the budget, and if he had bothered to read it, he would have known what the Government's policy is. I have added another $30 million to this program, which has been very successful, as the Hon. Member is aware. The Minister responsible for housing is going to spend the entire $30 millon to meet requests for this subsidy. But in any case, this kind of program was supposed to end sometime, on April 30, and obviously, in April or on the 1st or 2nd or 3rd of May, some people may have been disappointed because they did not have access to these funds. Now, the situation is quite simple. Interest rates have now gone from 20 per cent to 10.75 per cent, for instance, for a first mortgage. Consumers are benefiting from a considerable drop in rates compared to what they were before, and it is now time to terminate a program that was introduced to help home buyers at a time when interest rates were up at around 20 per cent. Our monetary policy has succeeded in bringing interest rates down to levels that are much lower than they were before. I hope that we shall be able to reduce interest rates even further, and meanwhile, the amount I was referring to, the $30 million, is there for all Canadians who apply, and their applications will be examined in the order in which they are received by the Canada Mortgage and Housing Corporation.

• (1420)

Mr. La Salle: I would like to point out to the Minister that I have read the budget carefully, but I also know that thousands of Canadians now have a right to believe that they are entitled to a grant. The Minister of Finance seems to forget that the Minister responsible for housing said yesterday that nearly $30 million had already been spent or appropriated. In these circumstances, I think the Minister is under the obligation to be as honest as possible with the Canadian people and to tell them clearly that the program is now over instead of giving them to understand that they will be entitled to a grant to be negotiated, discussed or evaluated—

Madam Speaker: Order, please! Speeches are being made on both sides. I would ask the Hon. Member to ask his question immediately and the Hon. Minister to reply as briefly as possible.

Mr. La Salle: Thank you, Madam Speaker. My question is this. The Minister is well aware of the problems that this will cause. In the circumstances, if the Minister is unable—this is my question, Madam Speaker—if he is unable to pay out monies as promised, will he at least have the guts to tell Canadians what he can give them or not, as the case may be? That is my question.

Mr. Lalonde: Madam Speaker, the last person in this House from whom I have no lessons to take in honesty and courage is the Hon. Member for Joliette. I therefore urge him to be a little more courteous and to hold back his insults. We are used to hearing them when he is seated, but it is unfortunate that we have to hear them even when he has the floor. I have nothing more to say to the Hon. Member, and again it is quite clear, than what I said in my budget. I have allocated an additional $30 million to help Canadians who want to purchase newly built homes. These $30 million will be spent for Canadians.

[*English*]

ASSURANCE SOUGHT THAT APPLICANTS WILL RECEIVE GRANTS

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, I have a question for the Minister of Finance. The last time the Government put up $100 million was in October last. At that time it did not stipulate that, if the fund ran out, the Government would no longer honour applications. Those who built homes took that into account when working out their total financing. They expected the Government would honour the commitment it made. Areas such as the Atlantic region did not

have enough money to carry the program through until the end of April. Will the Minister assure us that, despite the fact there is now a twist, there will be enought funds for those who expected to receive the $3,000 grant and who applied before the end of April, even though the Government is now twisting?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have no reason to believe that it will be imposible to honour the building applications which were received before the end of April. The Minister responsible for housing will be in the House very soon, and he was here yesterday. The Hon. Member could have asked him that question—

Mr. La Salle: I did!

Mr. Lalonde: He is the Minister responsible for that program, and I have no reason to believe that we will not be in a position to meet those objectives. What happened, according to the minister, is that many applications were sent in through contractors, applications for 50 or 100 houses at the same time. We are not convinced that in each case the foundations have already been completed. Inspectors will check whether those applications do meet the standards of the program, or whether on the contrary the circumstances are such that the contractors wanted to act fast and submit applications in advance because they expected that the program would end at the end of April, failing to take into account the additional $30 million. The Minister responsible for housing is keeping a close watch on the situation.

* * *

[*English*]

RAILWAYS

CROWSNEST PASS RATE—AMOUNT TO BE PAID BY GRAIN FARMERS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Transport. It concerns the changes that he announced yesterday, which were further to the earlier changes that he made in the Crow rate. Will the Minister confirm that, according to the proposals that he made yesterday, the average grain farmer in the Prairies by the end of this decade will spend about $6,000 more to ship his grain? It that is the case, will the Minister tell the House of Commons and the people of Canada why this additional burden should be placed upon our grain farmers?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, most people in the West agree that the Crow has become a liability. Only some reactionaries in the New Democratic Party have not accepted that. My hon. friend should read the statements made by the Saskatchewan Wheat Pool two years ago in which it said that should the Government comply with the following seven points, it would negotiate the Crow. That has been repeated *ad nauseam* by many organizations in the West. That implies that the farmers in the West are willing to pay more for a good service.

Some months ago the Saskatchewan Wheat Pool was willing to agree to what is called the "Argue plan", under which the farmers would have paid double the Crow right from the beginning. They were willing to accept that. What other proof does my hon. friend need to understand that the western farmer is willing to pay more for a good service? My hon. friend is a cigar smoker. He should realize that the five-cent cigar no longer exists and, consequently, be willing to adjust.

Under yesterday's announcement and under the previous one, this will imply that the farmer will pay twice Crow in the next four years and, by end of the decade, *mutatis mutandis*, depending on volume shipped and on the interest rates, et cetera, they will pay five times Crow. The farmer accepts that as a general proposition because of the better system he will have in return.

Mr. Broadbent: If you will excuse the expression, Madam Speaker, the Minister already had to eat crow on this issue. If he goes to the Prairies in the next 48 hours, he will get what could be euphemistically described as an interesting response to his current proposal. He has admitted that the farmers will have to pay at least five times what they are now paying. Our calculation is that that is a Conservative estimate in terms of other increased charges.

AMOUNT TO BE PAID TO CANADIAN PACIFIC RAILWAY

Hon. Edward Broadbent (Oshawa): Madam Speaker, my supplementary question concerns another aspect of the same proposal. In terms of using the taxpayers' money, the Government intends to give CPR, and I say give to CPR, approximately $500 million to be used for capital investment and improvement of the grain handling system. While acknowledging that capital infusion is necessary to modernize the grain handling system in the West, does the Minister not agree that the taxpayers of Canada, including unemployed workers who still pay taxes and are going to put up the $500 million a year, should in turn get shares in CPR for that investment?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the Prime Minister has just reminded me that I should have added in my previous answer that the five times Crow that the farmer would pay at the end of the decade, will then be less than 60 per cent of the true cost of transportation. That is an indication that transportation of grain will still be highly subsidized by the federal Government, the contribution being $900 million a year for the next decade and beyond. These are facts that should be taken into consideration.

• (1430)

On the subject of why the Government should not take shares in CP, I think that the simplest answer I can give is that this is not a gift made to CP. CP will have to carry grain in return for the money that they will receive. That should be clear. Now, should the Government invest money in both

subsidizing and contributing to the transportation of grain in the West and besides that buy shares in CP, of course it would increase tremendously the contribution the federal Government would have to make. I might quote the NDP leader in Saskatchewan—

Madam Speaker: Order, please.

[*Translation*]

Order, please. I must ask the Minister of Transport to try to shorten his answers.

[*English*]

RATIONALE FOR PAYMENT TO CANADIAN PACIFIC RAILWAY

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have one final question for the Minister. If the Minister is turning to the gentleman on his left, the Prime Minister, for advice on Prairie issues, he is really in trouble.

Returning to the question of equity, Madam Speaker, acknowledging that we need money to modernize the grain handling system, acknowledging that some money must go to pay the additional costs that are above the freight rate, I ask the Minister who is responsible for the spending of taxpayers' money why we should give any money at all as a handout to the CPR, a company that made more than $120 million in profit last year, for capital investment, unless the people of Canada get a share proportionate to that capital investment in the CPR.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I turn to the man on my left side with pleasure, because a few years ago the man on my left side indicated that the future of the West needed double tracking.

An Hon. Member: Double talking.

Mr. Pepin: At that time, like today, some people smiled, others laughed. Today that statement has become conventional wisdom. Today this is really what is happening in the West, and my hon. friend on my left should be proud of the prediction he made at that time.

Some Hon. Members: Hear, hear!

Mr. Pepin: About the general announcement I made yesterday, indeed I had to eat crow. I recognize that and I am humble about it. The fact is that perceptions existed in the West and in the East that could not be countered. I have been told by Madam Speaker to be concise, but I think that we now have a balanced set of propositions which will be widely accepted both in the East and the West, and that is the important fact in this matter. We are going to move.

FINANCE

FORECAST OF GOVERNMENT DEFICIT—PRESENTATION OF ESTIMATES

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is directed to the Minister of Finance who is gracing the House with his presence today, one of the few days he has since he brought in his budget. The Minister should be aware of the fact that there is a growing realization that his 1983-84 budget deficit does not add up, that in fact it has been inflated by about $1.5 billion, possibly to provide a hidden slush fund or an election goody bag. Can the Minister tell the House whether he presented the estimates of expenditures and revenues as prepared by his departmental officials, or did he exercise his ministerial discretion to change them?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I was so shocked by the hon. lady's first disgraceful remark that I would ask her to repeat the question. I missed the latter part of it.

Miss Carney: Madam Speaker, I will repeat the question. I pointed out that there is a growing realization that in the Minister's budget deficit figure for the current fiscal year the numbers do not add up, and that there is speculation that it has been inflated by about $1.5 billion, possibly to provide a hidden slush fund or an election goody bag. Can the Minister tell the House whether he presented the estimates of revenues and expenditures as prepared by his departmental officials, or did he exercise his ministerial discretion to change them?

Mr. Lalonde: Madam Speaker, I would like first of all to remind the hon. lady that I was in the House yesterday and I do not know where she was. She was not here. Second, out of 58 days before the budget, I missed attending the House on five days. I put this as a challenge to her to match. I know that she has not been here that often.

Some Hon. Members: Hear, hear!

Mr. Lalonde: That being said, obviously the budget is the responsibility of the Minister of Finance. It would be rather strange if I were to start commenting on actions taking place inside my Department between officials or between officials and the Minister. But I have no compunction, no hesitation and no problem at all in telling the Hon. Member that she does not have to worry a bit. The figures are those that were provided by my Department. I questioned them, I analyzed them with my officials, but they are the figures provided by the Department of Finance and they stand on their own. She does not have to worry.

Miss Carney: Madam Speaker, we will be glad to table in the House the record of the Minister's participation in the House since he presented his budget.

GOVERNMENT EXPENDITURE PLANS

Miss Pat Carney (Vancouver Centre): Madam Speaker, we know that the Minister of Finance can add $200 million to the public debt in order to cover up his budget leak, and that he is proposing to add $4 billion to his borrowing requirements in the Bill now before the House. Has the Minister of Finance revealed all of his spending plans for the current fiscal year in his budget, or is he going to spring some expensive new programs on unsuspecting Canadians in the future?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am glad to report, from extensive discussion I have had with Canadians since the budget, that they have received the budget extremely well and they are rather shocked by the kind of petty politics that the Conservatives are engaging in.

Some Hon. Members: Hear, hear!

Mr. Lalonde: What shocks Canadians even more is the emptiness of the comments made by the Opposition concerning the budget. I am happy to report that this has been the reaction across the country. I would invite my hon. colleague to take a few days off to check this out for herself. She might change her line of questioning on this particular subject.

I want to tell the Hon. Member that the figures provided in the budget are the estimates as developed by my Department and approved by myself. As far as the planned expenditures of the Government are concerned, they are contained in the Estimates tabled by the President of the Treasury Board and they will be contained in Supplementary Estimates that the President of the Treasury Board will introduce in Parliament, which occurs several times every year. The Hon. Member may not have been in the House for very long, but surely she knows that.

* * *

RAILWAYS

CROWSNEST PASS RATE—ANNOUNCEMENTS MADE OUTSIDE PARLIAMENT

Mr. Arnold Malone (Crowfoot): Madam Speaker, my question is directed to the Minister of Transport. I want to share with him my disappointment in both his change of principles in his press announcement yesterday and in the method by which he is now making announcements which relate to the Crow rate. After two years of playing cat and mouse on unclear postulations across the Prairies, causing a debate between interested groups, why is it that the Minister would choose to report four times to the media, to people who can report but who cannot represent, rather than to the House of Commons? Why is it that he is continuing to avoid the Parliament of Canada where people can represent and reflect on an issue of major importance, and instead takes his information to people who can only report? Because of what he said yesterday, he is now making amendments in the media rather than in Parliament.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the decision was made by the Cabinet yesterday and I announced it immediately because I wanted the rest of Canada to share in this information.

With respect to having changed my mind on this subject, as I said yesterday, there was opposition from East and West. The opposition in the West, simply capsuled, is an opposition from those who thought that this would bring about too rapid a change in western habits with respect to transportation. This is why we decided to make the payments to the railways. Now, other people in the West were saying that the farmers' exposure was too great. Yes, indeed, now the situation is a bearable one, but who knows about the future? That is why we brought about the principle of a safety net. My hon. friend may not agree with that.

With respect to those the Member supports, the livestock people, yes, indeed, they will have a better transportation system. They will benefit from it. The end result of the Bill will be a reduction in the cost of feed grain in the West and consequently the livestock people will benefit, not to the same extent that they would have from the previous program, but they will benefit from the program that I announced yesterday.

• (1440)

Mr. Malone: Madam Speaker, we should remind the Minister of Transport that the Parliament of Canada is also in Canada and it can be used. When the Minister talks about having a program where there is some conflict East and West, surely he realizes that in order to have good programs in the East you do not have to have bad programs in the West. That is not the nature of this country, and surely we can get good agricultural programs for Canada without having to do it for just one section of the country.

Some Hon. Members: Hear, hear!

REPRESENTATIONS HEARD BY MINISTER

Mr. Arnold Malone (Crowfoot): Madam Speaker, I have another question for the Minister of Transport. Bearing in mind that numerous groups of persons and organizations, such as Canadian commodity groups, livestock groups and processors, have been told by the Minister to remain silent on this issue because he would look after them, which allowed for representations from only one side of this perspective, why is it, after having done that, while forcing the other side to be quiet, he can bring in a view that represents an imbalance in this country and, therefore, defy the history, the conventions of our federation, and put in process favouritism at the price of the economy of western Canada?

Madam Speaker: Order.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there is one thing nobody can accuse me of, and that is of not having consulted with different parties on that subject both in the West and the East. I have been at it for the last two

and a half years. Some Members know how much time I have spent both in the East and in the West on this item.

With respect to Parliament, we will have the Bill here in the House next week. We will have first reading, and second reading very few days after. My hon. friend will speak on the subject. Everybody who wants to, will speak on the subject. Then we will go to a committee and for the best part of a month we will receive representations and debate all aspects of it. I think this will satisfy the demands of democracy.

Mr. Hnatyshyn: With what are you threatening us? The best of a month?

NEGOTIATION OF VARIABLE RATES

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is for the Minister of Transport. Yesterday when the Minister of Transport announced that he was making some slight modifications to his original plan to change the Crow rate, he changed his method of payment to the railroads. At the same time at his press conference the Minister stated that the Government would include a process whereby shippers could apply to the CTC to negotiate variable rates. Since the Minister has said that he wants to win the approval of farm groups in the West, particularly the Pools, with these changes, how does he justify the inclusion of variable rates as part of his proposal?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, if one reads the debates that have been going on for a number of years, particularly the last three, and particularly on the subject of variable rates, one would realize that opposition to variable rates is not total. The WAC, for example, said that some form of variable rates is acceptable. In the legislation that Hon. Members will see on Monday this will be taken into account. There will be a procedure, a fairly long one, under which the CTC will receive cases for variable rates from shippers and railways. This will be thoroughly examined by the CTC and decisions will be made. That is not contrary to a mood that exists in the West. There are some variable rates that are highly desirable, for example, weekend rates and off-season rates, and the Bill will reflect that view.

JUSTIFICATION FOR MINISTER'S PROPOSALS

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I am a little puzzled by the economics that are being used here by the minister and his Department. He talks about saving money by implementing weekend rates, yet he proposes to charge more money on that amount of grain that moves above the 31 million tonne cap. It seems to me the cost should be very much lower after that.

Some Hon. Members: Question.

Mr. Althouse: Instead, the Minister has proposed the farmers pay the whole charge. How does the Minister justify it, or is it justified according to some of these studies and projections that he had done some time ago that produced results that said wheat at the farm would bring $7.40 in 1983? Are these the kinds of figures and background the Minister has to justify these kinds of proposals?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I think we had better leave that for the debate which will come next week. The establishment of a relationship between the safety net and the 31.1 million tonne cap is all rather complicated, and Madam Speaker has already told me that I take too long with my answers.

Some Hon. Members: Oh, oh!

* * *

[*Translation*]

CANADA COUNCIL

ALLEGED SCANDAL AT SHERBROOKE, P.Q.

Mr. Claude Tessier (Mégantic-Compton-Stanstead): In the absence of the Hon. Minister of Communications, who is responsible for the Canada Council, Madam Speaker, I will direct my question to his Parliamentary Secretary. First, I wonder, as many other Hon. Members do, if an elected representative should comment on some of the most bizarre and grotesque initiatives which the Canada Council has taken and which represent an outright waste of money. As a matter of fact, Madam Speaker, I have previously blamed the Minister's staff—

Madam Speaker: Order, please! The Hon. Member should ask his question immediately. There is no need for such a long preamble.

Mr. Tessier: Thank you, Madam Speaker.

Well, I come immediately to my question. In view of the dreadful incident which occurred last weekend when a number of artists set fire to a car with living rats inside it, could the Minister indicate to the House whether this was a mistake on the part of the Canada Council and whether mistakes such as this should warrant the dismissal of the official involved or at least the blacklisting of such artists who are laughing at the taxpayers, institutions and Government of Canada?

[*English*]

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Madam Speaker, as this House knows, the Canada Council operates on an arm's length policy from the Department of Communications and the Minister. Certainly the Council does dispense a number of funds across the country to various professional groups, individual artists, writers, and to anyone in the arts and culture field. Because the Hon. Member has raised this matter I will certainly bring it to the attention of the Minister who, I know, will discuss it with Canada Council officials.

RAILWAYS

CROWSNEST PASS RATE—COST TO LIVESTOCK PRODUCERS OF PROPOSED CHANGES

Mr. Bert Hargrave (Medicine Hat): Madam Speaker, I have a question for the Minister of Transport. It deals with the Minister's 180 degree turnaround with respect to paying the Crow benefit to the railways and not to the grain producers. The Minister must surely be aware of the consequences of this about face, especially in Alberta where it is already indicated that the total dollar damage to the livestock industry due to increased distortions will be in the order of $230 million a year, including an addition to the input cost of feed grain of about $25 a ton in the livestock feeding industry. In the light of the solid support of the Gilson Committee and to the Minister personally by the Western Commodity Coalition, what is the Minister going to do about this reversal of his own policy that is a total disaster to the total livestock industry in the West, and is not a balanced solution?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I think you will understand me if I ask where all that support was in recent months.

Mr. Mayer: Table the Bill.

Mr. Pepin: Some Hon. Members feel very strongly now.

Mr. Nielsen: Show us the Bill.

Mr. Pepin: I do not remember any one of them making that kind of statement some months ago, at least here in the House.

My answer to my hon. friend is the same as the one I have already given. First, the livestock people will benefit, like everybody else in the West, from the tremendous improvement of the railway transport system that will result from the initiative we are taking now. Second, they will benefit also from the reduction of the cost of feed grain in the West and of which everybody is aware. It will not be as great as it would have been under the previous 50-50 method of distribution, but it will be quite substantial at the same time. This is the name of the game. I have to balance the interest of all parties in this matter. My hon. friend should know and must know, because it was visible that the West was divided on these matters. There is no way I could accommodate both sides 100 per cent, and the Hon. Member knows that too.

Mr. Hargrave: Madam Speaker, it is a little difficult to talk about balance when we never see the legislation.

• (1450)

APPLICATION OF STATUTORY RATES TO SPECIALTY CROPS AND PRODUCTS

Mr. Bert Hargrave (Medicine Hat): Madam Speaker, my supplementary question is directed to the same Minister. In light of the Minister's own statement in his Transport Canada pamphlet that:

> The Crow rate discourages crop diversification, agricultural processing, and livestock production.

And the Minister's further statement that:

> The agricultural distortions caused by the Crow have grown greater and are now actually taking away the West's natural advantages in such areas as diversified crop production, secondary processing, and livestock production.

—that is a quote from the Minister's own pamphlet—does the Minister intend to include "livestock" in yesterday's announcement that:

> Some additional crops and their products will be included under the new statutory rates.

And this question, of course, the Minister will know is directly on behalf of the 20 separate associations that make up the Western Commodity Coalition.

Madam Speaker: Order.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am surprised that my old friend says that the policy was not known. I made a full statement on February 1 where it was completely spelled out. There was even a leak of the Bill, so if that was a secret, it was a secret to only a very few people.

Mr. Trudeau: And those are the people over there.

Mr. Pepin: However, on the subject of the addition of specialty crops, yes, indeed, this is part of yesterday's announcement—that the Government is going to introduce in the Bill, under the statutory tariff rates, some specialty crops and some products. I will come to the committee with an amendment to the Bill on that subject which will at least accommodate a percentage of the number of people who have been antagonized by the announcement I made yesterday.

* * *

SCIENCE AND TECHNOLOGY

REQUEST THAT JANUARY DOCUMENT BE TABLED

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is directed to the Minister of State for Economic Development. Yesterday I challenged him to an open debate with regard to technological change and job loss. It would be an open debate where all facts would be on the table. The Minister replied by saying, "I am not aware of a study, per se." I have since learned that the paper from his Department with regard to technological change is dated January 26, 1983. I wonder, in light of this specific information, whether the Minister, in the interest of democratic debate, with all the facts on the table, would be willing to table that document in this House. Or is he going to pursue the approach of giving selective facts to the public in order to manipulate public opinion? Will he take as his model for political action, Thomas Jefferson, rather than Dr. Goebbels?

Some Hon. Members: Oh, oh!

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I think the statement made by the Hon.

Member is rather unfair. He knows that at the end of yesterday's Question Period I rose and explained the knowledge which I had of the document. I would not characterize it as a "study". It is a document which was designed to promote discussion.

The simple fact is, Madam Speaker, that the document of January, to which the Hon. Member makes reference, was converted by me into a Cabinet document and circulated to my Cabinet colleagues to promote discussion of the very kind, in fact, which is now happening, which I believe is a good thing, so that people would really appreciate the opportunities which lie ahead in terms of technological changes and, of course, also the difficulties we must confront as a society, along with our neighbours in the United States, West Europe and also Japan. That debate is an important debate. On the other hand, I have sent a Cabinet document to my colleagues.

Surely the Hon. Member is not expecting me to release a Cabinet document, which is currently, in fact, in front of my colleagues. However, I recognize the importance of the debate, and what I would like to do is contemplate what specific information I have which is not in the public domain already. The information contained in that report, frankly, Madam Speaker, is information garnered from the experts, from the press, from economists, and from reading scientific journals. There is nothing extraordinary about it what—

Madam Speaker: Order. Order, please.

Mr. Keeper: Madam Speaker, I do not wish to be unfair to the Minister, but I do feel that in all fairness he should make all of the facts available to the public.

* * *

PUBLIC SERVICE

INCREASE IN WAGE GAP BETWEEN MALE AND FEMALE EMPLOYEES

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my supplementary question is directed to the Minister responsible for the Public Service Commission, the Secretary of State, if I could have his attention. Yesterday the annual report of the Public Service Commission was released. It is clear that the impact of the six and five program has been to increase the wage gap between male and female Public Service employees by some 12 per cent. Yet the Chairman of the Public Service Commission said that public servants are happy with six and five. I would like to assure the Minister that, certainly, the women in the Public Service are not happy with this increase in the wage gap. Is the Minister prepared to recognize the inequity of this six and five legislation as it applies to women? Will he take some action in order to reduce the wage gap rather than increase it?

[*Translation*]

Hon. Serge Joyal (Secretary of State): Madam Speaker, the Hon. Member should understand that the purpose of the six and five program was to create conditions which would make it possible for our economy to recover, thereby eliminating the wage gap between male and female employees. If we had failed to implement this program to fight against inflation, we would only have postponed the realization of this objective. The rate of inflation is gradually decreasing now, so there is no doubt that the objectives we have set and debated on several occasions in the House remain those of the Government, and that we will make additional progress within the next few months and years consistent with the economic recovery which the Minister of Finance has forecast in his budget.

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[*English*]

NORTHERN AFFAIRS

PROPOSAL TO DEVELOP PORT AT STOKES POINT

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Before I ask the question I just want to say that I wish my friend from the New Democratic Party, the Hon. Member for Winnipeg-St. James, would not refer to anyone in this House as a Nazi.

Some Hon. Members: Hear, hear!

Mr. Fraser: My question to the Minister refers to the situation at Stokes Point where Gulf has applied to develop a port. The Minister will know that that particular area has been withdrawn from development. He will also know that his colleague, the Minister of the Environment, is very much opposed to this going ahead, at least until the environmental assessment process is completed with respect to the total development of lands along the Beaufort Sea. Can the Minister advise this House whether he has been able to make any decision before issuing a land-use permit? I must point out to the Minister that if he goes ahead, he will be—and I am sure not intentionally—sabotaging the process which is in place.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I am very glad the Hon. Member brought up this point. In the last few minutes I had an opportunity to talk about that very matter, plus another important matter, with the Minister of Finance from the Northwest Territories, Mr. Tom Butters. He is in the Speaker's Gallery now, Madam Speaker. I am very pleased to have him here as a guest.

Some Hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Madam Speaker, incidentally, if I may, with the indulgence of the Hon. Member, and I am sure I have that indulgence, I should like to say that Mr. Butters was down asking me to convey a message to the Prime Minister that the famous town of Inuvik is having its 25th anniversary in mid-July and would wish us to recognize that.

To answer the question specifically, Madam Speaker, yes, it is a controversial area. Yes, the environmental people, including my colleague, are concerned with respect to the decision which will be taken at Stokes Point, as is the Northwest Territorial Government, the Dene, and the Yukon Government, although their disposition is to be in favour of it, that is, the Yukon Government, which Party in power is the same as that of the Hon. Member, incidentally. I want to point out, however, that it is a very controversial question.

I am not making a decision until I have had an ample opportunity to talk to COPE, and the other native interests, and I can only tell the Hon. Member, Madam Speaker, that it will probably be at least three or four weeks before a decision is made, if I am going to talk to all those native interests.

CONSEQUENCES OF DECISION

Hon. John A. Fraser (Vancouver South): I would like to thank the Hon. Minister for his answer and I join with him in welcoming the distinguished visitor who is here today.

It may or may not be a good thing to have a so-called temporary port at a cost of $60 million at Stokes Point. I am not addressing the question of whether it is or is not a good thing. I am addressing a very serious question which involves the credibility of a Government which has reserved lands. The danger here, it seems to me—and I ask the Minister to comment on it—is that if one Department makes a decision as to land use there, then those who are charged with the responsibility of determining the total issue of land use within that environmental area, the Beaufort Sea, will have, to really a considerable degree, the rug pulled out from under them. I would ask the Minister if, in this regard, he has had further consultations with his colleague, the Minister of the Environment, and whether he and his colleague have had discussions on this issue which I agree is difficult, with the Prime Minister.

• (1500)

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, before a final decision is made I will undoubtedly have further discussions with the Prime Minister. At the moment, though, it is within the mandate of the Northern Development Department and my own responsibility as a Minister of the Government to examine this issue and ascertain the merits on both sides before discussing it with the Prime Minister and Cabinet. That is the process I am involved in now, and I realize it is a very important one.

Incidentally, Madam Speaker, by the tone of the Hon. Member's question, while he says he has not made a decision, it certainly sounds as if he has—a decision against the proposal. I do not see how you can read the preface to his question any other way. If I am right, I cannot help but wonder if that is the position of his entire Party, including the Hon. Member for the Northwest Territories.

POINT OF ORDER

MR. BAKER (NEPEAN-CARLETON)—PRACTICE RESPECTING SUPPLEMENTARY QUESTIONS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, a few moments ago in Question Period a question was asked by the Hon. Member for Winnipeg-St. James (Mr. Keeper) of the Minister of State for Science and Technology (Mr. Johnston) concerning a document which we heard was turned into a Cabinet document and circulated as a discussion paper dealing with science and technology.

What purported to be a supplementary question from the same Member was then directed to the Secretary of State (Mr. Joyal) on another matter entirely, having to do with the Public Service Commission and the very important matter of the employment of women. By no stretch of the imagination could that second question be supplementary to the first question, Madam Speaker. Quite frankly, both questions are important but one is not supplementary to the other and I worry about this practice continuing.

Some Hon. Members: Hear, hear!

Madam Speaker: Well, if it is any consolation to the Hon. Member for Nepean-Carleton (Mr. Baker), I can tell him this is not the first time it has happened in the House. Even when Members ask two questions on a specific matter, they shout at me "supplementary", so they can catch my eye, I guess. I have been fooled into recognizing them on something that was not at all supplementary. I guess we have grown into the practice that Members are entitled to two questions, and they call the second one a supplementary. If Members are agreeable, I will be strict and expect—

Some Hon. Members: Hear, hear!

Madam Speaker: —the questions to be really supplementary. But I must say that this is going to cause a lot of problems to many Members because there are a lot of questions which are not supplementary. Some Members do not even listen to the answer but go to the second question which they have written down. So I am willing to be stricter on this.

Some Hon. Members: Hear, hear!

Madam Speaker: The Hon. Member for Nepean-Carleton (Mr. Baker) I suppose will have rendered a great service to the House by his point of order.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT—PROPERTY RIGHTS RESOLUTION

Mr. Lewis: Madam Speaker, I would like to ask the Government House Leader if he could give us some idea as to the business for tomorrow and the rest of next week.

At this point I would reiterate the offer of my Party on Tuesday to send the property rights resolution to committee

after one day's debate tomorrow. We offer to the Government what is usually an Opposition Day for discussion of this matter, with no confidence vote. The resolution could go to committee for discussion and give people an opportunity to be heard, be reported back to the House by June 7 and the matter dealt with at report stage and third reading with one day's debate by June 30.

Through you, Madam Speaker, it was my understanding that the NDP caucus wished an opportunity to discuss this matter. They had a caucus meeting yesterday and hopefully we can proceed on that basis now.

[*Translation*]

Mr. Pinard: Madam Speaker, as I indicated previously, tomorrow, will be an Opposition day, as will Monday, May 9. On Tuesday, we shall resume debate on Bill C-151, an Act to provide supplementary borrowing authority for the Government. I hope that by the end of the day on Tuesday, we shall be able to refer this Bill to committee. Wednesday is a day designated for Private Members' Business, and as I already indicated to the Parliamentary House Leaders at our meeting, next Thursday may be designated as an Opposition day, but that remains to be confirmed. At the beginning of next week, I will be able to confirm what the business of the House will be for next Thursday.

[*English*]

In relation to the point raised by the Hon. Member, the reference of property rights to committee, we had a discussion on the floor of the House on this matter not so long ago. The Leader of the Opposition (Mr. Nielsen) was involved. It was obvious then, and it is still the situation, that we agreed to the proposal and I have here the proper House order. We are ready to accept it by unanimous consent if we have that consent from the Tory Party and the NDP.

Mr. Lewis: Agreed.

Mr. Deans: Madam Speaker, we did indeed discuss this matter in some detail and at some great length. As we stated earlier, we are very much in favour of including the right of Canadians to own their own homes and farms, and those and other similar rights should be contained within the Constitution.

Mr. Nielsen: But!

Mr. Deans: However, there are some questions I would like to pose to both of my colleagues in order that we can clearly understand the implications. I wonder if one or both of them would care to inform the House how—

Madam Speaker: My impression was that the negotiations had been terminated. I want to remind Hon. Members that these matters are best negotiated outside the House. I thought the Hon. Member was rising to say whether or not he was giving consent to the proposal of the Hon. President of the Privy Council (Mr. Pinard). It is only in those terms that I can accept his intervention. I cannot really accept that negotiations take place on the floor.

Mr. Nielsen: Do the NDP consent or not?

Mr. Deans: Madam Speaker, I will of course be prepared to indicate how we intend to deal with it in a moment. However, I want to answer the question being asked, which is whether we are prepared to accept the proposal as outlined some days ago by both the Government and the Official Opposition as it applies to the inclusion of certain words in the Constitution.

I want to put to the House quite clearly that in answering that question there are some serious problems. How do those words impinge upon such things as landlord-tenant relations?

Mr. Nielsen: Do you consent?

Mr. Deans: On rent control?

Madam Speaker: Order. I think those questions present such complicated answers that this is really not the place to discuss them.

Mr. Hnatyshyn: It is an NDP red herring.

Madam Speaker: I do not want to intervene but I feel Members probably need another meeting in order to set this right.

Mr. Pinard: Madam Speaker, with respect, I think I have the answers in the text of the motion. I will put the motion on the record and if the Hon. Member agrees, he will say yes; if he disagrees, he will say no.

Therefore I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That, not withstanding the provisions of any Permanent or Provisional Standing Order, the following motion be placed on the Order Paper as a Government Order in the name of Minister of the Crown:

"That whereas the Constitution Act, 1982 provides that an amendment to the Constitution of Canada may be made by proclamation issued by the Governor General under the Great Seal of Canada where so authorized by resolutions of the Senate and House of Commons and resolutions of the legislative assemblies as provided for in section 38 thereof:

Now therefore the House of Commons resolves that His Excellency the Governor General be authorized to issue a proclamation under the Great Seal of Canada amending the Constitution of Canada as follows:

PROCLAMATION AMENDING THE CONSTITUTION OF CANADA

1. Section 7 of the Constitution Act, 1982 is repealed and the following substituted therefor:

7. Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principle of fundamental justice.

2. The said Act is further amended by adding thereto the following section:

60.1 A reference to the Constitution Acts, 1867 to 1982 shall be deemed to include a reference to the Constitution Amendment Proclamation, 1983 (property rights).

3. This Proclamation may be cited as the Constitution Amendment Proclamation, 1983 (property rights)."

B. That one day allotted according to Standing Order 62 for the period ending June 30, 1983 shall be allotted to consideration of the said motion, provided that the motion shall be that described in section A of this Order;

C. That at the conclusion of the sitting on the day that the said motion is called for consideration pursuant to this Order the motion shall be deemed to have been referred to the Standing Committee on Justice and Legal Affairs;

D. That the Committee shall report thereon no later than June 7, 1983;

E. That the said report shall be disposed of in not more than one sitting day, no later than June 30, 1983;

F. Provided that all motions made in consequence of this Order including those in consequence of any Committee report pursuant to this Order shall be proposed only by a Minister of the Crown.

• (1510)

That is the motion which I wished to put on the record.

Some Hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent?

Mr. Hnatyshyn: Nothing could be simpler.

Mr. Deans: Madam Speaker, as you have said yourself, it is much too complex to be dealt with in one day, and we cannot give unanimous consent.

Some Hon. Members: Oh, oh!

Madam Speaker: Therefore if I understand the proposal of the President of the Privy Council (Mr. Pinard), it is to the effect that the motion, in the terms outline by him, be presented by a Minister of the Crown. There is no unanimous consent.

Mr. Lewis: I rise on a point of order, Madam Speaker. I think that in all fairness the record should show that there is no unanimous consent because it was refused by the NDP.

Madam Speaker: The record will show that there is no unanimous consent.

Mr. Deans: Madam Speaker, grandstanding notwithstanding, it was refused because sufficient debate is not being allowed by the Tories and the Liberals.

Madam Speaker: Order.

Mr. Lewis: I rise on a point of order, Madam Speaker.

Mr. Deans: Let's push on with it. Deny people their rights! Go ahead!

Mr. Nielsen: You did it for 18 months.

Mr. Lewis: Madam Speaker, I suggest that the shoe fits kind of tightly down that way.

I would like to ask the Government House Leader if he perhaps inadvertently omitted to tell the House exactly when the Minister of Transport (Mr. Pepin) would table the legislation of the Crow rate.

Mr. Pinard: Madam Speaker, I did not make such an error.

Mr. Nielsen: We are asking.

Mr. McGrath: Madam Speaker, I raise this as a point of order because it relates to Private Members' Business. Perhaps the Parliamentary Secretary to the Government House Leader could deal with it. Would he consider giving more notice as to what Private Members' Business we are to deal with on Wednesdays so that more Members would be involved, because they would then have sufficient notice to prepare themselves? As it stands right now, not enough notice is given for Private Members' Business. As a consequence, there is not enough participation. I think if more notice was given, the Parliamentary Secretary would find that there would be much more meaningful participation.

Mr. Smith: Madam Speaker, I would like to assure the Hon. Member that this point was raised on his behalf and that of other Members by his House Leader at the House Leaders' meeting yesterday. It is a legitimate point. It is one which we try to deal with in a fair manner.

The problem is that those Hon. Members whose names are written down frequently, for a variety of legitimate reasons, are not ready to proceed. I can assure the Hon. Member that while it is inconvenient to the Members in question, it is also inconvenient to the various Parliamentary Secretaries who must be prepared to debate those motions on equally short notice. However, the Hon. Member's point is well taken, and we are doing what we can to provide additional notice.

Mr. Deans: Madam Speaker, I would like to return to House business, if I may, and ask the Government House Leader if he can tell us whether he has been able to reach an agreement with the Conservative Party to debate Canagrex or Bill C-653.

Some Hon. Members: Oh, oh!

Mr. Broadbent: In one day, fellas!

* * *

[*Translation*]

PETITION

MR. NYSTROM—ASSISTANCE TO SENIOR CITIZENS

Madam Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Yorkton-Melville (Mr. Nystrom) on Wednesday, May 4, 1983, meets the requirements of the Standing Orders as to form.

* * *

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

FILING OF OBJECTION TO REPORT OF COMMISSION FOR ALBERTA

Madam Speaker: It is my duty to inform the House that an objection signed by the Hon. Members for Peterborough, Caribou-Chilcotin, Lanark-Renfrew-Carleton, Prince George-

Peace River, Red Deer, Richmond-South Delta, North Vancouver-Burnaby, Calgary South, Lethbridge-Foothills and Assiniboia has been filed with me pursuant to Section 20 of the Electoral Boundaries Readjustment Act, Chapter E-2, R.S.C. 1970, to the report of the Electoral Boundaries Commission for the province of Alberta.

If the House agrees, I would suggest that we follow past practice and print the text of the objections as an appendix to today's *Votes and Proceedings*. Is that agreed?

Some Hon. Members: Agreed.

Mr. Hnatyshyn: Madam Speaker, in that presentation you mentioned the constituency of Assiniboia. Was that Winnipeg-Assiniboine or Assiniboia?

Madam Speaker: I said "Assiniboia". "Winnipeg" did not precede it.

Mr. Neil: On a point of order, with regard to the redistribution, there has not been a report from Saskatchewan as yet. At least, it has never been announced.

Mr. Nielsen: It's the wrong riding.

Madam Speaker: Hon. Members will recall that yesterday the report was filed, and these are the objections which have come in today.

Mr. Lewis: Nova Scotia signed yesterday.

Madam Speaker: Hon. Members are probably surprised because they did not sign it, but I have the signatures in my hand.

Mr. Lambert: They are not for the Province of Alberta.

Madam Speaker: Any ten Members may sign, not necessarily Members from Alberta. I guess that is why the Hon. Member is surprised to see these objections, but they are duly signed. I have in my hand ten signatures of Members of Parliament, not necessarily all from Alberta.

ROUTINE PROCEEDINGS

[*English*]

SUPPLY AND SERVICES

CAPE BRETON COAL AGREEMENT—TABLING OF CORRESPONDENCE AND CONTRACTS WITH VOEG COMPANY

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, on Tuesday, May 3 during Question Period, and again yesterday, I was asked by Members of the Opposition to table all correspondence and contract documents with respect to a $17,000 contract between my Department, on behalf of the Department of Energy, Mines and Resources, and the West German company Voeg. As I indicated at that time, some aspects of these documents are of a commercially confidential nature because they involve a marketable development in high technology.

In an effort to bring forward as much information as possible, I have had officials, including law officials of the Crown, examine all the pertinent information affecting the Department of Supply and Services. I am now advised that the documents can be made public.

In addition, I am advised by my officials that they have spoken with officials of the West German company who have indicated that they have no objection to the contract being tabled. Hon. Members will find a copy of the contract between the Department of Supply and Services and Voeg, as well as all the correspondence exchanged between officials of the Department of Supply and Services and Voeg. Your Honour will note that the material includes an exchange of correspondence between these two parties dated March 18 of 1983 involving a collateral agreement to the contract imposing upon the Department of Supply and Services and the Department of Energy, Mines and Resources non-disclosure obligations relating to the contractors' processes.

This collateral agreement, called a "secrecy agreement", is also being tabled today.

Mr. Hnatyshyn: Apologize!

* * *

PRIVACY

TABLING OF 1982 ANNUAL REPORT OF COMMISSIONER

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, on behalf of the Minister of Justice (Mr. MacGuigan) I am pleased to lay on the Table of the House a copy in both official languages of the Annual Report of the Privacy Commissioner, 1982. I ask that the Report be referred to the Standing Committee on Justice and Legal Affairs.

* * *

PETITION

MR. GREENAWAY—BROADCASTING OF PORNOGRAPHIC FILMS ON PAY-TV

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, it is my duty to present a petition signed by 234 concerned citizens of Cariboo-Chilcotin riding in British Columbia. The purpose of the petition is to protest the broadcasting of pornographic material on the First Choice Pay-Television station as well as the possibility of such material being carried by other Pay-TV outlets.

The nature of the petition is to urge the Government to review the licences of Pay-Television operators who broadcast pornographic material, with a view to revoking the licences of

those carriers that would persist in presenting such unsuitable and exploitive material.

The petitioners hope that in your examination of the petition you will find the petition in order and that you will exercise the discretionary powers vested in the office of Speaker of the House to allow discussion and referral to the appropriate committee at the earliest possible time.

* * *

● (1520)

[*Translation*]

GOVERNMENT ORGANIZATION ACT, 1983

MEASURE TO ESTABLISH

Hon. Yvon Pinard (for the Prime Minister) moved for leave to table Bill C-152, an Act respecting the Organization of the Government of Canada and matters related or incidental thereto.

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

* * *

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

Hon. Yvon Pinard (for the Prime Minister) moved for leave to table Bill C-153, an Act to amend the Financial Administration Act (Crown Corporations).

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

* * *

[*English*]

REGIONAL DEVELOPMENT INCENTIVES ACT (NO. 2)

MEASURE TO AMEND

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion) moved for leave to introduce Bill C-154, to amend the Regional Development Incentives Act (No. 2).

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,676 and 4,739.

[*Text*]

CANADA-CZECHOSLOVAKIA DUAL NATIONALS

Question No. 4,676—**Mr. MacKay:**

1. Since 1977, how many employees of (a) the Government (b) Crown corporations and agencies (i) applied to the authorities of the Czechoslovak Socialist Republic for "regularization" of their legal relationship to that state in accordance with the decree of the Government of the Czechoslovak Socialist Republic of March 16, 1977 (ii) were consequently released from Czechoslovak citizenship (iii) were issued Czechoslovak passports (iv) travelled to the C.S.S.R. on Czechoslovak passports?

2. What were the names of such employees and what positions did they occupy in the Public Service?

3. Is it the policy of the Government to employ former citizens of Czechoslovakia who, according to the decree of the Government of the C.S.S.R. of March 16, 1977, while in Canada, renewed their allegiance to that State by signing a statement binding them "to behave and conduct themselves as citizens of the Czechoslovak Socialist Republic" or who were released from Czechoslovak citizenship by virtue of not having acted "in a way hostile to the Czechoslovak Socialist Republic or in a way damaging the interests of the Czechoslovak Socialist Republic"?

4. Is it the policy of the Government to extend Canadian citizenship and/or Canadian residence to persons who claim to be refugees from the Czechoslovak Socialist Republic and who, subsequent to their landing in Canada, renewed their allegiance to the Czechoslovak Socialist Republic?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of External Affairs, the Employment and Immigration Commission/Department and the Public Service Commission as follows:

1. This information is not available. Under the terms of Article 36 of the Vienna Convention on Consular Relations, to which both Canada and Czechoslovakia are party, Czechoslovak consular officials are free to communicate with and have consular access to individuals who are still deemed to be citizens of Czechoslovakia on matters which fall directly under their consular jurisdiction. This implies that in so doing, Czechoslovak consular officials are under no obligation to notify the Canadian Government of their legitimate contacts with Canadian-Czechoslovak dual nationals. At the same time, Canadian-Czechoslovak dual nationals are not obliged to notify the Canadian Government of their contacts with Czechoslovak consular officials. Therefore, unless the information is volunteered, which it usually is not, it is not possible for the Canadian Govenrment to compile data on those Canadian-Czechoslovak dual nationals who wish to comply with the Czechoslovak regulation.

Furthermore, all Canadian citizens and residents are free to leave Canada at will, and no person is required to inform the Government of his destination on leaving the country. No data on the movements of departing persons are maintained. It is therefore not possible to know accurately how many persons of Czechoslovak or other origin visited Czechoslovakia in any given period. This is equally true for all Canadians, regardless of employer.

2. For the reasons noted in Part 1 above, this information is not available.

3. The Public Service Commission which is charged with the administration of the Public Service Employment Act does not have a policy which deals with the employment of former citizens of Czechoslovakia nor those of any other country. Former citizens of other countries, once having obtained Canadian citizenship, are entitled to compete for Government jobs on an equal basis with other Canadians. Should they not have obtained Canadian citizenship but be resident in Canada as landed immigrants they would still be able to compete for employment in the federal Public Service. The success of gaining such employment would be dependent on the application of certain provisions of the Public Service Employment Act. Thus in open competitions the Public Service Commission may restrict the selection to Canadian citizens when it is aware that there is a sufficient number of qualified Canadian applicants. A further provision of the Public Service Employment Act requires the Commission, when establishing an eligible list in open competitions, to list veterans and Canadian citizens ahead of non-citizens. In view of these provisions it is more difficult for landed immigrants who are non-citizens than for citizens to obtain federal Public Service employment.

There is no requirement for dual nationals to notify the Commission of the fact before seeking employment in the Public Service of Canada.

4. In so far as the Immigration Act is concerned: Citizens and/or residents of Czechoslovakia may be accepted as refugees if they fall within the definition of "Convention Refugees" or those of the "Self-Exiled Persons Class".

Canada does not remove residence privileges status from Czechoslovak immigrants who come to Canada as refugees and who, once in Canada, renew their allegiance to the Czechoslovak Socialist Republic. As a signatory state to the 1951 Convention and the 1967 Protocol relating to the Status of Refugees, Canada ascribes to the Regulations laid down by the UN High Commissioner for Refugees on the acquisition or reacquisition of national protection by an individual. These Regulations state *inter alia* that:

> If the refugee does not act voluntarily, he will not cease to be a refugee. If he is instructed by an authority, eg. of his country of residence, to perform against his will an act that could be interpreted as re-availment of the protection of the country of his nationality, such as applying to his consulate for a national passport, he will not cease to be a refugee simply because he obeys such an instruction. He may also be constrained, by circumstances beyond his control, to have recourse to a measure of protection from his country of nationality.

In so far as the Citizenship Act is concerned: Under the provisions of the Citizenship Act which became effective on February 15, 1977, naturalization as a citizen is a matter of qualified right subject to the requirements of the Act. Among these requirements are that the applicant making application therefor is: (1) 18 years of age or more, (b) has been admitted to Canada for permanent residence (as a landed immigrant by the Immigration authorities) and has since such admission, resided in Canada for at least three out of the four years immediately prior to date of application, (c) must not be under order of deportation, and (d) must be free of the prohibitions to the grant of citizenship which pertain to criminal activity and security offences.

Persons of Czech nationality whether or not they have maintained and/or affirmed their allegiance to Czechoslovakia have been and will be granted Canadian citizenship in like manner to any other adult who makes application and satisfies all of the requirements to become a citizen.

In addition, under the terms of the 1977 Citizenship Act there are no statutory provisions for automatic loss of citizenship upon becoming a citizen of another country outside of Canada as had existed in the former Act (1947) and prior legislation. This change in law has increased the numbers and will continue to increase the numbers of dual national Canadians residing both inside and outside Canada. Those persons residing outside of Canada in their country of second nationality (example Czechoslovakia) or visiting there, especially those travelling on the passport of the second nationality, are considered to be subject to all of the laws of that country and may, for real or imagined infractions of the law, be prevented from leaving and in some cases may be imprisoned.

STUDY "REAL OR POTENTIAL CHALLENGES TO CANADIAN SOVEREIGNTY IN THE ARCTIC"

Question No. 4,739—**Mr. McKinnon:**

Is the Department of National Defence engaging Dr. N. Tracy of Fredericton, New Brunswick at a cost of $17,200 to do a study on "Real or potential challenges to Canadian sovereignty in the Arctic" and, if so, for what reason when less than a year ago it received a study done under contract at a cost of $11,600 on "Canada's Northern Security" by Nils Orvik?

Hon. J. Gilles Lamontagne (Minister of National Defence): Yes. The Department of National Defence has engaged Dr. N. Tracy of Fredericton, N.B. to do a study on "Real or Potential Challenges to Canadian Sovereignty in the Arctic", at a cost of $17,200. This study as well as last year's study by Professor Nils Orvik are part of a larger DND project on Arctic strategic studies. Dr. Tracy's study is to examine the challenges to Canadian sovereignty and the role of the Canadian Armed Forces to meet these challenges. Professor Orvik's study was geographically more limited, namely the Eastern Arctic and he applied a broader concept of security forcusing on questions such as transportation, non-renewable resources, the native peoples and Canada's relation with Greenland.

[*English*]

Mr. Smith: I ask that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered.

[*English*]

Mr. MacKay: Madam Speaker, I am moved to say to the Parliamentary Secretary today that in the past I have heard most complaints about some of the delays with respect to Order Paper Questions being answered. Lately I have been

getting some detailed answers and I want to take this opportunity to say something that I have seldom heard in the House, which is to thank my colleague for the answers that have been provided.

Madam Speaker: I am tempted to ask the Parliamentary Secretary if he has heard this interjection!

Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1983-84 (NO. 2)

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Cosgrove that Bill C-151, an Act to provide supplementary borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Blaker): When the House rose at one o'clock the House was in the ten-minute period granted for questions and comments following the speech by the Hon. Member for Mississauga South (Mr. Blenkarn). Accordingly, the Chair will look to those who may wish to complete those remarks.

Mr. Cosgrove: Mr. Speaker, as you know, it is not very often that Ministers have an opportunity to ask questions in the House of Commons; the procedure is usually the opposite. Under the new rules and operations of the House, a Member is given an opportunity to answer questions following his speech, and therefore there is the opportunity for all Hon. Members to ask questions after a presentation. I had asked the Hon. Member for Mississauga South (Mr. Blenkarn), who had spoken this morning on the legislation requesting additional borrowing authority, if he would answer a question and he indicated that he would.

The thrust of the Hon. Member's comments was essentially a review of the budget, which he argued was the basis for the request for additional borrowing authority. It was the basis, for example, for the Government's plan for economic recovery.

While the Hon. Member referred to the budget and those programs for recovery, he also flagged the issue of the deficit and expressed a concern for the deficit. The Minister of Finance (Mr. Lalonde) was equally concerned with the deficit and proposed two methods of addressing the increase in deficit to provide stimulus for economic recovery: by demonstrating a Government commitment to keep Government expenditures at trend growth for GNP; second, by introducing a plan to increase taxes at a time when the economy is projected to be stronger.

What further specific measures did the Hon. Member have in mind other than reducing Government expenditures or increasing revenues in certain ways so as to reflect his concern about the deficit?

Mr. Blenkarn: Mr. Speaker, I intended and hoped to have the time to get into that very issue in my remarks. The Minister will realize that for over a year and a half we have suggested the appointment of a special committee of the House to have over-all supervisory budgetary control. That committee would inquire into and priorize Government expenditures in order to make sure that they would fit within the framework of how the Government and the House would deem these expenditures be spent. There are a number of expenditures that are made, all deemed to be necessary, but there is a need to priorize those expenditures.

We can only have in our household that which we can afford. While there are many things we would like, as Members of Parliament we eventually have to come to grips with what we can afford. We need the social nets that exist in health and welfare and we need to look after those least able to help themselves.

But, do we really need the PIP Program at this point? Do we really need the CHIP Program at this point? Do we really need to spend as much as we do on entertaining ourselves? Do we need the advocacy advertising at this point? Are there not many expenditures which may be desirable and great but not really needed at all at a time when we have economic dislocation and revenues cannot even come close to meeting budgetary demands? Do we not need to priorize our efforts and consider if it is really worth the interest cost to borrow the money to do that which may or may not be necessary?

Mr. Cosgrove: My final question would be in two parts. In the Hon. Member's desire to cut down on expenditures, is he saying that he believes it is necessary to create another committee of Parliament with all the expenditures associated with committee structure in order to investigate these questions? Does not the existing committee structure, such as the committee of which he will be a member that is to question me on Monday next on the expenditures of the Department of Insurance, seem adequate for that kind of investigation?

Mr. Blenkarn: Mr. Speaker, under no circumstances are they. They tend to be line department committees. For example, people who are interested in environmental matters want money spent on environmental matters and people who are interested in communications want money spent in that particular area. People who are interested in energy want money spent on energy-related matters. We tend to have spending committees as opposed to committees with control on the over-all spending of Government. This concept is not only ours. The Minister knows that it has been advocated before. It would not be additional overhead or expense for the committee system. It is a change in direction of the committee system to

ensure that Parliament comes to grips with real budgeting. Parliament must come to grips with this matter. We cannot continue forever budgeting larger and larger amounts.

• (1530)

The Minister talked about keeping within the trend lines of the GNP. The Minister knows that last year the budgetary expenditure forecast was for $76.3 billion. It turned out to be $82 billion. Its program for this coming year will now be $90.7 billion. The fact is that that is an increase in one year over the next year's program of 18.9 per cent. To no way do we come close to that in terms of the GNP. Indeed, we had a declining GNP last year. The fact of the matter is that we have to tailor our wants to our pocketbooks, to our means.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Raymond Savard (Verdun-Saint Paul): Mr. Speaker, I am very pleased with this opportunity to speak today to Bill C-151 and to the budget, which, I am convinced, will give Canadians the assurance that our economy is on the right track. I want to congratulate the Minister of Finance (Mr. Lalonde), who before he brought down his budget, held a series of thorough and intensive consultations with the private sector, governments and various organizations. The budget will provide the necessary means for helping those who want to work but cannot find jobs. I am referring to young people and to older workers. What I really admire in this budget is that the Government wants to provide help for Canadians who need it most. This $4.8 billion recovery budget will, of course, help create jobs, especially in the private sector. I may add that more than $250 million in additional funds will be spent on expanding existing programs relating to housing, more specifically, the purchase, renovation and improvement of homes.

Mr. Speaker, in Verdun-Saint Paul, this program, in which the Canadian Government has invested a little over $2 million, has helped build about 100 co-operative housing units, the result being that many of my constituents now own their own homes and tenants living in units that have been renovated. That is why I am particularly pleased that the Minister agreed to increase the number of units to be built this year to 25,000, that is, new social housing units for low- and middle-income Canadians. This program was also instrumental in carrying out another very important building project in my riding, and I am of course referring to the senior citizens' home, on which more than $4 million has been spent by the Canadian Government, so that senior citizens will be able to move in by next July. As a result, 100 senior citizens on low incomes will be able to enjoy a comfortable and happy life.

While I am on the subject of housing, Mr. Speaker, I shall, if I may, express my appreciation to the Minister of Public Works (Mr. LeBlanc) for some programs that are very important to the people of Verdun-Saint Paul, and I am referring to the Canadian Home Ownership Stimulation Plan and the Canadian Home Renovation Plan. About 100 of my constituents took advantage of these programs during 1982. From comments I have heard, I expect we shall be receiving many more requests in the coming year.

And what about the important changes in the Registered Home Ownership Savings Plan? In my view, this program will encourage many of my constituents to spend their savings on the purchase of a new home, furnishings and household appliances. It will also enable small contractors to start construction projects and, as a result, provide job opportunities for thousands of Canadians.

Mr. Speaker, as far as job creation is concerned, especially for young people, I am proud of the fact that the Minister of Employment and Immigration (Mr. Axworthy) has put at the disposal of Verdun-Saint Paul residents an information centre designed especially for young people. This centre will enable our youth to acquire vocational training and make it easier for them to make the transition to the labour market. Within three months, this centre has already enabled 150 graduates to find a regular job, which is very promising for the future of our young people. On the other hand, now that our economic woes are behind us as long as the Quebec Government does not make an effort to cooperate with its Canadian partners and as long as it insists on its independence priority, unfortunately very few businessmen will be willing to invest in Quebec.

The best proof of this was given by the Minister of Finance when he spoke before the Montreal Chamber of Commerce and was asked the following questions: Which Government is to blame for excessive taxes in Quebec? Who caused the headquarters of several companies to close down in Montreal? Which Government continues to promote uncertainty concerning the political future of Quebec? Members of this House will not learn anything new if I say that the Quebec Government alone is to blame. I believe that very few people remain blind to this fact and still say that the Quebec Government is not to blame. The only Government that does its best to create jobs and support industry in Quebec, to keep corporate headquarters in Montreal, to support major businesses and help to finance industrial modernization is the Canadian Government. If the Quebec Government persists in trying to separate the province from the rest of Canada, Quebecers will unfortunately be poorer in every respect, that is economically, socially and culturally. The only way for us to have a better future is for the Quebec Government to cooperate more seriously with the Federal Government.

I would like to call the attention of the House to the area of job creation. While the Canadian Government takes initiatives to create jobs, the provincial Government ignores young job seekers who, once again, are unable to benefit from federal assistance. For instance, last December, when the federal-provincial agreement was signed to implement the NEED

program and create thousands of jobs in various municipalities, the Quebec Government again reversed its decision and refused to sign the agreement at the last moment.

How can Canada prosper, Mr. Speaker, when the leaders of the Quebec Government are constantly trying to obstruct Federal initiatives and make the people of Quebec believe that Ottawa is responsible for our present economic problems?

Mr. Speaker, if this budget is to have any impact on the jobless, the private sector will have to take advantage of the programs implemented by the Canadian Government. I realize that the private sector has been under extreme pressures these last few years. That is why the Minister of Finance has provided special assistance for Canadian businesses. To this end, the budget contains measures which will allow businesses, especially small- and medium-size businesses, with much more limited resources, to get back in the saddle and reduce the indebtedness incurred by many of them. These businesses will then be able to use the money now required to finance their debt for more productive activities which will be more likely to create jobs. The $300 million provided to help businesses will allow them to bring their investments forward. Needless to say that, as investments increase in the private sector, as they must to guarantee a lasting long-term economic recovery, Government borrowings will decrease. Moreover, if the Government and the private sector use their resources to make our products more competitive, we shall be able to retain and increase our share of the market. Businesses must be encouraged to buy more of their supplies in Canada by promoting innovation and an increased productivity as well as new, larger and more modern production facilities. These are very important measures for putting the economy back on its rails, in a long-lasting effort to give Canadians permanent, meaningful and well-paid jobs.

It should be remembered, Mr. Speaker, that businesses in the Province of Quebec are at a serious disadvantage as against their competitors in other provinces, because of the shamefully high cost of energy in the Province of Quebec. Last week indeed, Mr. Parizeau's tax on gasoline accounted for 52 per cent of the price of a litre of gasoline in the greater Montreal area.

Mr. Speaker, I would also like to mention that I am interested in social issues as they relate to the constituency of Verdun-Saint-Paul, which has a rapidly ageing population. Without going into details, the Canadian Government has been successful in maintaining its social programs. I want to assure our senior citizens that, as far as I am concerned, I will go on making representations to the Minister of National Health and Welfare (Miss Bégin) requesting further extensions to the existing social programs, in order that these people may still enjoy the same degree of protection.

• (1540)

[*English*]

I also wish to congratulate the Minister of Finance (Mr. Lalonde) for his sensitivity to our people's expectations. This budget proposes changes in the child benefit system that will maintain the principle of universality, and programs aimed at low and middle-income families. Consequently, the budget will help single-parent families, mostly headed by mothers who usually make only 58 per cent of the salaries of men.

The child care expense deduction will be increased to $2,000 per child and to $8,000 per family, thus doubling the present deduction. This will certainly help low and middle-income families. Of course, the Child Tax Credit, which increased by $50 this year to help families, will be maintained and, in addition, when mothers claim their child tax credit, they will be entitled to a non-taxable amount of $343 for each child. I am also pleased that the $26,330 ceiling will remain unchanged and this child tax credit will still be paid in part to people whose income does not exceed $40,000. Again, I am fully satisfied that most families in need will be protected.

[*Translation*]

It is my sincere belief, Mr. Speaker, that all the measures introduced in the budget will serve the interests of all Canadians and give them confidence in the future.

[*English*]

To conclude, this is a budget to invest in, to work for and to build on. Through our efforts we can ensure that Canada moves not just from recession to recovery, but to lasting prosperity. The choice is ours.

[*Translation*]

Mr. Speaker, I would like to conclude on a humorous note. Since I first came here, I have been listening day after day to Opposition Members attacking the Government. Well, whatever they may say or do, people on this side are more efficient than the ones across the aisle.

Mr. Dawson: Mr. Speaker, we on this side already know all about the humour of our Deputy Whip, the Hon. Member for Verdun-Saint Paul (Mr. Savard). We are glad to see that he can share it with all his colleagues.

There are two things I would like to say. First, after the remarks of the Hon. Member who will be celebrating his sixth anniversary as Member for Verdun-Saint Paul in a few days, I can understand why the people of his riding have expressed their confidence in him three times.

I saw that the Hon. Member for Verdun-Saint Paul was concerned about the needs of his community as well as those of the residents of the riding of Verdun-Saint Paul and of the Montreal region. He spoke about senior citizens and about people in various categories. I would like to know whether the Hon. Member has anything to say about the budget and its ultimate effects on job creation for young people. The past performance of the Government with respect to job creation

programs for young people is outstanding indeed, but if he can I would like him to give the House some figures on the way the Federal Government has been spending money to create jobs, particularly for young people in his riding of Verdun-Saint Paul.

Mr. Savard: In answer to my colleague from Louis-Hébert, Mr. Speaker, I would say that the feeling is mutual. I must congratulate him also and tell him that it is for those reasons that he is a Member of the House. He too will be celebrating his sixth anniversary on May 24.

As to the question he has just asked about the contribution of the Federal Government to youth programs which have already been implemented for 1983-84, I would say to him that the Federal Government has paid $3.899 billion to the provinces for post-secondary education. Funds of $170 million have been earmarked for student summer employment, and an additional $170 million under student loans program to cover interests and defaults. That is very important for young people who have completed their studies. Some $589 million will be spent for training programs, $390 million for job creation programs and $126 million for employment services. I hope my colleague will find my answer satisfactory.

Mr. Dubois: Mr. Speaker, in his remarks my colleague from Verdun-Saint Paul (Mr. Savard) referred to the beneficial effects of the budget. He also spoke about the elderly and the young, something which is clearly more interesting to the Hon. Member for Louis-Hébert (Mr. Dawson) who is very young and yet very old at the same time since he has been a Member of the House for six years, just like the Hon. Member for Verdun-Saint Paul. I would like the Hon. Member for Verdun-Saint Paul to give us more information. In his speech, he mentioned special funds and special projects amounting to $2.4 billion. There are various considerations from an administrative stand point. The amount of $1.71 billion has been mentioned. Does the Hon. Member know exactly how those funds will be distributed, either throughout the province, or in Quebec City, or in Montreal, or in Verdun, and does he know of special cases in his own riding? He said something about the Province of Quebec where there is conflict in the implementation of certain programs which might help his riding and his electors.

Mr. Savard: Mr. Speaker, to reply once again to my colleague's remarks concerning my speech, I would like to point out to him that since the tabling of the budget, several of those projects have been announced. They represent approximately 45 p. 100 of all expenditures under the Special Recovery Projects for the next four years. I would like to mention to him that those moneys will be spread over the next four years. In effect, $147 million will be allocated during that period to the purchase of 20 CL-215 water bombers to be built by Canadair in Montreal. Furthermore, $630 million, of which $185 million represent new expenditures, will go during the next four years toward the modernization of the Canadian coast guard fleet. In addition, $67.5 million will serve to speed the procurement of highly sophisticated communication equipment by the Department of National Defence. Furthermore, $51.8 million will be allocated to the construction of a new federal building in Halifax. So far as Montreal is concerned, $40 million—I am all the more pleased with that project that I announced it last week—will be devoted to the Vieux Port in Montreal, of which $14.8 million will be spent for infrastructures and site development, $11.1 million will go toward the construction of new buildings and renovation projects and $14 million toward the development of parks and walkways. In addition, $23.8 million have been allocated to the Harbour Front project in Toronto; $36 million will be devoted to the new harbour in Sept-Iles, precisely in the constituency of my dear friend. Furthermore, $34 million will be used to build a deep water harbour in the Chicoutimi area; $15 million will be allocated to the construction of new harbours in Chatham and Newcastle, in New-Brunswick. In addition, $11.6 million will be spent in the Welland Canal region; $8 million will help to develop a portion of the improved lands of the port of Hamilton, $7 million will be spent toward the building of a new terminal and $2 million will be used to modernize the airport in St-John.

Therefore, as one can see, we have a very good budget which shows that the government is taking initiatives to help create jobs and achieve great things.

• (1550)

Mr. Dubois: Mr. Speaker, I thank my colleague for his explanations. I have another question concerning the Canadian Home Renovation Plan. What is happening in the region of the Hon. Member himself with regard to home renovation and the $3,000 grants which were to be available until the end of April and for which the deadline has now been extended to the end of May? As far as he knows, has this program brought about any particular improvement in the housing situation in his area, the Montreal area? Can he tell the House whether his constituents were enthusiastic about the extension of this program?

Mr. Savard: Mr. Speaker, I can tell the Hon. Member that, in my opinion, these $3,000 grants have greatly benefited my area and the city of Montreal. I can tell him that construction is already underway, and I believe that all contractors and builders who made applications under this program are very happy to see that it will be so useful, especially in the Montreal area and in my constituency. We now have some vacancies but not that many, and I believe that before the program comes to an end, over 100 units will have been built.

Mr. Dubois: Mr. Speaker, I have another question for my colleague. I know that he is also an alderman for the city of Verdun. Does the RRAP or Residential Rehabilitation Assistance Program apply in the city of Verdun? In addition, does he know whether many districts in Verdun have been designated

for this program? He said earlier that there are a number of older people in his constituency. Of course, there are also many Verdun residents who work in Montreal. It is perhaps more of a dormitory city or a place for retired people. I am not saying that it is not a beautiful city, but I would like to know whether representations have been made to the Verdun—Saint-Paul city council or whether my colleague has made any representations to the Minister of finance (Mr. Lalonde) under the RRAP Program.

Mr. Savard: Mr. Speaker, I can honestly tell my colleague that the RRAP has been very helpful in Verdun. When it was implemented, we divided the city into four districts and I was very proud to announce this program because, when it came into effect, I was Parliamentary Secretary to the Minister of Public Works. I must say that, since the RRAP come into effect in Verdun, it has helped many homeowners and has been very beneficial to all my constituents. I must tell my colleague that the RRAP is still going strong. I have made many representations in this regard and at the moment, two of the four phases have been completed and we shall start on the third one very soon. I believe that people throughout Canada will benefit from this program.

[*English*]

Mr. John Thomson (Calgary South): Mr. Speaker, I am pleased that my colleague from Verdun finds himself in a position to be very proud of what the budget has been able to accomplish for his constituents. It occurred to me that about ten years from now I would like to ask the young children of Verdun, who are perhaps six and seven years old right now, how they feel about paying back the $240 billion debt that the country will have by the year 1987.

Many issues are addressed by the federal Government and the House but I think one of the most serious issues that all of us really fail to address is what I consider to be the politically immoral loading of the deficit on our children year after year. It is as if I were to say, "I am going to buy a car that I cannot afford and I am going to ask my children to pay for it."

The scale of the deficits that have been incurred over the last 15 years and that will be incurred in the next four years as projected in the budget are politically immoral. They are politically irresponsible. We are on a treadmill. The more we borrow, the more unemployment we create. That sounds funny, does it not? We have a big job creation program here that has been put forward by the Government and we borrow money to create jobs, but that is an improper use of capital. The more we do that year after year, the more unemployment we are creating. But this seems to be perfectly acceptable. The NDP Party likes that kind of economics. The Liberal Government has seemed to like that kind of economics for the last 15 years. It borrows, inflates and creates more joblessness.

A fierce debate is raging in the United States today over the magnitude of their deficit. The deficit for a country of 250 million people with a trillion dollar economy is projected to be $150 billion. Here we are in Canada, one tenth the size, with a $30 billion deficit. They are having a raging debate over $150 billion, and we just blithely go on. The Canadian Government does not seem to be very concerned about a $30 billion deficit which, in terms of United States figures, would be $300 billion, twice the size of that of the United States. The Minister in the front bench smiles and the Parliamentary Secretary smiles. What is $30 billion here or there? Gentlemen, the loading of this debt on our future generation is politically immoral. You are depriving future generations of their opportunity, and we are an accomplice to what is going on.

Surely to goodness everybody in the House can see that to increase the deficit continually is to deprive Canadians of jobs and inflate our economy continually. It cannot be done any other way. There is no magic formula. You know that as well as I know that. Yet we do it. We are politically immoral. This institution is deceiving the people of Canada.

Apart from the political immorality of the continuing succession of deficits, the other thing that upsets me is that the Government opposite does not seem to care very much. Members of the Government continually say, "We cannot do anything about Government spending because we will deprive people of the very essential needs of life. We cannot cut our social welfare programs, we cannot cut out income support programs."

Well, gentlemen, maybe there are many social programs and income support programs that should not be cut, but as a member of the Public Acounts Committee where I sit at least twice a week, I can tell you that there are horror stories after horror stories found in the report of the Auditor General. The Members opposite know that. The Minister of State for Finance (Mr. Cosgrove) has said that we have an adequate committee system to investigate Government expenditures and he surely would not suggest anything to improve that. Well, there is not a Member in the House who would not suggest something to improve the committee system, something to put some teeth into the committee system so that we could do something about these horror stories through the committees. All we do is to bring in witnesses day after day to ask them questions. This goes on year after year. Ninety four million dollars was spent on Consolidated Computer; $1 billion on Canadair and $560 million on Via Rail. There is no end to it. The waste and the extravagance are insufferable. We should be ashamed of ourselves as parliamentarians for the waste and extravagance that goes on at the hands of this Government. Every single Member of this House knows it. Yet we allow it to go on, nobody seems to care, least of all the Ministers on the front benches. We do not have the means or the political will to come to grips with the inefficiency and the waste.

• (1600)

In the last few days we have been reviewing one small part of the Government's operations in DREE. We have been reviewing just four clauses. You can compare this needless waste of money against the human tragedy of people losing their homes and their jobs, yet the Government—in fact

nobody, gets very upset about it. Listen to this example: DREE makes a payment of $2.7 milion to a company and four days later the bank forecloses. That costs Canadian taxpayers $2.7 million. Nobody wastes money like that, but that is part of the scheme of things. Nobody gets particularly upset. There is another small matter here of $57 million. That amount was paid to Devco, the Cape Breton Development Corporation. It requested and was paid amounts totalling $57 million, more than the company expended for the acquisition of capital assets. Was that not a waste of money? It is not accurate to call it a misappropriation of money except that $57 million went to the Cape Breton Development Corporation that it should not have had that year and the money's still sitting there unspent. The accounting policies of the Government are an abomination. We are accountable for it, all of us as Members of Parliament. We should be ashamed of ourselves.

Let me come now to Petro-Canada. Many people think I have a thing about Petro-Canada. Yes, I have. Petro-Canada has cost Canadians innumerable jobs and the Government does not seem to understand that. Future generations of Canadians have invested the sum of $7.7 billion in Petro-Canada. Do you know what they have to show for that? Petro-Canada made $10 million last year. I do not know what the mathematics are, but it is surely a lot less than a 1 per cent return. Surely it does not take a genius to understand that is a gross misuse of capital. This is capital that we need in this country if we are to generate jobs to be competitive. If we keep spending $7 billion on Petro-Canada, $2.5 billion on Canadair, another $500 million on de Havilland and $1.5 billion to bail out Dome, where is all the capital to come from to generate the jobs that will be required? Our young people will be forced to pay this massive debt that we have loaded on their backs but they will not even have the jobs to earn the money to pay the debt. Surely it does not take an economics degree to know what to do. We have so many economists today and I do not know what they have done for the Government over there, certainly we desperately need capital formation in Canada if we are to be competitive in the new world.

The Minister of Finance (Mr. Lalonde) and the Minister of Industry, Trade and Commerce (Mr. Lumley) talk about the need for us to be more productive and competitive. How do you get to be more productive and more competitive if you do not employ capital? We need huge amounts of capital. But what do we do in this country? The Government designs programs to drive out capital. In 1981 alone the National Energy Program drove out $10 billion in capital.

Unless we are prepared to come to grips with the deficit issue and make a clear determination to bring down deficits, the financial markets in Canada will remain unconvinced that we mean business. Interest rates will stay high as long as the financial markets do not have confidence in this Government. You cannot expect economic recovery to occur because you pump $2.4 billion into temporary programs, Mr. Speaker. That is a sham and it is a deceit. You have to persuade the private sector to help.

The Minister of Finance talked in glowing terms about how he wanted to co-operate. Suddenly a new age dawned on the Liberal Party. The Liberals will spur economic activity by encouraging the private sector.

Mr. Fisher: Quite right.

Mr. Thomson: For 15 years the Liberals have strangled the private sector.

Mr. Fisher: That is wrong.

Mr. Thomson: That is why the private sector is in the position in which it finds itself today, because it does not have any confidence in this Government. It does not have the necessary confidence to go out and invest. It is not only because of high interest rates that people are not willing to invest, it is because if they do, they know the Government is very likely to change the rules in midstream. The Government is a master at retroactivity and fine tuning. The Government believes in a system of grants, subsidies and bail-outs.

In most places in the world today, in western Europe, Japan and the progressive free world economies, even in the United States, Governments are beginning to understand that they cannot spend more than they take in. Governments all over the world are trying to come to grips with their problems of inflation and unemployment by reducing deficits. But Canada cannot face up to that. Canada is going in exactly the opposite direction.

Let me come back to Crown corporations for a moment. There are more than 300 of these corporations, including subsidiaries. I do not know how much was invested in these 300 corporations last year. I suspect it is something in the order of $50 billion or perhaps $100 billion. Last year they took in revenues of $31.9 billion and their expenses were $33.6 billion. That is $100 billion which is losing money. It is losing money because this Government does not want to allow the private sector to function. It says it does, but really it does not, because it does not trust the private sector. This is the fundamental cause of why we are not developing as a country. There is no feeling of trust between Government and business in this country. Government has frustrated business, Mr. Speaker, over the last 15 years and we have been paying a very heavy price for it, and our children are going to pay a heck of a price for it.

• (1610)

The Acting Speaker (Mr. Blaker): Questions, answers, comments? Debate.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, it is interesting to note that after the very thoughtful and well put together speech made by the Hon. Member for Calgary South (Mr. Thomson), there should not be one Government Member or anyone on the opposite side rising to ask about some of what I consider to be ringing condemnations of the way the Government is spending money. That is what this Bill is all about.

Mr. Cosgrove: It was inaccurate.

Mr. Mayer: If it was inaccurate, it would have been interesting to see the Minister rise and point out the inaccuracies. He had his opportunity and I would have thought that, if he was responsible in his job, particularly as the Minister of State for Finance, he would have pointed out some of those inaccuracies. However, as I said, it is interesting that no one had the courage to rise and point out any inaccuracies, if there were any. This Bill is certainly about money and about the way the Government is spending money. As the Hon. Member for Calgary South pointed out, for a $7 billion investment in PetroCan, the Government earned $10 million. That would be the same as an individual citizen of the country investing $7,000 and getting $10 back, or investing $700 and getting $1 back. If those figures are accurate, that certainly is not a good way to be spending taxpayers' money.

This is a borrowing Bill and the Opposition is not suggesting by any means that the Government should not borrow money. Those of us in the Opposition realize, I believe, that the Government does have some legitimate reasons for needing to borrow money. It is certainly accepted that the Government should go to the market to borrow money. However, any concerned person, any concerned taxpayer of the country, must ask, when he is faced with the staggering amount of money which this Government is spending whether it is being spent properly. That is the concern, certainly, which I have, as well as all Members of the Opposition. One billion dollars represents $40 from each individual in the country. This year the Government is going to be running a deficit of $30 billion. That means that on behalf of each citizen in the country it will be borrowing $1,200. If you apply that to a family of four, it means that very close to $5,000 is being borrowed on behalf of that family. Therefore, if we in the Opposition are to be responsible in doing our job in representing those people who pay the taxes, and who are eventually going to have to bail out the Government, I believe we have to stand up and ask some legitimate questions as to how the Government is spending that money.

It goes back, Mr. Speaker, even further than budgets. In the Thirty-second Parliament, we are still in the first session. I fail to understand how any operation, whether it be a firm, a household, a farm or a business, can operate by running everything together. A farm, a business or a household operates on a period of time, a monthly basis, an annual basis or some such period of time. It seems to me that when this Government was elected in 1980, had it set out to have a Throne Speech each year, had it set out to have a budget each year, had it done some planning and presented Estimates on that basis, we would have had a much more sensible and sane way of spending and collecting money. What has happened though, is that in this one session of Parliament we have had seven separate borrowing Bills. In fact, it is almost like a rerun, a record which is stuck. This Government is continually asking the Parliament of Canada to approve more borrowings. As the Hon. Member for Calgary South pointed out, if some of this money is being used—which it is—for Government subsidies and Government bail-outs, then there is a legitimate question to be asked.

When the Hon. Member for Mississauga South (Mr. Blenkarn) was speaking this morning, the Minister of State for Finance (Mr. Cosgrove) made the comment, "If the Government does not borrow money, we are going to have economic stagnation". Surely, he does not think that the only kind of economic activity in this country which is going to produce any wealth is one which is funded by the Government? There are other ways to run a deficit than collecting more money than you spend, which is exactly the kind of deficit this Government is running. There are other ways to run a deficit. One is to simply give incentives to private industry in the form of a forgoing of taxes over a period of time, whatever the Government thinks is appropriate. That would mean that you do not collect tax dollars, and in some ways that is a very real alternative to what the Government is doing. Rather than have tax dollars collected up front, and money borrowed up front and then given back to the private sector, maybe it should not collect the money in the first place but instead try to create some incentive. I feel that that would be a better way to run a deficit. That would increase the number of people working in this country and would in turn increase the amount of wealth which we create. That is another way we can look at in terms of how we can get ourselves out of the economic stagnation we are in, rather than simply having mass Government spending and mass Government borrowing and mass transfers of money from one sector to another. It does not take an economist, as the Hon. Member for Calgary South pointed out, to understand that. It is basic, simple common sense.

I heard an amusing description the other day, Mr. Speaker. I heard it said that Christopher Columbus was the first modern-day economist. It may be an old story but it is certainly new to me. When he started out to sail, he did not know where he was going. When he got to America, which turned out to be the new world, or was defined as the new world, he did not know where he was. When he got home, he did not know where he had been. And the reason he is a modern-day economist is that he did it all on Government money. That, in some ways, is the kind of fiscal policy which this Government has. There is no plan, it seems to me, other than to run up massive deficits.

If one looks at some of the accumulated deficits which we now have, I consider it almost scary. The national debt on a per capita basis in approaching $5,000. The amount of interest we are going to pay this year as an individual taxpayer to service that debt is $705. Relating that to an average family of four, it means that that family pays close to $3,000 in taxes which goes to service past Government debt. That does not finance any new schools. It does not allow for any additional transfer payments to Provinces. It does not fund any new programs. It simply goes to pay interest on past Government borrowings.

It seems to me that we all want to get ourselves out of this situation. We are not simply standing up to criticize the Government. If you listen closely to what most Hon. Members

say when they rise to speak you will hear them offer suggestions. In order to get ourselves out of this problem, the percentage of involvement by Government in the economy must be less. By doing that Canadians can be encouraged and become more productive. Surely, we must start looking at some other programs. That is one of the concerns I have as I listen to what is almost like a broken record as the Government comes back and asks for more and more money.

When a Government gets as large as this Government is, it becomes more and more important that it be run properly. When the expenditures of the Government amounted to 10 per cent of the Gross National Product, as it took that much away from the average citizen in the form of taxes, and the Government made a mistake, you could live with that or you could get around it. However, now the Government alone accounts for approximately 25 per cent of the total generation of wealth in this country, because the Government takes that away from us in the form of taxes and either redistributes it or uses it itself to spend on Crown Corporations. When mistakes are made and the Government is involved in the economy to that extent, it becomes a major problem. When you add that to what is going on in the provincial Governments, the average taxpayer in this country probably pays close to half of his total earnings to one level of Government or another in the form of taxes. It then becomes very, very important that those tax dollars are spent properly. If they are not, you simply create very large problems. It goes back to plain and simple common sense.

• (1620)

Last summer, Mr. Speaker, many of us were prepared to have a special committee of the House sit and look at specific Departments to see where we could save money. There have been many suggestions made as to how money could be saved on advertising. The Government has spent something like $1 million on advertising some of the proposed Crow rate changes, and I do not think that is money well spent. We would have been a lot better served had the Government introduced legislation a long time ago. We would have had a chance to examine it, debate it and focus on the issues in the House, rather than have the Government running off outside the House making statements and spending taxpayers' dollars advertising how great these proposed changes would be for the agricultural community.

We have made suggestions and they may sound as if they were minor. When you are talking about a total budget of $80 billion, a million dollars does not sound like very much. But the point is that if you start looking for savings and come up with some useful suggestions and the Government could adopt them, then there is some incentive to save. Perhaps through saving $1 million here and $1 million there we can make a dent in the total spending. Those are some of the things which concern me as a Member of this House and also concern my constituents.

We also have very great concern over the amount of money the Government is collecting in the form of fuel taxes. I come from an agricultural riding where it is very important that we be as competitive as we possibly can with other producers around the world. When you look south of the border, you find that the American farmer is paying something like 40 cents or 50 cents a gallon less than the Canadian farmer. That makes it very tough for the Canadian farmer to compete because we both have to sell to the same customers around the world. If the Government chose to reduce taxes in that area, it would show some benefits. I have suggested repeatedly in the House, and I will say again because I see the Minister of State for Finance (Mr. Cosgrove) here and I hope he listens to me, that in Manitoba's case the federal Government collects a 7 cent a gallon tax on fuels used for the production of food on farms and then refunds it under certain conditions. I have had correspondence with at least one Minister concerning the administrative saving to the Government if it did not collect that 7 cent a gallon tax in the first place. That seems to me to make sense, yet the Government chooses not to pay much attention.

In closing, Mr. Speaker, I would like to reiterate that I have some concern—not because we do not want to see the Government borrow, we all realize the Government has to borrow money—that the Government borrow and spend the money responsibly. When we get to the level of borrowing we now have, we had better make sure that not very many mistakes are made because at that level of expenditure mistakes cause severe problems throughout the economy. The Parliamentary Secretary to the Minister of Finance (Mr. Fisher) is here and I hear him talking about wanting to fuel the private sector for recovery. One of the things we had better be careful about is that the Government does not borrow so much money that it crowds out the private sector. We all know that Canada's wage earners, Canadians in general, are great savers, but when the Government puts too much pressure on capital markets so that interest rates end up going up, that hurts the private sector, and the people who generate the real wealth in this country, the individual producers, have a tough time competing. Again, it is counterproductive.

Having outlined those few concerns I have over this Bill, Mr. Speaker, I now conclude my remarks.

Mr. Cosgrove: Mr. Speaker, in rising to speak the Hon. Member invited questions from Members of the Government, so I would like to ascertain the position of the Official Opposition on a couple of areas of spending. For example, the Hon. Member has indicated his concern over deficits and Government spending. Yet we have seen today in Question Period the Hon. Member for Joliette (Mr. LaSalle) and the Hon. Member for Mackenzie (Mr. Korchinski) complaining that the Government is terminating expenditures relating to the $3,000 grant to home buyers.

Mr. McKenzie: They said there would be enough money until the end of May.

Mr. Cosgrove: I am confused. Who is speaking for the Party? Are the two Members I mentioned expressing the wishes of the Party? Is the Hon. Member? Then there is the issue of the Special Recovery Capital Projects announced in

the budget, which we urge as a way of generating private sector involvement in construction through the expenditure of $2.4 billion to buy services in the private sector and put projects in place. We have on the one hand the Hon. Member for Vancouver Centre (Miss Carney) saying that program is a myth and on the other we have the Hon. Member for Pembina (Mr. Elzinga), the President of the Conservative Party, asking whether there are funds for his constituency in that program.

Now, who is speaking for the Conservative Party, the Hon. Member who is the President of the Party, the Hon. Member who is the financial critic, the Hon. Member who just finished speaking, or the Hon. Member for Joliette and the Hon. Member for Mackenzie who have both asked for additional expenditures?

Mr. Mayer: Mr. Speaker, at the beginning of my remarks, I pointed out that the Hon. Member for Calgary South (Mr. Thomson) had made I thought, some very ringing condemnations of Government policy. I would have liked to have seen the Hon. Minister, if he had some concerns over that speech, ask the Hon. Member some questions.

In regard to the two questions he asked me, it was my understanding that there was going to be enough money in that home ownership grant fund so that people could apply until the end of May. Personally, I thought it was a good program. Now, if the Minister wants to be fair and reflect upon what I said, I did not say that the Government should not borrow money. I said the Government should borrow money to be used prudently. It seems to me that if you tell a Canadian that he can apply for funding under a certain program and there are enough funds until the end of May, and we then find that there are areas across the country where a person has applied and cannot get funding, that is an inconsistency in the Government's program. We should do everything we can to see that it is cleared up. There is no contradiction in that. What I said was that I want to see the Government spend money prudently and responsibly.

Referring to the $2.4 billion for the Special Recovery Projects, again I do not see anything indigenous to that Program that is bad. I am not familiar with some of the specifics, but I suspect that there are certain areas which will not be of much advantage to my riding. Surely Members of Parliament cannot be criticized for rising in the House of Commons to inquire of the Minister responsible what kind of programs are available to their constituents so that they can advise them on how to take advantage of some of the Government's programs.

• (1630)

Mr. Cosgrove: Then I would ask the Hon. Member, Mr. Speaker, whether he is taking the position that the Special Recovery Program, which is the centrepiece of the budget and is created to assist private sector job creation, may be a good program, because he says that he is not familiar with specifics in his own riding. However, if he offers the observation that it may be that it is doing some good, does he not detect a contradiction in that observation or agreement with what the last Hon. Member who spoke, his colleague, said in that those expenditures, although perhaps contributing toward the deficit, are at the same time an investment in Canada's future and a benefit to future Canadians, something that is of concern to the Hon. Member who last spoke? Is there not that trade-off, that moneys well spent on infrastructure and public works in Canada become of benefit to Canadians in the future and they should therefore share in that public expenditure?

Mr. Mayer: Mr. Speaker, I would agree with the Minister, but the problem which I see, and the problem to which the Hon. Member for Calgary South referred, is that surely inducements should be offered to Canadians to become productive, other than grants and subsidies. I have heard grants and subsidies described as taking a quart of blood from one arm and transferring it to the other through a transfusion process and spilling half of it on the way over. If we are to consider generating some incentive in the private sector, why should taxes be so high in the first place? Some of the additional money should be left with the private citizen. He will not go into his basement and burn it at night. He will recirculate it by buying a television set or taking a holiday in Canada. He will spend it as well as the Government and, I would argue, in most cases better. The Government, wherever possible, should leave the money with the citizens who generate it and encourage people to invest and individuals to be productive rather than take it all away in the form of taxation which, to my mind, discourages production and makes the country less productive.

If we consider what has happened when these big deficits have been running in conjunction with a very high rate of taxation, we find that we have actually had negative growth in the last few years. If we are to have a bigger tax base, we must encourage production.

Those are some of my concerns over the Government's exclusive focus. I am not saying that I am totally or at least partially condemning the Government for using grants, but what I am saying is that it is time the Government started considering other ways of encouraging some incentives and production in the private sector.

Mr. Cosgrove: I would like to ask the Hon. Member one final question, Mr. Speaker. The Special Recovery Program, the $4.8 billion Program, is specifically created to provide a tax incentive to industry for research and development, export financing and resource development. One half, or $2.4 billion of the budget which will result from changes to the income tax provisions, is specifically designed to give investment incentives to Canadians, for example in share purchase options from small Canadian firms. I would like to know whether the Hon. Member is saying that at least that part of the budget is well directed toward helping Canadians, if it is not in the category of grants.

Mr. Mayer: Mr. Speaker, some of the incentives are excellent, to the extent that they will be real incentives and Canadians will take advantage of them to purchase shares and stocks in Canadian companies. Canada's record of investing in the

private sector is rather dismal when compared to that of the United States. In fact, on a per capita basis—and I think the figures are still accurate—Canadians are willing to invest more in the United States than they are in their own country. I suggest that it goes back to at least one of the problems to which the Hon. Member for Calgary South referred, involving the uncertain business climate which the Government has created through everything it has done on a retroactive basis.

The Minister made reference to the provision in the budget for R and D. I do not have the budget document in front of me, but I think I can almost quote it. At the end of the section on R and D, it essentially states that Canada's tax provisions for R and D compare very favourably with those in other countries around the world. Essentially, the Government will not do anything. Again, I do not have the text in front of me and I am sorry that I do not. I would be glad to obtain it, send it over to the minister when I conclude my remarks. However, if I remember correctly, in its budget document the Government did not do anything to stimulate research and development in this country.

Mr. Cosgrove: One-hundred and eighty million dollars.

Mr. Les Benjamin (Regina West): Mr. Speaker, I want to speak on the borrowing Bill because of some of the events which have been occurring in recent months and years and as late as yesterday, and which will be occurring over the next number of weeks and months. I want to relate borrowings by the Government for transportation purposes to the developments which have been taking place and which will continue.

I am not an economist nor a chartered accountant, however, it has always been my understanding that when Governments borrowed, they borrowed for specific purposes. I notice that the borrowing authority Bill does not tell us where the money is going in terms of specific and individual items. However, there is no doubt that much of those borrowings will go toward covering what could be called subsidies or direct grants. Much of it will also be devoted to capital investment purposes.

It has always been my understanding that Government revenues and expenditures incurred through borrowing used for such purposes as subsidies and grants to pay for things which bring no return and from which it is not possible to recover the moneys, are called dead weight debts. Those borrowings must be repaid out of future tax revenues of the Government. However, borrowings which are used for capital investment, whether it be airports, railways, seaways or seaports, can and should be called self-liquidating debts, in the sense that if money is provided for those purposes as repayable loans, they become self-liquidating debts. Or, if they are provided as a capital investment by the taxpayer, who originally borrowed the money through the Government, then surely the Government has a responsibility on behalf of the taxpayer to ensure that there is a return on the capital investment.

Does Your Honour know of anyone who would put up funds for capital investment without taking equity ownership, debentures, or bonds from which there was a return of interest and dividends? I do not know of any self-respecting investor or so-called free enterpriser who would hand out his own money or anyone else's without receiving some opportunity for return on the investment, or at least being eligible for a return on the investment if it proved to be a successful one.

I am sure we could study many other areas of the economy, but we should consider the history in this country of borrowing funds for transportation purposes which were turned over to entrepreneurs for capital investments from which the people of Canada received little or no return. I suggest that it makes good, sound business sense that if one borrows money to invest in capital improvements, the money is used to get a return on that investment.

• (1640)

Since 1881, and probably before then for canals and small railways in central Canada, the people of Canada have provided capital investment for privately owned railroads as well as for land, forest, mineral rights and cash grants. They have provided funds for capital investment but did not own it.

We provided funds to take over bankrupt capital investments, such as in the formation of the Canadian National Railways. We took over five bankrupt railways, and while the banks and the bondholders got their money back, the taxpayers of Canada paid those debts and interest charges for the next 40 years approximately.

Incidentally, Canadian National was not formed because the Government of the day believed in a Crown corporation or publicly owned railway, but to bail out the bankrupt railways of Grand Trunk, Grand Trunk Northern, Grand Trunk Pacific, Canadian Northern and others. In the 1950s, 1960s and 1970s, those debts were transferred from Canadian National to the Government of Canada. In recent years there has been the odd year when Canadian National has paid a dividend to the single shareholder, the Government of Canada, because it was relieved of all these old debts and some recent ones and was able to show operating profits out of which it could pay a dividend and some income taxes. At least there was a beginning to some returns being made on that investment. I believe that is good beginning, but in recent years we have continued to hand money over for capital improvements or subsidies for which we have received no return.

In fact, some money was borrowed for these branch line subsidies. Not only did the railways expect the money for those branch line subsidies but they expected a return on those subsidies. In other words they expect a return for them on the taxpayers' money for the branch line subsidy.

The theory behind that subsidy, which included maintenance and depreciation, was that the railways would repair the branch lines. However, they did not do so, but kept the money. The Government introduced an additional program called branch line rehabilitation. A few hundred million dollars have gone into that program. The railways expect to get a 21 per cent return on that capital investment which the people of Canada gave them. That return is on the taxpayers' money, not the railroads'. They expect to get another 20 per cent for what is euphemistically called overhead.

A bureaucrat who appeared in front of the Transport Committee told me that overhead was the cost of money. I am aware that interest rates are high but I did not know that money cost 20 per cent these days. Overhead not only includes the cost of money, it includes the president's salary, the cost of the water that goes into his whiskey, the management costs and so on. The felony is now compounded by the request for money which is to be borrowed under this Bill. The Minister of Transport (Mr. Pepin) has indicated that he wants to give $725 million a year to the two major railroads to cover their alleged losses on transporting grain and to cover the federal Government's contribution to capital improvements. The Minister does not say what the subsidy will be for their so-called losses from hauling grain and how much it will be for capital investment. In other words, the $725 million a year provided under this borrowing Bill and the money provided under future borrowing Bills will be sent to the railroads in the form of a cheque to be spent as they please. I know that the Minister talks about guarantees of railway performance, but he has already had for some years all the authority he needs under the National Transportation Act, the Railway Act and the Canadian Pacific Railway Act to require that performance under the law. Additional so-called guarantees are superfluous at best.

No private enterprise, bank, or lending institution would provide investment capital without getting some kind of assurance of return on that investment. How much longer will successive Liberal and Tory Governments put up funds for capital investment on behalf of the people of Canada and include in those public funds what amounts to almost a 40 per cent profit? While I am not against a reasonable profit, I challenge anyone to tell me that a 40 per cent profit is reasonable. No self-respecting free enterpriser would suggest that. He would probably say it was exorbitant.

We have an alternative use for the money that has been proposed by the Minister of Transport (Mr. Pepin). We suggest that out of that $930 million per year, $380 million would go directly to the railroads to pay the real shortfall between the statutory grain rates and their actual out-of-pocket costs. We would not add 21 per cent return on investment on those subsidies for the benefit of the railways, or 20 per cent more for so-called overhead. They would be reimbursed for the actual out-of-pocket costs which include maintenance, depreciation, wages and salaries and fuel. The remaining $550 million is for capital investment. Assuming that it is divided equally between CN and CP, the Government's equity ownership on behalf of the people of Canada and Canadian National automatically increases by that amount, which I believe is a $1,000 per equity ownership share.

Of the money that is being turned over to Canadian Pacific for capital investment purposes, which is being borrowed on behalf of the people of Canada, not one nickel or return is available to the people of Canada on that investment. Surely that is some kind of economic stupidity. Surely it makes sound economic business sense to take equity ownership in return for whatever we give to each railway. Any interest or dividends that are paid year after year would come back as a return on that investment to the Government for the people of Canada. That type of practice should be expected of any operation, whether private or public. In approximately 50 years' time the return on that investment makes that debt not a Government expense or a total dead weight on the people of Canada but an investment which self liquidates. In fact, there may even be an odd occasion when a profit is made on the investment as well as an annual return. I do not understand how any so-called private enterprise Government—and they have been doing it in the country for 117 years—can fail to at least blush when it continues to borrow money for capital investment purposes for which there is not even an opportunity for a return on the investment.

• (1650)

I am just an innocent stubble-jumping prairie boy. I do not pretend to know the ins and outs of high finance, economics and so forth, but I still cannot get it through my head what kind of economic sense there is in what the Government is trying to promote. What kind of rationale is there in borrowing money to give to someone else for a capital expenditure and receiving no return on the investment? I do not understand it.

If these birds over here or the ones over there had done that with their own money, they would all be on welfare. They rise and complain about the big deficit, the poor taxpayer and the national debt, but who has been borrowing money since 1867? Who has been handing out billions of dollars in the last 117 years for capital projects, both publicly and privately-owned, with no provision for a return on those investments? Who has been doing that?

It was not any socialist. It was the Grits and Tories, the great free enterprisers or protectors of property! Whose property? The taxpayers of Canada borrow the money. It was given to someone else for capital improvements, which meant property. Do the taxpayers of Canada have any interest in or return on the property? No, the property belongs to somebody else. What about the property rights of taxpayers for the funds they borrowed and gave to Canadian Pacific for capital investment on which they will receive no return? They have no say in the expenditure of those moneys. They have no shares, no dividends or no interest. What kind of economic stupidity is that? What kind of a con game is that on the taxpayers of Canada, and also in this instance on the grain producers of western Canada?

For the same amount of money the Minister of Transport proposes to expend, we would increase equity ownership in Canadian National. We would also start taking common share equity voting stock ownership in Canadian Pacific Limited in order to have some dividends and interest in return for the investment. Surely that is the proper way to expend the borrowings any Government of any political stripe has to make frequently, in fact every fiscal year.

Concerning the matter of capital investment to improve our rail systems in western Canada, although everything in and east of Manitoba, had been left out, the Minister said that for

anything over 31.5 million tonnes a year the farmers will pay all the freight costs. When he was asked yesterday whether he would lift the ceiling, he said that if farmers shipped 41.5 million tonnes, it would cost the federal Government $1 billion more. He said that he could not do that, that he could not lift the ceiling. But, he is prepared to allow it to cost grain producers by 1991 $1 billion a year more. He borrows this money, on which there is no return, to hand it out, and then passes the cost back to grain producers and taxpayers generally. I hope we will have some answers. We want to know why this insane economic spending has been going on and for what purpose the borrowings will be used.

Mr. Flis: Mr. Speaker, I have only two questions for the Hon. Member. First, I would like to have an honest answer from him as to whether or not he read all the budget papers which were tabled on budget night.

Some Hon. Members: Have you?

Mr. Flis: I keep hearing from the Hon. Member that the budget does not tell us where the money is going, so I would like an honest answer to that question. Yes, I have read the budget papers, in answer to the gentlemen opposite who yelled out the question.

Second, if the Hon. Member went into a restaurant and purchased a meal for $6, would he want equity in that restaurant? I am sick and tired of hearing the same argument we have heard twenty times over in the last week. What the NDP is comparing with equity when the Government is subsidizing something is similar to going to a restaurant and purchasing a meal for $6 and wanting a $5 equity in the restaurant. That meal may cost $1, but the other $5 goes to paying the taxes, heating, lighting and wages of the waiters and waitresses. I am asking the Hon. Member whether he would want a $5 equity in the restaurant for a $6 meal? Those are the only two questions I have.

Mr. Benjamin: Mr. Speaker, in response to the Hon. Member's first question, I have not read all the budget papers.

Mr. Flis: I appreciate your honesty.

Mr. Benjamin: I would be surprised if anyone, apart from the Hon. Member, has done so. All I was saying is that it would be nice if there were a breakdown in this little three-paragraph Bill as to where the $14.7 billion will go. That is all.

On the matter of going into a restaurant and buying a $6 meal, and whether I would want a $5 share in the ownership of the restaurant, let me indicate to the Hon. Member that he misses my point entirely. I think all other Hon. Members understood what I said, but perhaps he did not. I said that out of the money the Minister of Transport proposes to expend, $380 million is in direct subsidy for the so-called shortfall in hauling grain. That is for operating costs. It is like the cost of producing the meal in the restaurant to which the Hon. Member referred.

Mr. Althouse: That is for the meal.

Mr. Benjamin: Right, that is for the meal. If I were buying that $6 meal in a restaurant and the owner said that he wanted $10 for the meal, $4 of which was to help fix the building, I would want $4 worth of common shares in the restaurant for the capital investment portion of that price. Similarly, in this instance $380 million is a direct subsidy for operating costs or out-of-pocket expenses. There is no equity involved in that. The other $550 million in capital investment would be like the additional $4 on the restaurant meal. Surely it is only reasonable and makes good sense to say that we should have equity shares for capital expenditures. I thought the Hon. Member understood that. I thought it was a normal investment and spending procedure of any individual, financial institution or certainly of Governments. That is all I was saying.

The Acting Speaker (Mr. Corbin): Order, please. We will return to questions in a moment.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for St. John's East (Mr. McGrath)—Fisheries—Negotiations on restructuring East Coast industry. (b) Newfoundland proposal; the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway)—Income Tax—Auditing of farmers' income—Request for moratorium. (b) Request for limitation on assessment of back taxes; the Hon. Member for Edmonton South (Mr. Roche)—Nuclear Armaments—U.S. and U.S.S.R. offers to reduce nuclear arsenals. (b) Proposal to hold summit meeting.

• (1700)

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1983-84 (NO. 2)

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Cosgrove that Bill C-151, An Act to provide supplementary borrowing authority be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Keeper: Mr. Speaker, I would like to make a comment with regard to this whole question of equity. The Hon. Member opposite indicated that if you went to a restaurant to have a meal, a New Democrat would ask for $5 equity. The problem with that statement is that it shows that Liberal Member has no conception of the difference between day-to-day operating expenses and investment. The whole point of asking for equity in a company has to do with investment. If the Party opposite knew the difference between investment and day-to-day operating expenses, perhaps the economy of this country would be in better shape.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, Bill C-151, An Act to provide supplementary borrowing authority, seeks to borrow an additional $14.7 billion. Of this amount, $2 billion may be carried over into future years. The Government is thus seeking a cushion of $2 billion for this year plus $2 billion to be used either this year or in future years. It is more than a cushion. It sounds as if they were looking for the whole chesterfield.

The Government has come to Parliament seven times in this session to seek more borrowing authority. We have had Bills C-30, C-59, C-111, C-125, C-128, C-143 and C-151. This clearly indicates that the Government has not paid any attention to the Auditor General's statement that the Government has no control over expenditures. The Auditor General went to great lengths on the problem of the borrowings by the 300 or 400 Crown corporations that we have. There is absolutely no accountability from Crown corporations. I will go into that in a little more detail in a moment.

The Government's projected financial requirements between 1983-1984 and 1986-87 total $93 billion. Parliament is in for a steady stream of large borrowing Bills over the next few years. It clearly indicates that the Liberal Party's solution to any problem is to spend more and borrow more.

Financial requirements are only part of the picture. Many Crown corporations are able to raise debt in the financial markets without seeking borrowing authority from Parliament. That is something we in the Conservative Party oppose. When we were in Government, we took steps to bring in some control. Unfortunately this was dropped when the Liberals were returned to office.

I now want to deal with the federal Government's financing in perspective. There will be Government project spending of $100.1 billion on a national accounts basis and a deficit of $31.3 billion on a public accounts basis. The gross national debt last March was about $160 billion. Interest on the debt will cost Canadian taxpayers $17.6 billion this year. On a per capita basis, Government spending this year will amount to $4,000 per man, woman and child in Canada. This compares to only $500 per capita in 1967-68.

The cost of interest on public debt this year will equal $700 per capita and $1,800 per taxpayer. That is a tremendous load on the Canadian public. One tax dollar in three is used to service the debt.

In the Fall of 1979, Treasury Board found that it was faced with cost over-runs on major capital projects totalling $1.1 billion. Placed in perspective, these over-runs could finance the construction of 18 CN towers or 66 new fighter aircraft. This has been going on for years. There are cost over-runs on practically every project in which the Government gets involved. No cost benefit analysis is conducted and there are no proper controls on these projects.

Including operating deficits and capital expenditures, Mirabel airport to date has cost the taxpayers more than $700 million. This was to build an airport that was way ahead of its time, was not required and was aptly named a white elephant. That sum of money is the equivalent of giving 800,000 people a free round-trip ticket from Saint John's Newfoundland to Vancouver, British Columbia.

The federal Government has an information and advertising budget of $245 million. It does not need any such budget. Most of this advertising is an absolute waste. In 1981, the federal Government spent $13.1 million on food, booze and entertainment. That is the equivalent of more than one million bottles of liquor. Since this Prime Minister (Mr. Trudeau) came into office in 1968 he has been repeating the same thing every couple of years. They are empty, meaningless statements. I will quote what he has said in the past.

The Liberal Government has a history of paying lip service to restraint. In August, 1969, in announcing the first Liberal restraint program, the Prime Minister told Canadians that, "We would be on the road to financial disaster if nothing was done to bring spending under control". Why does he not do something about it? This Government should do something about that. In June, 1975, in announcing the second Liberal restraint program, the then Finance Minister told Canadians, "The Government proposes to set an example of restraint . . . by imposing strict control over its activities and programs".

In spite of periodic references to restraint, Government spending has climbed by 554 per cent on a public accounts basis since 1968. Any commitment on the part of the Liberal Government to restraint, based on past evidence, is nothing more than insincere posturing.

We in Manitoba get the double whammy. We have the same problem with the NDP Government there. Because of the NDP budget deficit and uncontrolled spending, the Manitoba financial rating has dropped. Manitoba's financial position has deteriorated significantly over the last two years, a major New York ratings house suggested yesterday as it lowered the Province's credit rating. The Province has budgeted for an equally large deficit this year. Government spending will increase by almost 10 per cent this year after adjusting for inflation. The credit rating has been downgraded because of excessive spending and excessive borrowing. Manitoba, under an NDP Government, has one of the largest debts in Canada. In 1969 we had a balanced budget. The Conservative Government was defeated in 1969 and the NDP took over. Prior to 1969 there were proper financial controls. Once the NDP got in, uncontrolled spending began. That is why Manitoba is in this mess today.

Over the past 15 years, Government spending has risen in an unprecedented way. On a national accounts basis where data is comparable over time, spending has climbed from $12.6 billion in 1968-69 to an estimated $100.2 billion in 1983-84, an increase of 693 per cent. On the more commonly used public accounts basis, spending has increased from $12.3 billion in 1968-69 to $89.8 billion, an increase of 554 per cent. That is astronomical and insane. A significant portion of the increase has happened since re-election of the Liberals in Feburary, 1980. Relative to fiscal 1979-80, spending has risen by 78 per cent on a public accounts basis or 84 per cent on a national accounts basis. Spending this year will go up by 12 per cent. Why will spending go up by 12 per cent? It should not be going up at all. Spending on a national accounts basis is now equal to 26 per cent of Canada's Gross National Product. This compares to 21 per cent only four years ago. In 1982, borrowing by the federal Government accounted for 51 per cent of all net new security issues placed in Canada. Borrowing of that magnitude must clearly have an effect on the supply and demand for money and thus on the interest rates that must be borne by the private sector. The horror stories go on, Mr. Speaker.

• (1710)

The investment community does not trust a Government that continues to live so far beyond its means. It does not want to hold a currency that continues to be debased by excessive Government borrowing. As a consequence, the dollar has fallen, driving up the cost of living in Canada. Interest rates remain quite high as the Government attempts to support the dollar. Job-creating capital investment has gone elsewhere. A classic example of that was the National Energy Program which almost destroyed the Canadian oil industry, lost some 60,000 jobs in Canada and drove oil rigs out of the country. The Government still does not get the message. The mad spending goes on. The mad borrowing continues. It does not learn from its past errors and mistakes. It just carries on with the same ridiculous procedure.

I mentioned earlier that there is no proper accounting by Crown corporations. They are simply handed money and, as the Auditor General says, they take the money and run. I want to read the following passage from the Auditor General's Report of 1982:

> It may be helpful in visualizing the scale of the problem to think of the whole group as an enormous iceberg floating lazily in the foggy Atlantic; silent, majestic, awesome. The public tends to see only the upper portions . . . the giants like CNR, Petro-Can, CBC . . . The great bulk of the iceberg below the surface is less spectacular, less likely to attract public interest, less likely to receive the attention of Parliament, yet costly to taxpayers.

Of course, the Auditor General's Reports have read the same every year for many, many years. It is unfortunate that more attention is not paid to their recommendations.

Dealing with entrenchment of state control, the creation of the multi-billion dollar holding company, the Canada Development Investment Corporation—not to be confused with Canada Deposit Insurance Corporation—belies any serious commitment the Liberals may profess to have regarding greater accountability for Crown corporations. The CDIC was created in May, 1982, by Order in Council. Six months and 17 Orders in Council later, the CDIC has emerged as a huge holding company for Government corporate interests with no accountability to Parliament and a wide open mandate to intervene anywhere in the Canadian economy. One of the first things the present Prime Minister did when he took office in 1968 was to remove parliamentary control over Government expenditures. Any politician who plays games that do away with proper accountability or control over the public purse is a very irresponsible individual.

The new corporation has been granted a $500,000 interest-free loan from the Consolidated Revenue Fund, and the Minister responsible, Senator Austin, claims that he can commandeer the profits from Teleglobe, which now go to the CRF, and use them as a source of operating funds for the CDIC. That is a great accounting procedure, Mr. Speaker.

Canadair has hit the headlines recently. It will be looking to Parliament for about $2.5 billion to bail it out. In December of 1976, I told the Liberal Government that it should—

> —quit hiding behind the cloak of secrecy—

—and make a complete revelation of all details with regard to Canadair, the Government-owned aircraft manufacturing company, including the $50 million loan guaranteed by the Government. I was concerned than about the $50 million. That has gone up to the $2.5 billion that they are looking for now. Back in 1976, I pointed out that:

> —Canadair has to sell 500 aircraft just to recover the investment let alone cost of money over the intervening period . . . The Gulfstream Two which is the obvious competitor to this aircraft has established a strong position in the market but sales are well below the 200 level.

In light of those figures, I pointed out:

> Where is the Canadair Ltd. going to find the market for 500 aircraft?

That question is still relevant today. Are we to continue to prop up Canadair? When they come to us looking for this $2.5 billion, we will have to find out if they have a market or if they have sales for 500 aircraft. They will probably have to sell 1,000 aircraft to break even now. But at that time, the Minister, who is the present Energy Minister (Mr. Chrétien) and was the Minister of Industry, Trade and Commerce at that time, always gave us great assurances that there would be no problem with Canadair, and he ridiculed me and my colleagues for even bothering to raise the question. We warned them in 1976 that they were on a disaster course, but they laughed at us. Now the laugh is on the Canadian taxpayer.

Canadian people are quite concerned about a recent speech made by the Secretary of State (Mr. Joyal) in which he points out that he is going to turn Canada into a French state. In his speech he points out that the cost will be no object. No one is to question the cost of turning Canada into a French state. He goes into a fair amount of detail in his speech but we do not know how much it will cost, we do not know what effect it will have on English-speaking Canadians, and we should be entitled to have a White Paper or a Green Paper or some kind of an explanation from the Government on how much it intends to spend on turning Canada into a French state.

The Minister in his speech talks about the need for more French universities across the country. I do not know how many more are needed, what the cost will be, where the money will come from, where they will be located. Our universities at present are all suffering from the current economic conditions. They can hardly keep going. But this Minister says that he will build more universities across the country. It would be very interesting to know if any cost benefit analysis has been done in regard to turning Canada into a French state.

Another cause of considerable concern across the country is the fantastic cost of the language training programs to date. About $4 billion has been spent on language training. The majority of Canadians will go along with a reasonable amount of language training at a reasonable expenditure, but $4 billion just for language training is only a very small part of the total cost of making Canada a fully bilingual country.

The double standards used by the Liberal Government in its language training program is of concern to us. Certain people, friends of the Government, will be sent to the south of France for language training. Other individuals from the Government are sent to Toronto for language training and have apartments rented for them. One recent case was brought to light where an individual was sent to Toronto to learn the French language. The Government rented her an apartment for $845 a month, gave her an expense account of $600 a month, plus her salary while she was in Toronto for 11 months. I have other contacts here in Ottawa, Mr. Speaker, individuals who have had difficulties learning the French language. The Government will not give them language training in the Government schools and they will have to go to night school and pay for their own language training.

I could go on and on about the fantastic costs of the Metric Commission and their extravagant expenditures and how their budget has risen 100 per cent this year to a grand total of over $25 million. I would suggest that the Government should start reading the Auditor General's report, never mind coming back here every couple of months to borrow billions and billions of dollars more.

• (1720)

The Acting Speaker (Mr. Corbin): Are there any questions, comments? Debate. The Hon. Member for Carleton-Charlotte (Mr. McCain).

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I regret very much that I am compelled to make the remarks I am about to make. I have to say as a Member of Parliament of Canada that I have been betrayed. It cannot be described in any less forceful term than that.

When I first became a Member of the House of Commons in the Fall of 1972 I was concerned about the fact that we were embarked upon a bilingual program. I wanted to know what was to be the impact upon my constituency in particular and upon Canadians in general. I was asked to attend a meeting with the then Member for Moncton, the then Member for Saint John, the then Member for Fundy-Royal and the then Member and still Member for York-Sunbury (Mr. Howie). We met with Mr. Spicer who was then the gentleman in charge of the bilingual program for this nation. We asked several questions. First, how was it determined that a particular position in the Public Service would be classified as bilingual? It was not exactly a fair question at that time and Mr. Spcier could not directly answer it. I then asked whether he could tell me that unilingual communities would be categorized as those requiring bilingual employees in the federal service. The answer was an unqualified no. My next question was, if there was a competition for a particular job within the Public Service of Canada, will language prohibit the employment of any person applying for public work? The answer was: no, because there would be language training provided. If the applicant were approved and if additional language training were required it would be available to the gentleman or the lady who applied for the job before employment. Another question asked was: would language have anything to do with advancement in the service of those already employed? The answer was, no. The policy of the Government was that if there is to be advancement and if bilingualism were a requirement for advancement, then language training shall be available.

It was not very long until the government welshed on the first statement that language training would, in fact, be available for an applicant who had the merits to take the job for which he had applied. The first step and the qualification of Mr. Spicer's statement was that the individual would have to take an aptitude test. If the person failed to pass that aptitude test there would be no language training. Regardless of merit, if the individual did not have the aptitude for bilingualism, he or she shall not get an appointment. That was a very serious move away from the formula outlined by Mr. Spicer.

The next step now in place is that you must be bilingual to apply for some jobs and you will not get one if you are not. The language resolution of 1973 followed that. Again, we were assured the guidelines that had been outlined to us by Mr. Spicer would, in fact, remain in place under that resolution. That, of course, had been practised up to that point in time to a degree that I was quite satisfied the resolution did not infringe upon any statements made to me as a new Member of Parliament by Mr. Spicer. I was the idiot who then betrayed myself and my constituents. I voted for that resolution, and for that I apologize to Canadians, whether they live in St. André or St. Stephen, Fredericton or Edmundston. I do not care what their principal language is, people are entitled to opportunity for public employment. They should in no circumstances be denied employment regardless of their native or mother tongue. That is an injustice to any person young or old who applies for a job in a professedly bilingual country.

When it comes to advancement, I do not have time in the 20 minutes allocated to me to enumerate the denials of language training for those who applied. I do not have time to list the extravagances of some of those who did get language training and the cost incurred, but I am concerned that in the Town of St. Stephen there are now three National Revenue postings

which may or may not have been filled and which are declared bilingual. Only one is available to a unilingual individual. I am ashamed that I voted for that resolution. One of the applicants for those National Revenue jobs went to see the RCMP. He assumed he was talking to a personnel officer and he was told by that officer that if he was not bilingual he should not bother to apply. I challenge anyone here in his House or anyone who reads my statement to say that I am against a bilingual program in this nation of Canada. But I say that bilingualism has to be for all Canadians. Employment has to be open to all Canadians whether they come from St. André or St. Stephen. That makes no difference to me, but the language training has to be there and the merit system has to be in place. People in this nation have a right, which I thought was extended and explained in 1973, to apply and expect to be accepted for employment regardless of language qualifications.

When this is carried to the extreme, we see instances of people who are already in the employ of the Government of Canada, most of whom are over 50 years of age and some of whom are over 60 years of age, employed by the Department of Transport for security purposes in the City of Fredericton at the city airport who are advised they shall be released from their job four months down the road because they are not bilingual. That is why I feel I was betrayed and they are betrayed by this Government.

There is no example in the annals of this nation of more obvious betrayal. Why is it that there are now several research positions in the field of agriculture left vacant? Have they been declared bilingual? I could not care less what the mother tongue of an individual is so long as he can study the research projects and come up with the merits that qualify him for employment. I could not care less. But he has to be good, and it should not be language that should categorize him.

I appeal to this Government to come back to the promise it made, first through a very highly respected gentleman, Mr. Spicer, and second through a resolution that was passed by this House, one for which I voted, and for that I apologize to all Canadians, not just those in my constituency. That promise was with regard to the pattern of bilingualism intended, and that is the pattern which I can support. I cannot support the automatic disqualification for linguistic capability on its own. I cannot support the lack of opportunity for advancement for linguistic reasons alone. Train the people and advance the people if the merit is there. That is the system we must have.

It was rather interesting to listen to the last speaker from the New Democratic Party. If a fellow were going to finance this country on the basis that he proposed, you would have to get the Canada goose to lay golden eggs. It sounded to me as though he had about as much economic sense as a computerized, vocalized teddy bear.

There are a lot of items on which I would like to expand with respect to the borrowing Bill, with respect to the budget and with respect to Canadians as a whole. Amongst those things I am going to ask a question or give notice of a question to which I hope we will get an answer in this debate, the budget debate, or in some form. The proposed changes in the Crow rate structure which pertain primarily, superficially at least, to the West, also have economic impact on the East. We never did get an explanation of the impact on the East. We never did get an evaluation of the increment in cost which would accrue to the feeders in eastern Canada, and particularly to the feeders east of Montreal and including all of the Atlantic Provinces. There is an impact and I want to know if there is any intention on the part of this Government to recognize that increment in cost which will be passed on by the change in the Crow rate as it relates to eastern Canadian poultry, hog and beef operations. We are entitled to that answer in a definitive cost study basis, Mr. Speaker. Let us have it because we cannot assess it since we do not even have the legislation or the firm proposition. Maybe the press has, but this House does not.

• (1730)

We are prepared in this House for a request to vote for a borrowing Bill, the consequences of which are shameful in this nation, as far as I am concerned, but it does pose some questions. You and I, Mr. Speaker, happen to be representing constituencies which need some money. We need some money from this make-work salvage operation which is coming up in the potato industry, and we need it very badly. One could extend that further if one went farther down the river westward into Quebec from my home, eastward into Nova Scotia. We need some money in the apple industry. The apple industry is facing the results of what I consider to be an error, although I am not overly critical of this. It is the root stock evaluation for climatic purposes. The apple industry in eastern Canada planted a root they never should have planted, and grafted onto trees which were supposed to bring profit, and which have not turned out to be. I submit to you, Mr. Speaker, that that root should have been evaluated in the climatic conditions in which it was planted. It never was evaluated. It was released for production. It was sold and it was multiplied in this country. Unfortunately, we now have some apple growers who have lost up to 50 per cent of their total orchard as a result of replanting with a root stock which would not stand the climatic conditions of our country.

The Minister of Agriculture (Mr. Whelan) said, "Well, if anyone would declare it a disaster, we would do something about it. If the Provinces would put up a little money, we would do something about it". However, Mr. Speaker, that has been a historical federal responsibility, and anyone who suggests that it is not a disaster when crop damage as high as 50 per cent takes place in any aspect of agricultural operations is wrong. That, Sir, is disastrous.

However, the real disaster at the moment is in the potato industry. It has always been cyclical ever since that crop was first planted in a commercial way in Atlantic Canada or, for that matter, in any other part of Canada. Its returns have been so variable that some people have said that you might just as well shake dice as plant potatoes. And to some degree that is correct, with all the variables which exist. But this time we got hit with both barrels. We got hit by weather which caused the crop, first, not to store well and, second, even if it stored, to be

graded so that it became virtually unmarketable. The return in your constituency, Mr. Speaker, and mine, dropped down to as low as 15 per cent or 20 per cent of the cost of production of the crop.

There are several steps which the federal Government should take. I propose that it should move now. I would ask the help of any sympathetic Hon. Members on the Government side of the House to encourage Government to act now. The cropping season is just around the corner. The steps which the federal Government should take are, first, to put some of this make-work money, some of this pump-priming money, into the Farm Credit Corporation to be lent at reasonable rates to those farmers who need assistance; second, to defer the payment of the money which has been lent for the storable crops program. That would enable some farmers to plant a new crop. Third, and this is the last step which I would recommend, the Government should sit down with the provincial Governments and in fact come up with a program which is supportive of both the apple industry and the potato industry. But it must do it now because now is the time to plant. This is the week of decision, and if that decision is not reached, if there is not co-operation between federal Government, provincial Government, farm organization and banks—and they are all ready to talk—if that decision is not reached by next week, Mr. Speaker, you and I know that there will be people who should have help who cannot plant another crop.

I appeal to the people of responsibility, Mr. Speaker: you have less than a week to make that decision! I am not talking entirely about young farmers who have over-financed or over-borrowed. I am talking about farmers of every age in the business, from farmers with less than ten years of experience to farmers with more than 40 years of being self-supporting in the agricultural field and producing that crop. They are all dependent upon the degree of damage from mother nature, in storage, excessive moisture and distortion of the tubers. Every category of farmer in this instance is in very, very serious trouble. I cannot over-emphasize the need and the urgency of an immediate decision.

There is another place for some pump-priming money. Some of that could be put into make-work projects in the coastal region of my constituency. I have submitted on an annual basis, except for this year—it seemed to be an exercise in futility; the list must still be on file and nothing has been done about it—a list of port improvements, small craft harbour improvements. I have submitted up to 30 names, some of which have never even been inspected by the Department of Public Works. It is not their fault. There was no use inspecting them because the Department of Fisheries did not give them any money, and this is the time when money could and should be spent either for a dual purpose or for a single purpose, whatever the case may be. It would be for a dual purpose in the Town of St. Andrews, where a proper harbour facility for fishing and tourism would add a great deal to the economy of that community. The same could be said for St. George. It could be spent in the Sand Point wharf where it was promised three years ago that if the tuna packing plant in that community would triple its capabilities, the Government of Canada would in fact extend the wharf to accommodate the necessary ships to bring products in and take other New Brunswick products out. That has not come through yet, Mr. Speaker, and that wharf is cluttered up. We are losing business. Canadian workers could be at work but now they are going to East Port, Winter Port and other ports along the main coast. We are losing business because the Government has not kept its word. And it is not just the tuna packing plant. There are products being shipped from the Atlantic coast of this continent which will not go through Saint John or Chatham or Rimouski, but would in fact go through Sand Point Port in Champlain Industrial Park in Charlotte County.

There is a place where some of that money could be put, and not only will it make work but it will make continuing work and bring on-going revenue to those communities. I could read the list of small craft harbours ad infinitum. Dipper Harbour, they are: Chocolate Cove, Whale Cove, Seal Cove, Ingalls Head. These harbours have been neglected. Let us put some of this money to work to make work where it will have lasting and productive value. These are the things, I believe, Mr. Speaker, which we have to consider. That would be a constructive allocation of make-work money.

There are other projects in the Province of New Brunswick which deserve attention as well, many others, but the ones referred to are the ones which would be revenue-producing and work-producing for the long term. Money could also be spent on tourist development throughout the whole Province of New Brunswick. The provincial parks could be improved, which would increase their attractiveness. That is a place where money could be put. Some of the highways could be improved, country highways, in order to attract tourists to this Province, to make it an all-season operation.

I must, Mr. Speaker, say to this House, to my constituents and to Canadians, that I have been betrayed in the bilingual program. I supported it. I have to ask that it revert to what it was. Canadians have been betrayed and their resources mismanaged. When I go home on Mother's Day and look at our family, my children and grandchildren, I tell you that I will not be going with the pride with which I would have gone 20 years ago. They had a future then in a country of which the then campaigning Prime Minister could say "this land is strong". Well, Mr. Speaker, this Government sure sapped its strength.

• (1740)

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, I am very pleased to be taking part in the debate today, especially after listening to the comments of the Member for Carleton-Charlotte (Mr. McCain) which of course concerned the entire question of borrowing authority for the Canadian Government. I think the Member for Carleton-Charlotte had some very interesting

things to say about the importance of carrying out certain projects in his riding, where funds could be put to good and practical use, because basically, I think he shares the concerns of Members on both sides of the House, who are anxious to ensure that the money the Canadian Government gets from private or corporate citizens or by borrowing will generate jobs and stimulate the economy. However, I disagree when the Hon. Member says that we do not have the same pride we had fifteen years ago, because there is less of a future for young people. I think it is true that the situation is a difficult one today, but I think it is wrong to conclude that there is less future in this country than there was fifteen years ago, because if we look at this country's potential and compare it with other industrialized countries, it is clear that Canada's position is still very strong, although a great deal more effort must be put into building and modernizing our infrastructures.

I think the Member for Carleton-Charlotte—whom I know very well since we travelled together when I was vice-chairman of the Transport Committee—and you yourself, Mr. Speaker, as an Eastern Canadian, are both aware of what it means to lack infrastructures of every kind in our ridings, especially in our part of the country.

I think the Bill we are considering today, Mr. Speaker, namely Bill C-151, an Act to provide borrowing authority so that the Government may, according to the wording of the Bill, invest such sums of money as may be required for public works and general purposes, mean a great deal to us. All this may not be as important to Members from urban areas, because they are used to living, I should perhaps not say in luxury but in relative comfort; many good roads, industry nearby and a highly diversified economy. If we look at the extra-peripheral regions, however, there is an incredible lack of infrastructures. I myself am from an area that is not necessarily remote but nevertheless suffers from the problems of regional disparity and has done so for quite some time. At first, I was opposed to a Government deficit. Like all Canadians, we would prefer a budget in which revenue and expenditures are balanced. That is not the case, unfortunately. Because of the present recession and the problems in industry, the Government's revenue has been much lower than was predicted by the experts and by the Government itself, so that while funds must be spent on social benefits for Canadians, Government revenue has dropped considerably. If the Government had ignored what had to be done in this country, perhaps we could have had a balanced budget, but this would have been at a high cost to the extra-peripheral regions and Canadian workers.

I am thinking of the Gaspé, which is just across from my riding. Mr. Speaker, it is high time the Canadian Government announced substantial measures to improve infrastructures in that region. A lot has been done in the Gaspé over the last fifteen years, but this region will never be able to operate on an equal footing with the rest of Canada if we do not give it the necessary capital facilities so that it will not only be able to compete with other parts of Canada but also with other countries. This is important, and I know what I am talking about, Mr. Speaker.

Similarly, I think a person has to know the Atlantic Region to realize that Newfoundland, Nova Scotia, New Brunswick and Prince Edward Island have far fewer infrastructures than they do out West, and I am referring to the Pacific Region. A person has to have seen both to understand the significance of the funds being sought by the Government today for investing in those regions. If it were just a matter of spending money on facilities that are already more than adequate, I would object.

Earlier, however, the Member for Carleton-Charlotte was very specific when he mentioned the particular needs of his riding. I think the same applies to most ridings in the Atlantic Region.

All Members from Eastern Canada have very specific needs as far as infrastructures are concerned. As long as we do not have proper infrastructures in that part of the country, we shall never be on an equal footing with the rest of Canada.

That is the important thing. To be able, with a budget like the one we have now and the supplementary funds that must be ratified, to invest in capital projects. And I have often heard some of my fellow Canadians criticizing the Government because according to them, it was putting the country into debt. But although it is true, I think people should realize that in doing so, we are rescheduling projects which would otherwise have been carried out five, ten or fifteen years later.

However, the projects that will be financed in 1983-84 will serve future generations. These infrastructures will last ten, fifteen, twenty, twenty-five or forty years. It stands to reason therefore that the cost be spread over one, two or three generations.

Last week the Minister of Transport of Canada (Mr. Pepin) came to my riding to announce that Ports Canada will finally build new infrastructures in the Bay of Sept-Îles. People have been waiting for those facilities for years, but the work was supposed to be spread over 15 years. Thanks to the combined efforts of various intermediary groups in the area, and thanks as well to the unrelenting work of people responsible for regional communities, the Minister of Finance and the Minister of Transport gave their approval to this harbour project.

We have already asked the local people to get involved and make sure that private businesses will be able to open their doors in the Sept-Îles area so that the facilities in the port of Sept-Îles will be more productive. After the announcement was made last Thursday, Mr. Speaker, we could see that the outlook was changing already. Contrary to the comments the Hon. Member made earlier to the effect that the people—the young, the elderly, heads of families and retired people alike—were desperate, they now have regained confidence. They are glad that they will finally be able to find work and, as a result of the mining problems we have experienced, we must diversify

our regional economy. It must be done. And very soon the Government will have to open up a transportation link between Quebec City and Port-Cartier, which has been closed since 1979.

If I wanted to be irresponsible, Mr. Speaker, I would say that it was closed down when the Progressive Conservative Party was in office. However, that Party did not have anything to do with it, such was the economic situation. Since 1979, Quebec and the Government of Canada have appointed very responsible people to look into the possibility of reopening the plant at Port-Cartier. That is when we will need funds to guarantee a sound recovery, not as owners of the plant—in that respect, I think I am voicing concerns similar to those of the Progressive Conservative Members—not to become owners, but to act as partners in the reopening of that plant.

• (1750)

Indeed, we had done our share in 1974 through the allocation of funds for the Port-Cartier plant to make sure that the area would have a truly diversified economy. The funds for which we are seeking the approval of the House will be used for that kind of operations. I still remember when I was Deputy Chairman of the Committee on Transport; we had toured the Atlantic region and I recall the dilapidated condition of wharves and fishing facilities. I remember that some wharves had been abandoned altogether although fishermen did need them to do their job. The funds will therefore be used to carry out various projects in those ridings and those areas.

Mr. Speaker, the budget was not introduced only to benefit the party in office; it is aimed at all Canadians and all ridings. I think that the role of the Opposition is to make sure that everybody gets his share and that the real needs are met. That is the important thing to say at this stage. I would suggest that all Members on both sides of the House are aware of the importance of this budget for young people.

To criticize the legislation introduced in the House is easy but what really matters is to know what are the needs this budget is going to meet, and these needs can only be met if the money necessary to carry out these projects is made available to us. What surprises me is the fact that over the past two years, Hon. Members both on the government and opposition sides have repeatedly urged the Government to take positive action in an effort to get the economy moving again.

Yet, Mr. Speaker, the Government is acting responsibly. Not only does it provide $2.5 billion for direct job creation, but it urges the private sector to get involved by providing it with some $4.5 billion in incentives and tax breaks of all sorts.

I think it is most important to let Hon. Members and all the other Canadians know that this is a concerted effort by both the private and public sectors to balance the forces, because the Government has no money. What the Government has is the taxpayers' money. That is all the Government has, and it can only rely on human and natural resources, and seek a perfect balance between these two resources to develop the country. That is all it can do. As a Government, we cannot create the economy, but we can and should create favourable conditions to a buoyant economy. That is what a Government must do. And that is exactly what the budget introduced by the Minister of Finance is trying to achieve. Because there are no miracles, Mr. Speaker, only concerted efforts in the right direction.

Already Hon. Members opposite are blaming the Government for the borrowing powers it is seeking. Had we not borrowed money or introduced legislation which was bound to increase the deficit, would we have had the tools to break the economic deadlock? I believe the answer is a very definite no, Mr. Speaker.

When you read the comments made by various economic experts, you very soon realize that the budget does meet current needs. Of course, there may be some reservations here and there. We could have allowed a little more here, a little less there, but all in all we struck a balance. And this is what the Government should be striving for, in the interest of all Canadians. On the lower North Shore of the St. Lawrence River, Mr. Speaker, there lies an area with some 400 miles of coastline where there are no roads, absolutely none, although 6,000 or 7,000 people do live there, in 15 isolated villages, French-speaking, English-speaking, and native people. Those people are looking forward to a reorganization of both Regionair and Quebecair. I think the Minister of Transport should be urged to act soon. For instance, Mr. Speaker, those people have to pay $700 for a round trip ticket from Blanc-Sablon to Montreal, and that is not first class. There are many stopovers, although this is the same country and the same Province. That is not normal. Special steps will have to be taken, at the Canadian taxpayer's expense, so those people can travel from Blanc-Sablon to Montreal at a more reasonable cost. Right now, it is cheaper for a Montrealer to go to Paris than for someone in Blanc-Sablon to go to Montreal. Those people have a right to live, and they have made tremendous efforts to provide Canadians with fish, and game.

But, when we speak in this House, we have a feeling we are speaking only to Torontonians, Montrealers, Vancouverites. This country is not just ten provincial capitals and one federal capital, Mr. Speaker. It consists of a vast land with a potential that is waiting to be tapped and in need of infrastructures. This has often been neglected in the past, for all sorts of reasons. But past neglect is no reason for staying on the same course. Quite the opposite! As a Member of Parliament, I wish we only had balanced budgets. But in the face of unbelievable shortcomings that exist in various parts of the country, whether it is the East, the Centre, the West or the North, I feel we really should invest with a view to the future, and get the money needed to have the required infrastructures.

Our young people are asking for two things, Mr. Speaker, two very specific things: a sound training, and infrastructures

that will enable them to put their training to practical use, to develop this country. This is what our young people are asking for. And older people too. We know all about layoffs in the various mining operations across the land. This involves not only Shefferville, Gagnon, Fermont, Port-Cartier and Sept-Îles, but many other communities. When we see people put on early retirement at age 50, 55 or 58, it is a real tragedy. A person who receives a $10,000 severance pay is not necessarily happy. The only way to be happy is often to have a job that you like, a job that makes you proud to support your family, to be responsible for them, to be a responsible citizen. That is what people need.

I remember how frantically the officials from the Department of Finance wanted to check the outflow of money in order to try and lower the deficit. However, when one is elected to sit in this House, one realizes the real needs of people and one has to say no to public officials' demands in order to be really responsible and allocate funds in an attempt to put people back to work and help industrialize this country. That is what we really need. We sometime hear the question: How is it that the government does not plan ahead for such expenditures? I remind Hon. Members that when the IOC mining company shuts down its operations in Shefferville, the Canadian government—that is to say each of us—will pay $4,500 per household to relocate the people of Shefferville anywhere else in Canada, even though they cannot find a job, because people cannot stay up there, they cannot stay in a remote place 385 miles North of Sept-Îles, where there is no road, when a return plane ticket between Shefferville and Montreal costs in excess of $350. So it is up to the Canadian government, to the public administration, to take on the responsibility of enabling people to relocate elsewhere in order to look for a brighter future. The mining company will pay $1,500 and the Quebec government will also put up $1,500. Yet, this was not anticipated in the government budget. And these people from Shefferville, who were paying a lot of taxes, are quite justified to expect the government to help them find better prospects elsewhere.

So for all these reasons, I suggest the bill we introduced is necessary, and in conclusion, because my time is expired, I would ask Hon. Members on all sides of this House to show extreme care in distributing the funds in all parts of this country, to ensure that each and every constituency will have its share to invest in the future of our country, among young as well as older Canadians, so that every Canadian can regain hope not only in the future of this country, but in themselves, because the great crisis we are presently going through is in great part a crisis of self-confidence. So I will simply say in concluding my remarks, Mr. Speaker, that I hope we will gain the support of all parties so that this bill can be passed as soon as possible and that tomorrow, we will be confident that, the country is back on track and heading toward prosperity and a more diversified economy.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FISHERIES—NEGOTIATIONS ON RESTRUCTURING EAST COAST INDUSTRY. (B) NEWFOUNDLAND PROPOSAL

Hon. James A. McGrath (St. John's East): Mr. Speaker, on May 2 I put a question to the Minister of State for Economic Development (Mr. Johnston) who is now in charge of the Cabinet committee which is charged with the responsibility of restructuring the Atlantic Provinces' fishing industry and the troubled companies in that industry. I wanted the Minister to tell the House when the negotiations leading up to a decision on restructuring would be completed and when a decision would be made and reported to the House.

Of course, I got no satisfaction from the Minister. That is why I am taking this opportunity to bring it to the attention of the House. This is a very serious matter.

On March 28, a conference was held in St. John's with all the principal players involved in the Newfoundland fishing industry. A resolution was unanimously adopted and forwarded to the Minister of State for Economic Development. I will read it into the record:

BE IT RESOLVED:

That all fish plants involved in the deepsea fishery be kept open, and

BE IT FURTHER RESOLVED:

That the federal and provincial Governments make a commitment to exercise their separate jurisdictions in the harvesting and processing sectors to ensure the continued operation of all deepsea ports, and

BE IT FURTHER RESOLVED:

That rather than a simple bail-out of the corporate interests both Governments commit themselves, jointly or separately, to the public ownership—in whole or in part—of those deepsea companies unable to operate without public assistance, and

BE IT FURTHER RESOLVED:

That the immediate acquisition of these companies, either jointly or separately, by both Governments is absolutely necessary to accomplish a meaningful restructuring of the fishing industry, and

BE IT FURTHER RESOLVED:

That the option of the separation of the fleet and community ownership of processing plants be examined as potential objectives in a new, restructured deepsea fishing industry.

That resolution was unanimously adopted at this conference and was signed by Members of Parliament, including the Parliamentary Secretary to the Minister of Fisheries and Oceans, the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin), the Minister of Fisheries of Newfoundland, the Minister of Environment of Newfoundland, the President of the Newfoundland Fish Food and Allied Workers Union, the President of the Newfoundland Federation of Labour and the mayors of all the towns affected by down plants. To date there has been no response from the Government to that resolution.

We are dealing with a situation in which there are still seven plants in Newfoundland not operating. Thousands of inshore fishermen have no place to sell their fish and trawler fleets are tied up. This situation exists a full six months after the Kirby Task Force Report during which time negotiations on restructuring were supposed to be taking place.

The Canadian Salt Fish Corporation is still without a president, even though the Government accepted Kirby's recommendation for an expanded role for the corporation which would see it involved in processing and marketing fish in the northern communities of Newfoundland and Labrador.

The Fisheries Council of Canada has just completed its annual meeting in St. John's, yet there is still no word from the Government on restructuring, in spite of an ongoing negotiation, we are told at least, by the Government Cabinet Committee and Kirby.

What we are seeing here is the Newfoundland fishing industry being relegated to a secondary role to that of Nova Scotia which, if the Cabinet committee has its way on restructuring, will see a newly integrated giant Nova Scotia corporation as the principal player in harvesting, processing and marketing of fish in the Atlantic Provinces.

My question is, where is the Minister of Fisheries and Oceans for Canada (Mr. De Bané) while life and death decisions are being made affecting Newfoundland communities, fishermen, plant workers, trawler men and their families? I am talking about thousands of people. His role has been usurped by one of the super Ministers of the Cabinet, the Minister of State for Economic Development, a gentleman who obviously takes his advice from the Deputy Prime Minister (Mr. MacEachen) who is an active Member of that committee and happens to be the Hon. Member for Cape Breton-Highlands-Canso. Of course, there is not doubt as to where the interests of that hon. gentleman lie.

• (1805)

I say to the House that our patience is running out. There is unanimity in Newfoundland as to what should be taking place, yet the Government in the interests of protecting certain corporate interests insists upon dragging its feet. The innocent pawns in all this are Newfoundland fishermen—14,000 inshore fishermen, thousands of plant workers who are without jobs, trawlermen and their families. They are the innocent pawns in this super corporate power chess game which is taking place.

I say to the Government that our patience is not infinite. Time is running out. I call upon the Parliamentary Secretary to the Minister of Fisheries and Oceans, who signed his name to the resolution which represented a reasonable compromised solution that would address the problems of the Newfoundland fishing industry, of the downed plants and of the communities that see their livelihood taken away, to rise in his place and tell us when we can expect a decision by the Government. At the very least he should tell us when we can expect a reply to the resolution which was forwarded to the Government on March 29. To this date there has not even been the courtesy of an acknowledgement.

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, the Minister responsible for economic and regional development, as chairman of the ad hoc Committee of Ministers on Atlantic Fisheries Restructuring, has the over-all responsibility for the ongoing negotiations on restructuring. We know that the Hon. Member is impatient; so are we. On March 31 the Government gave Michael Kirby broad instructions to begin negotiations leading to a reorganization and refinancing of the troubled deep sea fishing industry in Canada. Mr. Kirby is representing the Government in those negotiations. These ongoing negotiations with the banks, the companies and the Provinces concerned are presently at a very delicate stage. I know the Hon. Member would not want those negotiations to break off because of some indiscretion or an attempt to make political points.

All Hon. Members will understand that we are dealing with matters of utmost financial sensitivity and that any details relating to the Government's negotiating position cannot be laid before the House at this time. The Hon. Member will know exactly what we have done whenever the negotiations are concluded. However, I am confident that these negotiations are proceeding on an urgent basis—and the Hon. Member has shown the urgency of the case—and will lead to the revitalization of the Atlantic fishing industry, including the provision of more stable employment and incomes for thousands of fishermen and plant workers who depend upon the fishery.

INCOME TAX—AUDITING OF FARMERS' INCOME—REQUEST FOR MORATORIUM. (B) REQUEST FOR LIMITATION ON ASSESSMENT OF BACK TAXES

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, the subject I want to raise this evening concerns Section 31 of the Income Tax Act. I think Hon. Members on both sides of the House who have farmers in their constituencies realize the problems that are caused by the interpretation of Section 31. Most of us, especially myself, are having problems because the Department of National Revenue is very actively engaged in auditing farmers across the country under the provisions of that Section.

What has happened is that because of tough times, high interest rates and high costs, many farmers have been required to work off their farms to make supplementary income to keep up with their payments and literally to keep from losing their farms. To add insult to injury, the Department has picked this particular time to audit farmers and to reclassify them under Section 31.

Section 31 has roughly three classes of farmers having regard to writing off losses against income. There are bona fide farmers who farm full time. They are allowed to write off as much loss as they have. The second category of farmers includes those with supplementary income. They are allowed to write off $5,000 per year. Then there is the so-called hobby

farmer classification. We are not interested in protecting hobby farmers.

What is happening is that because people have had to work off their farms in order to make supplementary income, they are being categorized as hobby farmers. This causes an awful lot of difficulty. People are finding that their losses are being disallowed and that they are now being hammered with as much as four years in back taxes, plus interest and penalties. In many cases they are literally being forced to either sell their farms, stock, equipment or whatever they can to try to pay their tax bills.

• (1810)

Literally hundreds of farmers in my riding, have been audited. Let me read a paragraph from a letter I received today from the Quesnel and District Chamber of Commerce. Quesnel is a community in my riding of about 10,000. The letter is addressed to the Minister of Finance (Mr. Lalonde). The first paragraph points out the problem. I quote the last paragraph:

> The farmers in our community are afraid to commit present financial resources to such things as fertilizer and seed badly needed at this time of the year while under the threat of possible income tax reassessments for prior years.

In my question on April 26, I asked whether, because of the ambiguity of Section 31 and the reclassification of many of these farmers, he would call a moratorium on tax audits until Section 31 could be amended to reflect these problems. This problem has been with us since 1951 when the section was brought in. I did not get an answer to the question. My second question was:

> Would the Minister agree to that, to assess back taxes only for the current year if people are going to be reassessed under Section 31.

There is a precedent for that. This problem arose in 1972. The then Minister of National Revenue, now President of the Treasury Board (Mr. Gray), wrote to the former Member for Mission-Port Moody. I quote from that letter:

> If, following the review, it is concluded that the departmental policy has been correctly applied to a taxpayer, I have asked that this allowance of losses be limited to the most current of the years under review. This basis of assessment will be continued in all subsequent applications of the departmental policy relating to losses claimed by part-time farmers so that only the loss for the one year is disallowed.

Under the circumstances, that precedent should hold. The least we can do for farmers faced with this terrible problem is allow their losses for the current year.

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the Hon. Member has raised a number of questions on the subject of audits conducted by National Revenue concerning claims for farm losses. The Minister has answered all those questions. For the benefit of the Hon. Member let me explain the interpretation and application of the law with respect to this matter.

Section 31 of the Income Tax Act sets a limit, under certain conditions, to the amount of losses from a farming business that a taxpayer may deduct from other sources of income in completing a tax return. The word "business" here is of crucial importance. The taxpayer must be in the business of farming in order to claim business losses, a reasonable requirement.

The Hon. Member has asked for a moratorium on tax audits because he says the section is ambiguous. Although the section is somewhat complex, the Department has the benefit of many court decisions, including one by the Supreme Court of Canada to which it can refer for interpretation and application of the law.

The Hon. Member has also commented on the qualification of the auditors performing the audit. In this regard I would like to say that the Department's auditors have the know-how to determine the profit or loss of an enterprise. For example, if an enterprise incurs thousands of dollars of expenses in a year and in the same year makes only a few hundred dollars in sales and does this for three or four years in a row, and it can be seen to be making no progress toward a profitable position and the entrepreneur is really living on money earned in another full-time job, the question must arise as to whether the enterprise is a business at all. This would be true whether we are talking about agriculture or any other type of business.

The Member suggested that the reassessment of taxes should only be for one year. The Department recognizes that it can take more than one year to get a person established on a farm. I am sure the Hon. Member would understand that in many cases it takes a few years to assess the viability of an enterprise. Therefore, in these circumstances it is normal, depending on the facts of each case, that the Department may review and assess, where applicable, for more than one year.

• (1815)

NUCLEAR ARMAMENTS—U.S. AND U.S.S.R. OFFERS TO REDUCE NUCLEAR ARSENALS. (B) PROPOSAL TO HOLD SUMMIT MEETING

Mr. Douglas Roche (Edmonton South): Mr. Speaker, when I questioned the Prime Minister (Mr. Trudeau) yesterday on the nuclear arms negotiations issue I tried to make the point that Canada should play a stronger role for peace in the world by pressing both the Soviet Union and the United States to make progress in Geneva. By pressing, I mean that Canada should be formulating its own recommendations to both super powers for mutual, balanced and verifiable reduction in nuclear arms, and that these recommendations would be based on objective account of the precise amount of nuclear weaponry that the Warsaw Pact and NATO possess.

At one level the nuclear arms question is terribly complex, yet it is possible to ask clear questions to which clear answer should be given. Here are some of the questions a growing number of Canadians, including Parliamentarians in this House, are asking. Exactly how many warheads does each side have? Why are the two sets of nuclear negotiations, strategic and intermediate, not joined into one over-all negotiation so that the question of nuclear parity can be established? Why does the Security Council of the United Nations not play a major role in the negotiations?

I submit that there is an important role for Canada to play in pressing forward in this manner. Nuclear negotiations are

not a matter in the exclusive domain of the two super powers. All humanity is today held hostage by the arms race.

It is the growing recognition that the nuclear arms race must be halted that led two important bodies in the United States to take action this week. The U.S. House of Representatives, by a margin of 278 to 149, passed a resolution calling for a mutual and verifiable nuclear weapons freeze. This vote has not only given the nuclear freeze movement credibility, but renewed momentum. The congressmen did not take this action lightly. They debated the resolution a total of 45 hours, with several amendments being made. Consider the debating time on that crucial issue compared with what the Canadian Parliament gives this issue in debating time—practically zero.

The Roman Catholic Bishops of the United States, by a vote of 238 to nine, ratified a broad-ranging pastoral letter that denounces nuclear war and calls for the end of nuclear weapons. The Bishops, in calling for this immediate halt, have taken a forceful and historic position in church thinking and put their collective finger on the nub of the issue by saying, and I quote from *The New York Times* of May 4, 1983:

"The nuclear age is an era of moral as well as physical danger," ... "We are the first generation since Genesis with the power to virtually destroy God's creation. We cannot remain silent in the face of such danger."

No one can accuse the American congressmen or Bishops of being soft on communism or of being dupes of the peace movement which is growing rapidly around the world. Both the House of Representatives and the church in the same week have urgently signalled that negotiations must be successful if mankind is to survive.

A clear, solid path to common security is found in the Palme Report signed by representatives of the Soviet Union, the United States and several other countries including the Third World. This report called for a zone in central Europe to be cleared of battlefield nuclear weapons. My colleague, the Member for Victoria (Mr. McKinnon), pointed out in a lengthy analysis of the Palme Report that the report:

—came up with recommendations that are practical and feasible. There is a way out of this mess and I think that the Palme Commission has shown us that way.

Let the Prime Minister and the Canadian Government become more vigorous in pressing for the detailed recommendations of the Palme Report, in pressing the Security Council to play a role in unified negotiations and, finally in pressing for a summit meeting of the two leaders, Messrs. Reagan and Andropov, who hold the future of humanity in their hands.

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): My hon. colleague has suggested one way of resolving the nuclear escalation and if we were to follow his arguments and manage to get together the partners who, for instance ... He says that some clear and specific questions should be asked in order to get clear and specific answers. I would therefore ask him to consider the discussions that were held on this issue during the past years and to realize that when we refer to equal and equivalent nuclear forces as between Americans and Russians, various interpretations are given. Moreover, this issue is so confused that it would be difficult for us as good Canadians or as citizens of the world to simply ask the Russians and Americans to draw up an inventory of their weapons and those of other countries. I think that one is rather naive and fails to realize what is going on when one asks that sort of questions.

On the other hand, for the past few years, the Canadian Government has been strongly promoting the resumption of negotiations, especially as regards the Geneva talks.

We have also noted the many contacts made by the Secretary of State for External Affairs (Mr. MacEachen) and by the Prime Minister (Mr. Trudeau) himself when the Hon. Member refers to the possibility of a summit meeting, as the Prime Minister has confirmed yesterday that during his meetings with President Reagan and Vice-President Bush he urged the American authorities to agree to meet their Russian counterparts at a summit conference. Moreover, we should make sure that if such a summit meeting were held, it would be well prepared in order to give concrete results. An agenda for a summit meeting of that sort should not be forced upon us, and I think that Canadians generally agree that it is essential that such a meeting be convened. In addition, the Prime Minister and the Government are making serious efforts to get that kind of activities under way. However, we hope that there could be a summit meeting similar to the one which was held in 1972, that is when the Salt I Agreement was signed. We hope that perhaps in the future another similar exercise could be carried out with the complete agreement of the entire world which is anxiously waiting for a respite in the nuclear arms race.

[*English*]

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

At 6.23 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, May 6, 1983

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

HOUSING

BENEFITS RELATED TO APPLICATION OF REGISTERED HOME OWNERSHIP SAVINGS PLAN

Mr. Gaston Gourde (Lévis): Madam Speaker, in the latest budget, rules governing the use of Registered Home Ownership Savings Plans were changed. Not long ago, I pointed out that Canadian taxpayers will now be able to make tax-free withdrawals of any amount currently in their RHOSPs, for the purchase of furniture and household appliances. Another change is that Canadians who buy newly constructed homes after the date of the budget and before December 31, 1984, will be able to claim an additional deduction of up to $10,000. This means that if the taxpayer has contributed $3,000 to a RHOSP in previous years, he or she will be able to claim an additional deduction of $7,000 for the purchase of a newly constructed home, within the dates mentioned. The proceeds of the RHOSP must, of course, be used for the purchase of a newly constructed home and associated furnishings. Individuals must complete a written offer to purchase the home before December 31, 1984, with the date of closing of the purchase and occupancy no later than February 28, 1985. Homes for which a purchase agreement was entered into prior to April 20, 1983 will be eligible for the measure if the offer to purchase was signed prior to that date, provided the date of closing was not before that date.

I think that with the recent news about the Canadian Home Ownership Stimulation Plan, this measure provides a very satisfactory alternative to that program, as a substitute for the $3,000 offered to buyers of new homes.

* * *

[*English*]

FISHERIES

STATE OF EAST COAST INDUSTRY—COMPETITION FROM IMPORTS

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, for the past two years or more the East Coast fishing industry has been in the economic doldrums. This is an industry that is vital to more than 1,300 communities, over half of which depend solely on fishing activities. It is the largest non-governmental employer in Atlantic Canada and Quebec, providing more jobs in absolute figures than does the automobile industry of Ontario.

In view of its importance to the nation, the Government established the Kirby Task Force to study the problems. Perhaps for the first time, fishermen, the unions, and processors realize that their adversaries are their competitors outside Canada. Americans are buying fresh cod delivered by air on a daily basis from Iceland, and Steinberg of Ottawa is selling frozen cod fish in one pound packages clearly marked as a product of the U.S.A. Obviously we are not only losing our foreign markets but our Canadian markets as well, and the key to our problem is quality.

New regulations call for all boats over 45 feet to carry ice, but this requirement has not been met. Bleeding and gutting as well as dockside grading are still local options. Fish holds should be upgraded to basic standards. Kirby also recommended additional ice-making facilities in coastal communities, but to date, this basic need has not been met.

Until we upgrade our quality, the improving fish markets of the world will be supplied by Iceland or Norway, or even by the United States. Therefore I urge the Minister and the Government to give a much higher priority to the basic needs of Canada's fishing industry.

* * *

AGRICULTURE

CONSEQUENCES OF ECON BANKRUPTCY FOR PRAIRIE FARMERS

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, it has been more than a year since Econ Consulting Limited of Winnipeg went bankrupt, leaving more than 300 prairie farmers out of pocket some $4 million. At the time of the bankruptcy in April 1982, the Minister of Agriculture (Mr. Whelan) refused to take the Canadian Grain Commission to task for the way in which it allowed Econ's directors to escape annual audits. He refused a similar request when it came to him from the National Farmers' Union.

As the Minister knows, 77 farmers have now launched a suit against the Canadian Grain Commission over the Econ bankruptcy. They are seeking the reimbursement of at least some of the money they lost when the company went bankrupt. Just a few weeks ago the Canadian Grain Commission's lawyers sought a stay of action in this suit. The judge hearing this case in Winnipeg has not yet ruled on the motion.

The universe is unfolding as it usually does when farmers in this country are being trampled upon. Thanks to the Canadian Grain Commission's lawyers, the lawsuit is stalled in the courts and western farmers affected by the collapse of Econ Consulting have still not been compensated for their losses.

When the NFU wrote to the Minister of Agriculture to ask for a public inquiry into the bankruptcy, the Minister wrote back to them saying that his Department had hired a consulting accounting firm to make recommendations about the Canadian Grain Commission's procedures. Has that consulting firm handed down its report yet, or was this pricey firm hired as a smokescreen?

We in the New Democratic Party have not forgotten about the Econ bankruptcy. We are watching and waiting to see what the Minister does to ensure that this will not happen again.

* * *

PAPAL VISIT TO CANADA

PLEA FOR WORLD PEACE

Mr. Douglas Roche (Edmonton South): Madam Speaker, the ten-day visit of Pope John Paul II to Canada in September, 1984, will be an historic occasion, the first time that a Pope has come to this country where the Christian faith was planted so deeply more than 350 years ago.

It will not just be Catholics who will welcome Pope John Paul II. All Canadians of good will who recognize the Pope as a tireless promoter of peace and social justice throughout the world will rejoice to have him here.

When he spoke to the United Nations on October 2, 1979, Pope John Paul II said:

> The Catholic Church in every place on earth proclaims a message of peace, prays for peace, educates for peace.

No issue before this Parliament, before any religious assembly, before the entire world, is more important today than securing peace through, first of all, ending the nuclear arms race. Canada must play a stronger role in the world community now searching for peace. Therefore I commend this vital theme of peace to the Pastoral Planning Committee organizing the Papal visit.

• (1110)

On behalf of the people of my own City of Edmonton, I also express the fervent wish that Pope John Paul include Edmonton in his cross-Canada itinerary.

FISHERIES

CALL FOR ABOLITION OF FRESHWATER FISH MARKETING CORPORATION

Mr. Dave Nickerson (Western Arctic): Madam Speaker, in 1969 when the Government of Canada arrogated unto itself the exclusive monopoly on sales for freshwater fish in western and northern Canada, fishermen found that the Crown monopoly, the Freshwater Fish Marketing Corporation, was like a lobster trap. They were easily lured into it, but it was impossible to escape.

Despite subsidies from territorial and provincial Governments, the real return to fishermen has continued to decline since independent fish buyers were put out of business by the Government. What was once a thriving industry is now on the verge of collapse. The return to fishermen as a percentage of the final selling price is being reduced to a completely unacceptable level because of the inefficiency and ineffectiveness of the Freshwater Fish Marketing Corporation.

Top quality Canadian whitefish, trout, and other species, should command premium prices on domestic and international markets, and fishermen should enjoy a high standard of living as a result of their labours. This will not happen until the fishery can be reorganized along free market principles and the stultifying bureaucratic monopoly of the Freshwater Fish Marketing Corporation consigned to the garbage can of history.

* * *

GOVERNMENT ADVERTISING

CONDEMNATION OF CAMPAIGN SUPPORTING CHANGES TO CROWSNEST PASS RATE

Mr. Laverne Lewycky (Dauphin): Madam Speaker, on April 18 the Minister of Finance (Mr. Lalonde) rather curtly replied to my question. He endorsed the wasteful attitude of the Minister of Transport (Mr. Pepin) to Government advertising on Crow rate changes. The Government's waste of taxpayers' dollars is even more blatant in view of the fact that the Minister of Transport has made changes in that the material, which he told the people of Canada is out of date.

What do we have? We have a beautiful blue Tory and red Liberal flier, costing the taxpayers some $350,000. I question the morality of the Government advertising matters which have not become legislation, and the changes it is making in this area. I encourage Liberal backbenchers to rise up in moral indignation at the fact that we have moral pygmies in the front benches, like the Minister of Transport, making these kinds of blatant decisions concerning taxpayers' dollars. What will the Minister of Transport do now? Will he indulge in further advertising, further fliers across Canada to explain why he has made changes to his initial proposals? Will this cost Canadian taxpayers more money? As the Hon. Member for Yorkton-Melville (Mr. Nystrom) mentioned on April 15, the Liberal

Party should reimburse the federal coffers or the taxpayers by paying—

Madam Speaker: Order, please.

* * *

FITNESS AND AMATEUR SPORT

START OF WOMAN'S CROSS-CANADA RUN

Mr. Joe Reid (St. Catharines): Madam Speaker, the phrase "from sea to sea" will soon take on a new meaning for Kanchan Stott of Ottawa. Kanchan starts her cross-Canada run from Victoria, British Columbia, today. When she reaches Halifax in October she will have established the longest distance ever run by a women. It is a run of epic proportions, but as well it is a feat which demonstrates the ever-growing contribution of women to sport and fitness in Canada. By this time next week, Kanchan anticipates she will have run 300 miles. We might keep that figure in mind as we contemplate what physical endeavours we should undertake for National Physical Activity Week.

Few Canadians are blessed with the requisite attributes and abilities of Kanchan to be champion marathoners, swimmers, or whatever. That is a fact of life for us to live with and should not deter anyone in the least from trying to improve their physical well being. No one has to earn a gold medal to become healthier or fitter; we just have to make physical activity a part of our daily routine.

Physical Activity Week is designed to encourage and challenge Canadians to put physical activity on their agenda. I hope Canadians take up that challenge and win their own personal awards.

• (1115)

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT STATISTICS—GOVERNMENT TRAINING PROGRAMS

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Employment and Immigration. The unemployment figures released today by Statistics Canada show there is no appreciable change in the unemployment rate. Indeed, they represent a net increase when you consider the fact that unemployment is supposed to be improving at this time of the year.

We note that the number of unemployed heads of families is up 31.7 per cent from a year ago, and has doubled in the past two years. The number of unemployed women is up 23.2 per cent from a year ago. The number of long-term unemployed

youths is up 21.8 per cent from a year ago. We have fewer young people working in Canada today than ten years ago.

The unemployment rate today stands at 12.5 per cent. Is it the policy of the Government to gear its training programs, its employment programs and its job-incentive programs to double digit unemployment, or does the Govermment intend to bring in programs targeted to unemployed youth, and unemployed women, the first to be fired and the last to be re-hired in economic recovery?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it is very unfortunate that the Hon. Member has tried to present the figures which came out this morning, in the darkest possible hue, when in fact these unemployment figures demonstrate that there is a substantial turnaround in the economy. If he would look at the figures in the proper perspective he would see that, since November, we have created over 135,000 new jobs. As far as the employment of women is concerned, in the last month alone 55,000 jobs were created for women in Canada, which is the highest level in the last five years.

What I believe Canadians are looking for now is a sign that things are beginning to turn around, and the signs to that effect are there now. What we must do as a Government, what we are trying to do, is build upon that recovery and not try to bring about the wailing and yelling which the Hon. Member is doing. Canadians do not want that doom and gloom. They want to see how we can take those signs of recovery, accelerate them as we did through the budget, and make the best of that new growth which is beginning to appear.

PROGRAMS TO MEET EVOLUTION OF MICRO-TECHNOLOGY

Hon. James A. McGrath (St. John's East): Madam Speaker, Canadians are looking for leadership and they are not getting it from the Government. That is the tragedy. Today we have more unemployed people in Canada than we had last January. That speaks in reply to the Minister's concept of economic recovery.

We lost 7,000 jobs last month in the manufacturing sector. We have today 624,000 young people unemployed, soon to be added to by another 300,000 who are coming from our universities and post-secondary schools. That is a million young people unemployed, with no jobs prospects. Yet the Minister continues to address this problem with—if I may turn the words back on him—the same old rhetoric, the same old training programs, refusing to recognize the reality of the new technology, the micro-chip society which will deny jobs to these people unless we have special training programs, and unless we have them now. What is the Minister doing about that?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, again I think it is unfortunate that the Hon. Member has been in the critic's role on employment for so short a period of time. He has not spent that time very well learning what in fact is going on in our training

programs. We brought in a new National Training Act a year ago, with the full endorsement of all Hon. Members of this House. Through that new Training Program we have applied over $1 billion in funds to training institutions across Canada, which is a 20 per cent increase over the year before. We have also designated a whole new series of national occupations designed to train Canadians in the new high-skill trades.

Up to this year we have spent over $70 million on modernizing training facilities, bringing in new centres for robotics and for computer training in every Province and region across Canada. Consequently we are now providing training for over 140,000 young people in those areas.

Those are the facts, Madam Speaker, which the Hon. Member constantly ignores and refuses to take into account. When he does that, he is simply again flying blindly, in the face of the facts and presents a picture of Canada that is not accurate or true.

Some Hon. Members: Hear, hear!

REQUEST FOR PROGRAMS TO TRAIN LONG-TERM UNEMPLOYED

Hon. James A. McGrath (St. John's East): Madam Speaker, it is the Minister who is playing fast and loose with the facts, because the facts are that between 1976-77 and today, real spending on employment manpower training dropped 13 per cent, from $553 million to $481 million. That was when we knew we were getting into the period of the new technology, when we knew that every job lost in the marketplace was a consequence of the new technology.

• (1120)

Today we have 931,000 Canadians classified as long-term unemployed. That means they have been unemployed for four months or more. We have 118,000 Canadians classified as discouraged workers; they have given up. Now we have a new group in Canadian society, the unemployables, because there are no job prospects for these one million long-term unemployable Canadians.

Does the Minister intend to recommend to the Prime Minister and his Cabinet colleagues that we bring in programs which will target incentives to these long-term unemployables, the unemployed youth and unemployed women of the country? Unless we do that, these people are doomed to be the outcasts, the unemployables of our society as we enter into the microchip society. The Government itself predicts a rate of unemployment of 15 per cent by the end of the decade. These are the facts which the Minister refuses to recognize.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I suggest the first group of people who probably need retraining are the Hon. Member's researchers.

Mr. McGrath: This is the Minister's research.

Mr. Axworthy: They simply do not know what is going on.

Mr. McGrath: It is all right in there.

Mr. Axworthy: I suggest he go back and find out what in fact is taking place. The Minister of Finance allocated funds in the budget for a special program of youth employment which will provide direct subsidies to private sector employers to provide work experience and on-the-job-training for young people who are graduating from school, to give them that first-time job experience. He also provided money to establish a network of job core programs right across Canada.

We have established a whole new network of special counselling units for young people and women so that they can get special assistance and support in getting back into the job market. Those are the kinds of initiatives that the Government is taking to deal with these problems and help people get back to work. We have a work-sharing program which is designed to ease the transition period for people laid off work. There are a number of programs my colleague, the Minister of Labour, has in order to assist in beginning to organize early retirement benefits.

The fact of the matter is that we recognize that change will take place. But rather than simply throwing our hands up in the air, as the Hon. Member is doing, and ranting at the heavens, we are trying to do something about managing that change.

Mr. Fennell: Madam Speaker, I believe the problem we are discussing is much deeper than the Minister of Employment realizes.

FAILURE RATE IN TECHNOLOGY INSTRUCTION PROGRAMS

Mr. Scott Fennell (Ontario): Madam Speaker, my question is for the Minister of State for Economic Development and Science and Technology. I would like to state first of all that his paper presented on Monday is an excellent beginning. It is five years late, it is too little, but it is a start. For example, Northern Telecom has announced a new program called the Open World Program. It is going to spend $1.2 billion over the next five years and it anticipates revenue of $13 billion. Mitel spends 25 per cent of its gross sales on research and development.

There is a severe economic and social impact on youth unemployment. One out of four young people are unemployed.

Madam Speaker: Order. When is the Hon. Member going to ask his question? Those preambles are not necessary for the question. The Hon. Member should go directly to the question.

Mr. Fennell: Madam Speaker, has the Minister allocated funds to expand computerized instruction systems which will overcome the failure rate the community colleges and universities are having with students and unemployed people entering into basic technology instruction programs?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the Hon. Member is asking a question which really comes under the responsibility of my ministry under the National Training Act. The simple answer to his question is yes, we have. We are doing it right across Canada. We have established a new system in which we are

working with business and labour to designate those occupations where there will be job demand, particularly in the high skill fields.

As I said to the Hon. Member for St. John's East, we are now working with private sector industry, labour unions, and the community colleges under the skills growth fund to invest in new machinery, equipment, and training programs right across Canada to provide that kind of training. I can say we are just in the midst of working with the high tech centres here in Ottawa. We have established a new CAD/CAM centre in the British Columbia Institute of Technology. We are working in the areas of new marine engineering in the offshore. We are working with the community college centres in Toronto. We have established new vocational centres on the prairies. Madam Speaker, the very things the Tories are now discovering need to be done, we are already doing.

• (1125)

ADAPTATION OF SOCIETY TO SHORTER WORK WEEKS

Mr. Scott Fennell (Ontario): Madam Speaker, I would address my question to the Minister of Employment and Immigration. I realize that the Government is doing some of these things, but there is a deeper social problem which will occur over the next 20 years. He knows about it. There will be shorter work periods. What is the Minister doing toward adapting society to the extra leisure time? Pay TV is not adequate. What programs is he putting into place and what emphasis is being directed toward adapting society to the future changes, including increasingly high rates of unemployment?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I think that is a very good question. I would first like to say that, as part of the budget debate, I tabled a paper on employment perspectives in the 1980s which took into account both changes in population and growth of the labour market, as well as the change in the occupational structure, and the technological change being discussed, and analysed the consequences. I then put forward a four point strategy involving training, adjustment of workers to deal with job dislocation, direct employment programs to help people in high unemployment areas, and matters relating to the structural problems in the labour market.

We tabled that document with the Standing Committee on Labour, Manpower and Immigration which plans to hold special hearings, at which I will appear, and we are inviting other representation. In the meantime we have introduced programs like work sharing, which is designed to help people use their time when the job market is in decline or recession in different industries in order to be retrained during that period of time. We also established the ILAP Program which, again, is designed to deal with worker dislocation.

We recognize the fact that those changes are going on, but what we must also recognize is that the way to deal with them is through participation by business, labour and Government, because no one single level of Government or one sector of the economy can manage it by itself. It must be done in partnership, and that is what we are trying to do.

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RAILWAYS

CROWSNEST PASS RATE—PROPOSAL TO INTRODUCE VARIABLE FREIGHT RATES

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question concerns the Crow change announcements of yesterday, and is directed to the Prime Minister. Yesterday the Minister of Transport refused to back off his controversial proposal to introduce variable freight rates on the Prairies, a policy which allows railways to dictate who receives service, through selective pricing.

Is the Prime Minister aware that the Government's chief adviser on railway costs, Carl Snavely, has said that this would depopulate the Prairies? Why does his Government insist on a policy of running people off the land?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I suppose that is an example of a very loaded question. The Minister did not back off anything yesterday. He enjoined Hon. Members opposite to wait until they saw the Bill which would be given first reading next week. He did not discount any possibility. He just said that the question should be considered with an open mind, which the Minister has done in Cabinet.

PRIME MINISTER'S STATEMENT ON VARIABLE RATES

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I would remind the House that at the Minister's press conference, he did say that he would be introducing a system of variable rates. The Prime Minister may remember that he, himself, gave a commitment on the same subject of variable rates, at a Liberal Party meeting in Regina on March 18, 1982. His comment then was: "If grain producers indicate to Professor Gilson that they do not want variable rates, then there will be no variable rates. It is as simple as that".

If it is that simple, can the Prime Minister tell the House why his Government has allowed the Minister of Transport to announce that he is proceeding with variable rates?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the record will show that grain producers said all kinds of contradictory things to Mr. Gilson and, indeed, to the Minister and to the various people who were trying to cull their opinions out there. The Hon. Member knows as well as I do that the various groups in the West are still quite divided on that matter.

What the Minister has done has been to propose a plan which will be announced in detail on the first reading of the Bill, probably early in the week. The Hon. Member will see then whether there are variable rates or not. He will see then—

An Hon. Member: The Minister said there would be.

Mr. Trudeau: —what type of variable rates there are and how they apply if, indeed, that will be the case.

ABSENCE OF CONSENSUS

Mr. Vic Althouse (Humboldt-Lake Centre): I would like to ask a final supplementary question, Madam Speaker. The Prime Minister has just indicated that there is a wide diversity of opinion on some of the proposals to change the Crow rate. Does he not recall that a year and a half or two years ago he assured the House that there would be absolutely no change to Crow until there was consensus? Why is the Government continuing now, if there is no consensus?

• (1130)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the Hon. Member looks at the record he will see that I said that indeed there should be a consensus that there be a change in the Crow. I said that we would not touch the Crow unless there was a consensus that the Crow be touched and changed.

Except for a few Neanderthals, and they are all in the NDP, I think people in the West want a change to the Crow. That is recognized.

The debate is not whether it should be changed, it is what the change should be exactly. If the Party over there were honest, they would know very well that this is a very difficult and divisive subject. The people in the West are badly divided on it. They know that progress is needed. They know that the rail system must be improved if there are not to be bottlenecks within a few years. The way in which this will be done has been examined extensively by this Government.

We on this side have the courage to face our responsibility and say that we will make the change because a change is necessary, knowing full well that those people over there, the reactionaries in this land, would say, "Do not change anything; we are terrified."

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INDIAN AFFAIRS

NATIVE ECONOMIC DEVELOPMENT FUND—COMPOSITION OF PROPOSED ADMINISTRATIVE BOARD

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is directed to the Prime Minister as well. Would he tell the House today whether he and his Cabinet have given final approval to the recommendations contained in a Cabinet document which I hold in my hand, dated April 29, 1983, dealing with the Native Economic Development Fund. If so, does he believe that the $345 million of taxpayers' money contained in an announcement by the Minister of Indian Affairs and Northern Development in 1981 would be put to the most effective use if it were dispersed by the Minister of Industry, Trade and Commerce instead of the Minister of Indian Affairs and Northern Development?

Does he also believe, in accordance with the recommendations of the Native Liberal Caucus, that the fund, "should under no circumstances be used for social development measures such as housing", and that "Members of the Liberal caucus feel that the board should consist of native people who are Liberals experienced in business and not representatives of the recognized native associations in the country"?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member knows that he is asking me a question that I will not and never have answered for two reasons. First, he is asking about the subject matter of a leaked Cabinet document. It is not my practice, nor will it be my practice, to answer those questions. Second, he is asking about the Liberal caucus.

There are ways of knowing what the Liberal caucus does. It is being a member of the Liberal caucus. I hope that will never happen to the Hon. Member.

Mr. Oberle: This is one time when I share a certain hope with the Prime Minister.

Some Hon. Members: Hear, hear!

REQUEST THAT DISCUSSIONS BE HELD WITH NATIVE GROUPS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, never in my experience have I seen a more callous and blatantly partisan document exploiting the plight of a certain group in our society in such blatant political terms as this document.

The funds will not be spent in accordance with need. Quoting from the Cabinet document again, "Given the magnitude of the problem and the limited time and funds, some of the nature beneficiaries"—I suppose those would be Liberals—"may be those who need help least. Nevertheless, they will demonstrate to others that the jump to an urban entrepreneurial class can be made."

Will the Prime Minister undertake to discuss the Government's intention with regard to this $345 million, which, incidentally, comes from the Western Development Fund, with recognized native associations in the country, instead of giving a blank cheque to a select and elite group of Indian Liberal friends so that they can pay back the overdraft they already have with the banks?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is quoting from a purported document which, for all I know, may be a complete fabrication by the Hon. Member—

Mr. Smith: It probably is.

Mr. Trudeau: —and probably is. He holds up a piece of paper.

I will read the oath of the Members of the Privy Council to him. It says, "You will keep close and secret all such matters as shall be treated, debated and resolved on in Privy Council."

I do not intend to break my oath just to suit the fanciful imagination of the Hon. Member.

GOVERNMENT INTENTIONS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, on reading this 49-page document, it becomes obvious that the $345 million of taxpayers' money will be used to bend native people to the will of this immoral and unscrupulous Government.

Does the Prime Minister feel that he and his colleagues can get away with a plan that promises to abuse the native people of this country even further, and to put money in the hands of the rich at the expense of the poor; a plan that could buy off Indian leaders and be used to buy constitutional positions—in short, a plan that proposes to set up one more Liberal pork barrel?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that seems to be a repetition of the same question. Once again it is based on a document of which I know nothing. I know that when Cabinet makes decisions after very extensive discussions and looking at all sides of the question—and it is possible that there is input from various parts of the bureaucracy or ministry indicating different options—I am saying that when those decisions and policies are announced, I am then prepared to comment on them. I am not prepared to do so on the basis of some purportedly leaked document.

SELECTION OF CONSTITUENCIES FOR RECEIPT OF FUNDS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, appended to this document, which is an official document as far as I am concerned, is a list "of federal electoral districts in which the population of Indian ancestry 18 years and over is significant in determining the outcome of a federal election." Is it the intention of the Liberal Government to use $345 million of Canadian taxpayers' money in these targeted ridings in an attempt to buy Indian votes?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am very close to accusing the Hon. Member of fabricating evidence. If he wants to table a document that could be visible to everyone, he can then ask questions about the source and the authorship. Let him not drag in his own fabrications.

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THE ADMINISTRATION

PENALTY FOR BREAKING PRIVY COUNCIL OATH

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is directed to the Prime Minister. Having read the Privy Councillors' oath to the House, could he tell us what the penalties are for breaking the oath?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is a legal question that I am being asked. If the Hon. Member were interested in constitutional law he would probably discover that there is no statutory basis for the oath of the Privy Council. It is based on tradition.

Mr. Hawkes: I guess what the Prime Minister is telling us is that the sole jurisdiction and authority for determining whether the oath has been broken and what the penalties should be lie in his hands.

ISSUE OF BUDGET DOCUMENT BEING PHOTOGRAPHED

Mr. Jim Hawkes (Calgary West): Madam Speaker, would the Prime Minister reconsider the photographs which played on the news in which the Minister of Finance was showing a Cabinet decision to the cameras and the Canadian people, and state whether or not he believes, given that he has read the oath of office, the deliberate showing of a Cabinet decision related to the budget is breaking the oath of office of the Privy Council?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the Hon. Member wants to introduce a Private Members' Bill giving a statutory basis to this oath of office, that is his privilege, of course. We will have a foundation in law and not in tradition as to what the oath says and how it should be respected.

If he is considering such a Bill, I suggest that he should also include the case of a budget being found in a garbage can.

* * *

LABOUR CONDITIONS

YOUTH UNEMPLOYMENT

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, in the absence of the Minister of Finance my question with regard to the over-all economic policies of the Government is directed to the Prime Minister. The unemployment statistics released today reveal that unemployment continues at 12.5 per cent. The Government's recent budget washed the Government's hands free of any direction for the over-all economy, and relied instead upon incentives to the private sector, at a time when we need a national strategy for economic development that will provide jobs for all. At the same time we know that one in every five young persons is unemployed although the same budget promised to meet the needs of young people. The dreams of young people have been shattered.

Does the Prime Minister really expect the people of this country to take seriously a budget which promised to meet the needs of young people, when one in every five young persons is unemployed?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I do not believe that Members of this Government give up on young people as quickly and easily as Members of the New Democratic Party have obviously done. We recognize that there are difficult economic circumstances for young people because, as the job market begins to pick up, they are further back in the line as employers begin to hire workers who have been laid off or are out of work. At the same time the budget did address their needs in a number of very significant ways, first, by the Special Recovery Projects which will provide a major stimulus right across Canada, and many beneficiaries of these initiatives will be young people themselves coming into the job market.

• (1140)

As well, special funds were set aside for new youth strategy programs which are designed to break that framework of structural problems which young people face, through hiring people in the Department of National Defence, through Katimavik, and through working with the private sector.

The point about the budget is that, rather than relying upon one single magic fix which the New Democratic Party always tries to latch upon, this is a balanced budget.

Mr. Munro (Esquimalt-Saanich): Say that again.

Mr. Axworthy: It puts investments and commitments in a variety of areas, so that we work with the private sector, we work through direct employment programs, and we work by investing in human resource and training programs. That shows we have a proper balance rather than simply getting caught on extremes of the right or the left.

Mr. Keeper: Madam Speaker, the budget was clearly a supply-side budget. The Minister makes reference to funds in the budget for youth. If you divide the 600,000 young people who are unemployed into the $280 million promised for youth, you get $405 per unemployed youth over two years. Can that be a serious commitment to youth unemployment?

SUMMER YOUTH EMPLOYMENT

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my supplementary question is also for the Minister of Employment and Immigration. How can the Minister allocate in real dollar terms the same amount of money this summer as he did four years ago in 1979? Could he not take into account the fact that we are now in very different circumstances than we were four years ago, and will he not place a much higher priority on summer youth employment this year than he did four years ago?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the money being spent on summer youth employment this year is $170 million. That is up about 40 per cent over the expenditures we allocated in previous years. At the same time we have opened some 400 special youth employment offices across Canada to work with the private sector to encourage not just big businesses but also people who work around their homes and in their small businesses to put job placements in those offices.

We recognize that as part of our approach to the problem we cannot do everything through Government. We can provide some leadership. We can help organize other sectors of the economy to try to tackle that youth problem. That is what we are trying to do. We are not trying to provide a monolithic one Government approach, but to work with all the other sectors of the economy, because we recognize it to be a national priority. Therefore we think that all Canadians should be working to get young people back on the job.

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FARM CREDIT CORPORATION

FINANCIAL AID SOUGHT FOR POTATO PRODUCERS

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, I would like to direct my question to the Minister of Agriculture. A combination of weather, poor storage quality, and exceptionally low market prices has made the potato industry in New Brunswick almost a disaster area. Other potato producing areas of Canada have suffered to some degree and should also receive consideration. Would the Minister agree that of the $100 million additional money allocated to the Farm Credit Corporation, he should in fact allocate specific funds in the areas concerned with the potato industry, and allocate personnel for immediate consideration of applications to make bridge financing available to the potato producers of New Brunswick and other areas of Canada?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I had a meeting with the Chairman of the Farm Credit Corporation, and he told me he is doing that very thing which the Hon. Member has requested.

REQUEST THAT FARMERS BE PERMITTED TO DEFER LOAN REPAYMENTS

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, would the Minister also give consideration to the deferral of repayment of storable crop loans if that might make a difference to a farmer being able to plant a new crop?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, there are some payments in abeyance at the present time. I looked at this yesterday, I believe. We met growers two or three times. There are some who will not be in a position to repay. We know that, so it does not do us much good to try to put them into bankruptcy et cetera, to try to collect the money owed. We are asking them to do everything in their power to pay at least part of their loans. We do not know whether or not they will be able to do so. There are on-going discussions between ourselves and the group concerned at the present time which, Madam Speaker, is the New Brunswick Marketing Group.

PRICE STABILIZATION BOARD

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, I have a short supplementary question for the Minister of Agriculture. If the Price Stabilization Board is to appear on the scene this year, would it please speed up its decision-making process, announce what would be the price stabilization payment even if they do not make it immediately, so that this in turn would give confidence to lenders? Might I add one sentence, Madam Speaker? There has been some collection effort made historically on the storable crop loans. I hope the Minister will not do that this year.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member knows that I am probably the easiest person to get along with, especially when it comes to farmers who are producing high quality food or who are giving it away to society and are not getting compensated for it properly. The Hon. Member can rest assured that I will use every discretion within my power. I have a responsibility as a Minister to give these loans. We have to do everything possible to make sure that we can collect them, but we use every humanitarian judgment at the time we are doing it.

The Hon. Member talked about the Stabilization Board. I am sure he knows there are many people who are of the opinion that we should not be doing just what he is asking us to do. For instance, the producers in New Brunswick want a strong marketing board. The producers in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, in fact in every province except Prince Edward Island, are the ones who are stopping it at the present time.

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COMMUNICATIONS

CANADIAN CONTENT IN PAY-TV PROGRAMS

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question for the Minister of Communications. It concerns a report prepared and released this week on scaffolding in pay-TV. The Minister will know that the report makes quite serious allegations that Canadian content rules and regulations may be being played a little bit away from the chest compared with what was intended. Would the Minister advise the House what he proposes to do as a result of that report?

Hon. Francis Fox (Minister of Communications): Madam Speaker, the report, as I understand it, was released yesterday. It was the object of questioning between members of the Standing Committee on Communications and Culture and the Chairman of the CRTC. I would like to point out to the Hon. Member that our very real interest in this whole question is clearly indicated by the fact that the report was indeed prepared in part with the help of funding from the Department of Communications. I will be examining the report. At that point I will have a clear idea of exactly what the report is recommending, and what action will be appropriate for me to take and what actions would be more appropriate for the CRTC to take.

REFERRAL OF DOCUMENTS TO COMMITTEE

Mr. John Bosley (Don Valley West): Madam Speaker, I have a supplementary question for the Minister of Communications. It concerns broadcast strategy. The Minister probably does not know that his broadcast strategy tabled in the House is not one of the documents automatically referred to the Committee for study. Would the Minister consult with his House Leader to make sure that his Green and White Papers are referred to the Committee, given that the Committee is now discussing broadcast strategy?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I thank the Hon. Member for his suggestion. I thought he would never ask.

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SCIENCE AND TECHNOLOGY

SUPPORT FOR HIGH TECHNOLOGY INDUSTRIES

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my qustion is for the Minister of Economic Development. It is supplementary and it concerns unemployment, particularly as that affects young people. A couple of days ago the Science Council issued a report which stated that Canada is lagging far behind its competitors in the world in terms of funding for high technology industries. The Council mentions, for example, that the Minister has just announced the spending of $700 million over the next two years, while small European countries are spending billions of dollars on the development of high technology.

In view of the fact that some 21 per cent of our young people are unemployed, and in view of the fact they are very interested in advance technology, computers and micro-chips and so on, why are we so far behind our competitors in the world? Why do we not have more funding in terms of high technology development so there will be jobs for young people in the future in this country, as there will be in other countries around the world?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Mr. Speaker, later today we will be having a debate on this subject. I hope the quality of the debate will surpass some of the questions asked, particularly those asked by the Tories. But the question of the Hon. Member for Yorkton-Melville is a thoughtful one.

I have had a brief look at the report of the Science Council. We have moved out on the issue of microelectronics in a very aggressive way with five major programs. We intend to continue in that direction. The $700 million that is referred to by the Hon. Member is, of course, incremental spending in this budget. There has never been such a thrust in the past. I

suspect that very few countries have ever in their budgets come through with that kind of effort. It is exclusive, I might say, of tax incentives which are provided for and which will in fact be discussed by virtue of the White Paper which the Minister of Finance tabled with the budget.

• (1150)

I assure the Hon. Member that we are very conscious of the importance of training young people in microelectronics, not only through the programs which were detailed a few minutes ago by the Minister of Employment and Immigration, but also through our awareness program. We recognize that young Canadians in primary school and secondary school have to be aware of the opportunities that are being provided and will continue to be provided by these new technologies. That is part of the budget thrust. I would say that the effort is very substantial indeed. Perhaps we can take it up in more detail during the debate this afternoon.

CANADIAN OWNERSHIP

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, the Government's Science Council says once again that, despite those programs, we are about four or five years behind some of the smaller European countries, let alone Japan. Last year in our country we had a net trade deficit of $8 billion in high technology, and by the year 1990 it will reach about $10 billion in computers alone. In light of that kind of information from the Government's own agency, can the Minister tell the House why he is not developing a policy to ensure that this viable industry will be Canadian owned? Otherwise, in the future the industry may indeed be very small, if it exists at all. We might instead be importing all of our high technology and equipment and, therefore, losing jobs for Canadians. What steps is the Government going to take to ensure that this industry will be Canadian owned and jobs will be created in this country for Canadian young people?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, the Government has always encouraged Canadian ownership of many sectors, including high or advanced technology, and will continue to do so. It is interesting that the major players in this field in Canada are in fact Canadian owned and are world class. When the Hon. Member says we are behind, perhaps we are, but we are ahead in many other areas.

I remind the Hon. Member that, notwithstanding the abysmal rate of productivity increase in this country, the latest numbers out of the OECD show that Canada is still the second most productive, that is gross domestic product per worker, after the United States. Therefore we have a good base. Let us not lose it. That is what this technology program is all about. That is what this technology policy is designed to do, the policy which I tabled and spoke on earlier this week. From the comments we have heard from the Hon. Member, I judge that he will be very supportive of the thrust of the policy which we are putting forward.

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AGRICULTURE

REQUEST FOR DUAL MEASUREMENT LABELLING OF FARM CHEMICALS

Mr. Doug Neil (Moose Jaw): Madam Speaker, I wish to pose a question to the Minister of Agriculture. I would like to test the Minister on his statement that he is very easy to get along with. The Minister may recall that a few weeks ago I posed a question regarding dual labelling in metric and imperial of farm chemicals. He understands the problem. He has had representations from farm organizations. Has the Minister talked to his colleague who is responsible for metric, and has a decision been made to permit dual labelling of these farm chemicals?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am fully aware of the debate on the subject of whether there should be dual labelling. A lot of chemicals used in Canada are imported. Therefore they have the American system of measurement. According to our discussions, this may create even more confusion. The Province of Ontario is sending out a guide for farmers to use so that they will not mix ingredients improperly for their spraying operations. I do not know of any decision having been taken on dual labelling. My officials in Agriculture Canada who have studied this have strongly advised against it.

REQUEST THAT DISCUSSIONS BE HELD WITH FARM ORGANIZATIONS

Mr. Doug Neil (Moose Jaw): Madam Speaker, over the years this Minister has told us, time and again, that he is concerned about the farmers of Canada. Many representations have been made to him regarding this problem. He knows the feelings of the farmers and their problems. It is interesting to note that Gilles Cyr, a farmer in Prescott, Ontario, has published a book, on metric measurement of farm chemicals. He has received inquiries and orders for his book from all across Canada. If the Minister has the interest of the farmers at heart, surely he will discuss the matter with the farm organizations and with his colleague who is responsible for metric, and at least allow dual labelling so that farmers can carry on their farming operations without the danger of making a mistake when applying chemicals.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member is overemphasizing the situation and condition. I have met with many farm organizations and we have discussed this. I asked a number of these farm organizations whether they were concerned about it. Some have made no representations. They say their members have no concern, that they understand metric and are perfectly willing to use the metric system. Our statistics show there are not

more cases of misuse now than under the imperial system, when carrying out spraying operations.

The Hon. Member is trying to intimate that I do not care. I am as concerned as anyone. I am probably more concerned than he is. He is a great one at trying to make politics out of something and blowing it out of proportion, et cetera, for political gain. What he should be concerned about is the good of the agricultural industry and the fact that practically the whole world is using the metric system. There are only two small countries, Burundi and Nepal, I believe, that are not using the metric system. The Hon. Member would like to drag us back to the eighteenth century, or something like that.

* * *

PENITENTIARIES

MINISTER'S PROPOSAL TO RELEASE NON-VIOLENT FIRST-TIME OFFENDERS

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I have a question for the Solicitor General. He said that he wants to release first-time, non-violent offenders on earlier parole. Will the Minister tell us whether he includes under non-violent offences such matters as break and enter, theft, trafficking in heroin, and some types of robberies? Will he tell us what he means by the use of the term non-violent?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, in the first place the responsibility for release is not mine but that of the National Parole Board. I discovered that in a lot of cases where the Parole Board was releasing individuals it was not looking at the case at the earliest opportunity that it could under the law to do so. I indicated that I would like to see material submitted earlier to the Board by the parole service, which is under the responsibility of the Correctional Service of Canada, so that in those individual cases where it was prepared to release the non-violent offender earlier, it should have the opportunity to have the hearing to do so.

Mr. Kilgour: In other words, the Minister does not wish to reply to the question.

APPLICATION TO HEROIN TRAFFICKERS

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I would like to ask the Solicitor General whether he has ever met a victim of break-and-enter, a heroin addict, a victim of theft, a person who has been defrauded of their life's savings. Does the Minister include these matters as being violent or non-violent offences? Does the Minister think that a heroin trafficker should be let out at a sixth of his sentence?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, the offences the Hon. Member has described are non-violent offences. Those are cases which I have asked the Parole Board to look at at an earlier opportunity. Of course, in the individual circumstances, risk to society does not only include the risk of re-offending, which of course a break-and-enter artist has to be judged on as well as a drug addict or drug trafficker, but also the serious risk of the system of justice being brought into disrepute by people whose punishment requires that they be incarcerated longer, and their being allowed out before they should be. I think the Parole Board has statutory authority to look at the risk of society, not only of re-offending, which, of course, is within its mandate to do, but of bringing the system of justice into disrepute by allowing people out ealier than the sense of justice of the community requires.

* * *

• (1200)

POINT OF ORDER

MR. GREENAWAY—TABLING OF DOCUMENT

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, I rise on a point of order to seek unanimous consent of the House to table this document that I myself and my colleague—

Madam Speaker: The Hon. Member knows that Hon. Members are not allowed to table documents. I am sorry, is the Hon. Leader of the Opposition (Mr. Nielsen) rising on a point of order?

Mr. Nielsen: Yes, Madam Speaker, on a point of order. The House can do anything with unanimous consent. May I suggest that the Chair simply request the unanimous consent of the House to enable the Member do that which he wishes to do? All we ask is that the Speaker put the question as to whether or not there is unanimous consent.

Madam Speaker: I was simply warning the Hon. Member of the rule as it stands. I will quote to him the following passage from Beauchesne:

> If a Minister cites or quotes an official document in debate, he should be prepared to table it. A Private Member has neither the right nor the obligation to table an official, or any other document.

However, the Hon. Member is quite right, although I do want to try to bring the House to observing the rules as they are written, and I am reminding Hon. Members of those rules. I was reminded by the Hon. Member for Nepean-Carleton (Mr. Baker) yesterday of the severity with which Question Period should be directed, and he referred to the supplementary questions which should obviously be related to the first question, but we have developed the habit of doing something quite different.

Mr. Lambert: It is a bad habit.

Madam Speaker: It is a bad habit, I agree with the Hon. Member for Edmonton West (Mr. Lambert). It is a very bad habit. We will try to correct that habit. I was trying to correct this habit but obviously we must go through the procedure of asking the House if it does give its unanimous consent to the

request of the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway). Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: There is not unanimous consent.

* * *

PETITION

MR. GREENAWAY—BROADCASTING OF PORNOGRAPHIC FILMS ON PAY-TV

Madam Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway) on Thursday, May 5, 1983, meets the requirements of Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if Question No. 4,671 could be made an order for return, this return would be tabled immediately.

Madam Speaker: Is that agreed?

Some Hon. Members: Agreed.

[*Translation*]

Madam Speaker: Is it the pleasure of the House that Question No. 4,671 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

REGULATIONS PROMULGATED BY VARIOUS DEPARTMENTS

Question No. 4,671—**Mr. Mazankowski:**

1. How many new regulations or amendments to existing regulations were promulgated in (a) 1981 (b) 1982 by the Department of (i) Agriculture (ii) Communications (iii) Consumer and Corporate Affairs (iv) Energy, Mines and Resources (v) the Environment (vi) Fisheries and Oceans (vii) National Health and Welfare (viii) Indian Affairs and Northern Development (ix) Labour (x) Transport?

2. (a) Under the Treasury Board Secretariat's Socio-Economic Impact Analysis Program, which proposed regulations were studied in (i) 1981 (ii) 1982 (b) what were the average and median lengths of time required to complete each analysis and what was the average cost involved?

Return tabled.

[*English*]

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

[*Translation*]

Madam Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—RESEARCH AND DEVELOPMENT—NECESSITY FOR FUNDING

Hon. James A. McGrath (St. John's East) moved:

That this House condemns the government for its failure to provide adequate and purposeful funding for Research and Development and specialized training, necessary to cope with technological change in the workplace which, according to a federal government study, will cause a serious displacement of jobs in manufacturing and business services, resulting in continuing high unemployment, forecast to reach fifteen (15) percent by 1991.

He said: Mr. Speaker, the motion we put down yesterday was in anticipation of the unemployment figures which were scheduled to be released today by Statistics Canada. If I can say this sarcastically, we were not disappointed because the figures released today indicated virtually no change in the unemployment rate month over month, and showed a substantial difference in the unemployment rate year over year. The unemployment rate today, according to Statistics Canada, is 12.5 per cent. That is up from 9.9 per cent seasonally adjusted for April of 1982. The fact is that there has been to change, seasonal adjustments notwithstanding. Given the fact that at this time of the year we would anticipate a sharp decline in unemployment, that means of course that there has been virtually a net increase in unemployment.

It is even more disturbing, Mr. Speaker, if you look behind the statistics. There is a danger of looking upon statistics merely as statistics and not in human terms. But if you look behind the figures, you will find some very alarming matters to which I will refer later in my speech. For example, there is a growth in the rate of long-term unemployment. There are a million people in Canada today who are classified as long-term unemployed. Next month there will be a million young people out of work. It is a very, very serious situation that we are faced with in this country today.

On Tuesday, May 3, 1983, the Minister of State for Economic Development (Mr. Johnston) outlined four main objectives of the Government's new technological policy. These were: First, to strengthen the Canadian economy through the development of new technologies for producing goods and services and the widespread adoption of new and existing

technologies. Second, to manage the process of technological development so as to ensure that Canadians are aware of both the opportunities and the problems that might arise. Third, to ensure that the benefits to technological development are shared equitably among all Canadians in every region. Fourth to create a social climate that places a premium on scientific and technological excellence, curiosity, and innovation.

In layman's terms, we are seeing that the Government is finally coming to grips with reality, the reality being that it has not provided the kind of leadership that would speak to the need for the new forms of training and new kinds of social adjustment needed to cope with the new technology as we enter into the micro-chip society. Let me quote the following:

> Canada faces the strong likelihood of sustained unemployment with the associated problems of alcoholism, crime, vandalism and family breakups. Young people will be particularly hard hit and the disparity between the rich and poor regions in Canada is likely to increase.

I did not say that. The Bishops said as much, but that is what one would expect the church to say. That is what one would expect the Canadian Council on Social Development to say. That statement came from a report commisioned by the Ministry of State for Economic Development, a report which was leaked to the *Globe and Mail*.

That statement, Mr. Speaker, is what this debate is all about, because if we fail to recognize the changes in our society as a result of the new high technology, very serious social problems will be created down the road. Indeed, because of the number of long-term unemployed in this country, I predict that we may be very close to such a situation. As we enter into the heat of the summer, the situation will heat up and we could very well have violence on the streets, although I pray to God that that will hot happen.

The Minister of State responsible for economic development tries to tell us that all is well, but in actual fact we see the Minister, who has a leadership role, and his colleagues closing their eyes to the reality of the situation by failing to face up to the facts contained not only in the study to which I just referred but in other studies by experts within and without the Government who have tried to warn the Government what to expect.

The sad fact is that Canada is not ready for this new age. Canada is not ready for this new industrial revolution, this new micro-chip society. As a sad consequence, we are told by the Government, by the Prime Minister (Mr. Trudeau), by the Minister of Finance (Mr. Lalonde) and by Government studies that we must condition ourselves to double-digit unemployment. Indeed double-digit unemployment is here to stay. The report to which I just referred, the one commissioned by the Ministry of State for Economic Development, talked about unemployment reaching 15 per cent by 1991.

• (1210)

What does this mean? It means that the Government is now gearing its policy to that fact because it has accepted it. It hopes that by the extension of double-digit unemployment month after month Canadians will become conditioned to it. The Government has doomed a large segment of the population to the stigma of being unemployable. We have heard about the untouchables in other societies. We now have the unemployables in our society. These are people who are unemployable because they are the long-term unemployed, the chronically unemployed, the discouraged unemployed and the untrained unemployed. I cannot accept and refuse to accept that as a fact of Canadian life. I for one, and indeed the people of the country, expect the Government to provide some form of leadership to deal with that situation, with this new phenomenon of Canadian life.

I am sorry to say that we had evidence of lack of leadership today in the House. We see day after day that leadership is not forthcoming. Consequently, a large segment of our population is doomed to being unemployable. That is what *The Globe and Mail* carried in its story of the leaked document commissioned by the Ministry of State for Economic Development which dramatically underlined the problem.

All we have to do is to look at the unemployment statistics. Anyone who tries to draw any consolation or satisfaction from the unemployment statistics released today is whistling in the dark and failing to face up to reality. As I have indicated, the minute decline in the seasonally-adjusted rate means that there has been no change in the rate of unemployment. In fact, there has been a net increase in the rate of unemployment when it should be going down.

Let us take a look at the unemployment situation. Let us go behind the statistics because behind them is the potential for human tragedy. Behind every one of these statistics is a human being, a Canadian who faces the prospect of having no job. Unemployment for women is up by 23.2 per cent over April, 1982. In 1982 we were supposed to be in the depths of the recession, yet we see an increase today over 1982 of 23.2 per cent in unemployment among women. There are 609,000 women in the country who are unemployed today. That is unacceptable. Youth unemployment is up by 21.8 per cent from April, 1982. Today there are 624,000 young people between the ages of 15 and 24 without job prospects. They are soon to be joined by an army of young people coming from our universities and post-secondary institutions looking for jobs and having no job prospects. The lack of prospects of a million young people in our country causes me to be ashamed.

Let us take a look at the long-term unemployed because they represent the core of the unemployables. This is what speaks to the recommendations contained in the various reports tabled in the House. It was referred to by the Ministry of State for Economic Development and in the report released by the Science Council of Canada. Long-term unemployed is up by 62.5 per cent over April, 1982. These are people who have been unemployed 3.5 months or more. Today, 931,000 Canadians have been unemployed for 3.5 months or more. Most of them have seen their Unemployment Insurance benefits expire. All these facts are coming from the catalogue released by Statistics Canada today. If we add to that the 118,000—and that is in there—discouraged workers, those who have given up looking for jobs because the prospects are

not there, we have a million people who constitute the vast army of unemployables in Canada today. These are people who have given up because there are no job prospects. I know what I speak of because I come from an area where this is a well-known fact of life, where chronically high unemployment has been rampant for so long that large segments of the work force have given up looking for jobs because there are in fact no job prospects.

That is the situation in Canada today as we head into the era of the new industrial revolution, the micro-chip society. That is the situation which cries out for leadership. That is the situation the Government has failed to address, both in terms of its response in the House, as exemplified by the statements yesterday of Minister of State for Economic Development, and in terms of its response in the budget. That is the situation which we as a Party are trying to highlight in the House today in the debate on the motion before us. This is the product of years of shortsightedness and neglect by a Government which tends to hide its head in the sand when all danger signals are in front of it.

Let us take a look at the record. We heard from the Minister of Employment and Immigration (Mr. Axworthy) today, but let me first indicate that the emphasis must be on employment training as we head into the era of high technology. In the five-year period from 1976-77 to 1981-82, the federal Government's investment in employment training in constant dollars dropped every year except for the one year when there was a change in Government. That year it rose by 5 per cent; when this Party was in power, money for manpower training programs rose by 5 per cent. Between 1976-77 and 1982-83 real spending on employment training actually dropped by 13 per cent, whereas total Government spending rose in real terms during the same period of time. The first year when real employment training expenditures rose under the Liberal Government since 1976 was the year 1982-83. Finally, there is a recognition that the Government has not put enough emphasis on the right kinds of training programs.

Let me now take a look at the Government's record in terms of research and development. We all know that it is an appalling record. We are paying for the lack of emphasis on research and development right now by the staggering rate of unemployment and by the prospects of double-digit unemployment well into the 1980s. That is the cost of the failure of the Government to give adequate or sufficient priority to research and development. Last year research and development expenditures in Canada accounted for 1.3 per cent of GNP, the same level as they were in 1976, the growth in the economy, the technological changes in the work force and the marketplace notwithstanding. The federal Government's share of the spending has dropped from 47 per cent in the period from 1963 to 1967 to 33 per cent this year. This means that the federal Government has transferred the burden of funding for research and development to the private sector and to educational institutions.

The leadership, which should be coming from the Government of Canada, has been abdicated in the hope that it will be taken up by the private sector and by educational institutions. As a consequence, surely our situation today should come as no surprise. We have failed to invest in those areas which we know from experience promote higher real growth, the rate of productivity and an enhanced competitive position in world markets. That is the consequence we are facing today. Without such investment, our recent job losses were and are inevitable. We lost 7,000 jobs in one month in the manufacturing sector. That is a situation which, I predict, will continue. By failing to invest adequately over the years in research and development we have failed to provide the seeds necessary to ensure a good harvest. The young people of this country, the women of this country, are the ones who are paying for that fact. Wayne Simpson, an economist at the University of Manitoba, stated in a study which was commissioned by the Economic Council of Canada that the challenge facing Canadian policymakers since the early 1970s has been defined as non-inflationary solutions to high unemployment and low productivity. He goes on to observe, and I quote:

• (1220)

> Effective training to eliminate observed deficiencies of skilled labour may simultaneously raise productivity, reduce inflation and lower unemployment. In short, it can help to solve three major problems facing the Canadian economy today.

Of course, the same observations apply equally to research and development. The Government, Mr. Speaker, thus stands condemned for its failure to recognize that investment in these two areas represents our best hope of promoting non-inflationary economic growth and high levels of employment.

Who are the first to be fired and the last to be hired in a recession? The first to go are the women, the young people, the disadvantaged, the ethnic groups, the native people. They are the first to be fired in a recession. They are the last to be rehired in times of economic recovery. Unless something is done for these people, they will constitute the unemployable of our society as we head into the micro-chip society. Who provides the majority of the work in our service sector, in the offices across the country? Women. These jobs will disappear as a consequence of the new technology. These are the women for whom we have been striving to provide equality of opportunity in the workplace by affirmative action and other programs and who will be doomed to having no job prospects. There will be no work for them. They will not be able to help feed their families. If they happen to be the heads of families, they will be doomed to welfare.

That is the consequence of the failure of this Government to provide leadership, to listen to its own experts, to read the signs which are there as we head out of the recession into the micro-chip society. We now have a Government which has, as a part of its economic recovery, a recognition that double-digit unemployment is going to be here for the rest of the decade. In fact, according to its own projections, unemployment will rise to 15 per cent by 1991. That is a disgraceful fact and one that is not acceptable to the people of Canada. It is one which represents, in my view, a total abdication of leadership on the part of this Government.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I welcome the opportunity to engage in this debate and I thank my colleague from the Tory Party for bringing forward the matter of technological change to be debated today in this House. The choice of technological change, as a topic for debate in this House is right on target because today the unemployment statistics came out once again, and while, to be fair to the Government, the level of unemployment in terms of percentages is down marginally, the over-all picture with regard to unemployment in this country has remained the same. Unemployment is at the 12 per cent level, which is very high, and the budget recognized this and pointed it out. These are levels which are unacceptable to Canadians.

Technological change is going to continue to threaten the employment prospects of Canadians. Therefore, these two topics, unemployment and technological change, go hand in hand. Today's unemployment statistics show that among the youth in this country there are some 21.4 per cent unemployed. One in every five young people in this country is without a job. Not only are the heads of families, those who have to pay the mortgage, and pay for the groceries, suffering from the present state of our economy and the reluctance of Government to come to grips with the whole question of technological change, but the young people, who are the very future of this country, are suffering in a very deep way from the present economic crisis which exists in Canada.

A few days ago, Mr. Speaker, the Minister of State for Economic Development (Mr. Johnston) presented to the House his plan with regard to technological change. He spoke about incentives to the private sector. He spoke about a rosy future for Canada. He spoke about the prospects of Canadians moving from boring, tedious, difficult jobs into exciting and well paid jobs. While this can be part of the picture with regard to technological change, it is not the whole picture. We all become very vividly aware of the fact that the Minister had only presented one side of the picture the next morning when *The Globe and Mail* published a secret document with regard to technological change which the Minister had in his possession. It was a document which pointed out some of the challenges which are involved in the transition from our present economy to the new economy.

One of the stark realities which is involved in this transition is the fact of the possible loss of some two million jobs for the Canadian economy, and the fact that unless something serious is done about the situation we could be facing unemployment rates in this country of some 15 per cent by the year 1990. Therefore, while the budget which the Government recently introduced in the House accepted unemployment at 12 per cent for this year, 11 per cent for next year and 10 per cent for subsequent years, and in fact suggested that full employment in this country was going to mean unemployment at some 7 per cent or 8 per cent in the long term, this secret document, which the Government has yet failed to release, shows that we may face unemployment rates of up to 15 per cent if the Government does not take seriously the whole question of technological change.

The problem with the approach which the Government is taking to technological change and to the over-all economy is that it has really decided to wash its hands of the responsibility of leadership in the economic area. It has decided to rely on the private sector. The budget document indicates over and over again that the jobs will have to come from the private sector. The problem with that is, Mr. Speaker, that if you leave the creation of jobs and growth of the economy to the private sector, and the private sector only, then you are leaving our future and the important decisions with regard to our future to the individual heads of individual business enterprises in this country.

This is a time when we need more than ever an over-all strategy for the direction of the economy of this country and a time when we need our public institutions to bring together business, investment communities, labour and the public sector in a common effort to devise a strategy for economic development, and a strategy for economic development which will have as its first priority the provisions of employment for all Canadians. Rather than putting in place an industrial strategy, a plan of economic development in this country, what the Government has done in its most recent budget, is to rely on incentives to the private sector. It took whatever financial elbow room it had and allocated those dollars to the private sector. At the same time it failed to set a direction for the Canadian economy. That is the first major failing of this Government in its efforts to deal with technological change.

• (1230)

Another thing I want to bring to the attention of this House, Mr. Speaker, is the fact that obviously when we move into a very different kind of economy, when technological change is going to have a comprehensive impact upon the kind of work taking place in the country, when even established industries are going to renew themselves and take a different form, it is crucial that we have an adequate training system. In other words, there is going to be so much change going on in the economy that in order for people to have work and adequate and secure incomes, they will need to have ready and easy access to adequate training. Yet what is the Government's record in this area? When it brought in the National Training Act, which has been touted and advertised across this country, it continued with the same old approach to training which had been in place for a number of years now. That consists of giving financial incentives to the private sector to train people. But that does not really put in place a training system such as exists in European countries, for example. What I am referring to is the fact that in this country our industry trains fewer of its workers than do comparable industries in European countries.

That is why when the debate was going on in the House with regard to training we suggested that the Government examine seriously the grant levy system of training. The notion behind this system is that we would take a particular part of the manufacturing industry, let us say, and we would levy a company in that industry a certain amount to be put in the pot for training. Then those companies which actually did the training could take something out of the pot. That system

would encourage industry to train people. It is using both the carrot and the stick. If Canadians are to have access to jobs with higher skill levels, it is crucial that private industry be brought into the training business and that it be systematized, and not just rely upon cash grants and cash incentives.

Another area where the impact of technological change is very striking is that of the disadvantaged people, whether it be women, natives or the handicapped. I would like to focus on women for a moment because they make up a large part of service sector employees. That sector will be radically changed by new technology. The jobs women presently occupy, in which they are underpaid relative to men, are going to be de-skilled or lost. So that if women are not to bear the burden of this transition from the old technology to the new, programs have to be put in place to guarantee that adequate training is made available to women to allow them to take advantage of newly created jobs so they can continue to earn an adequate living. Not only will there need to be training put in place, but adequate social support will be needed so that women with children can take the available training.

In this country, Mr. Speaker, there is a very large percentage of people who are functionally illiterate. At a time when we are moving into an era of new technology, it is fairly obvious that those people will be left behind and will continue to be forgotten by the economy unless we do something serious in this area. The Government has yet to put into place a serious and comprehensive program to deal with the existence of functional illiteracy in this country. Clearly, if they are going to have a chance to earn a living in this society which demands very high skill levels, they need to have the basic skills to allow them to take the training necessary for new jobs.

Some people pin their hopes for jobs on support of the high technology strategy. But we know from the comments of people such as the Canada Council on Social Development, which has analysed this situation, that while high technology will provide some employment it will not provide sufficient employment for all Canadians. It is going to be necessary to have in place a permanent and comprehensive kind of direct job creation system. The present system is ad hoc and temporary, where the names of programs change from month-to-month or year-to-year, and where there are numerous announcements about job creation but there is no permanent and comprehensive plan to provide employment for all those who cannot find it in the private sector.

Fundamentally, technological change offers us a challenge. It challenges the basic values of our society as a whole and us as individual citizens. When the Minister spoke the other day he gave a very rosy picture of technological change and seemed to give us a kind of candy store approach to technological change. He had us going into the candy store as if we were children, picking a bonbon here, a licorice there, and generally enjoying ourselves. But that was not the full picture of the impact of technological change on our society.

The Conservatives have focused exclusively on research and development and investment in R and D. That reminds me a bit of the old economist who used to think that gold was the source of wealth and riches. Well, that sort of economic theory is passé these days because we know that the real source of wealth and riches in this society is its people. Our fundamental commitment to people and the notion that everyone has the right to a job is the source of real value in society. We have to decide now whether technological change will be a burden on the backs of people or whether it will serve people. If it is going to serve people, then we will have to find ways of redefining work, expanding our definition of work, and paying the newly developed jobs adequate salaries.

The change going on in society today is a radical change, Mr. Speaker. Traditionally, farming, for example, was done by hand with the help of a horse and plow. But when mechanization came to the farm, the whole nature of farming changed and the number of people needed was greatly reduced. It is this kind of drastic change which is taking place in our society and we need a plan to deal with it, to make the change serve Canadians rather than Canadians serve the change and suffer through very high levels of unemployment as the price of bringing new technology to Canada.

• (1240)

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Mr. Speaker, I have listened with great interest to the comments of my two friends on the opposite benches representing views from Newfoundland, on the one hand, and from a Manitoba perspective on the other. I am pleased, at least, that we do not seem to have any neo-Luddite type of talk coming from the Opposition. There seems to be a recognition that Canada must embark upon and embrace, if you like, the new technologies, which is what our technology policy is intended to do and, I believe, will do.

I do think that there is a certain amount of wallowing in gloom and doom and much concern expressed about a matter which is of concern to all of us. That is the issue, of course, of unemployment. However, we must never lose sight of the fact that today's unemployment results from a combination of factors, one of which is clearly the recession through which the whole western industrialized society is currently moving—and moving out of, I might say. That is something about which one can be optimistic. However, we cannot neglect the fact, of course, that there is high unemployment in all countries. High unemployment and recession in countries where we send our goods will have a major impact on the Canadian economy for as long as the situation lasts. We know that. I believe that Canadians, through this recession, have come to realize the extent to which Canada is very much a part of the world trading community.

That being said, I frankly do not intend to engage in a lot of political rhetoric. I really feel that this debate deserves careful and thoughtful presentation by all who wish to engage in it. Some of the issues that we are considering are really issues for the future. They are issues of the Canada of tomorrow. I intend to deal with them in that light. It is a very important

discussion and one which I frankly welcome. It should be thoughtful and not hysterical. People should not be spooked by these opportunities which the new technologies are bringing to us and to other societies. The challenges must be addressed in a rational way, and I suggest that that is what we have been doing and what we will continue to do.

Therefore, I implore Hon. Members: do not cloud the issues. Let us clarify the issues. Let us have a dialogue which may begin in the House and stretch the full breath of the land so that Canadians will be more aware of what lies ahead, the challenges and the opportunities. I think I can satisfy Hon. Members in the House today in the course of these remarks that the opportunities are there, that all the scenarios possible are optimistic scenarios, the only exception being the neo-Luddite school, in other words, the standstill philosophy which, of course, Canadians would not accept and which could only bring with it lower standards of living and certainly devalued currency, and would truly move us into the backwater of the progress sweeping the rest of the world. That Canadians will not accept.

[*Translation*]

First, Mr. Speaker, I realize that a document drafted in my Department has prompted this debate. It is an internal and confidential document which, apparently, was given to a *Globe and Mail* journalist. The document cannot really be described as a study and it cannot even be said to be a report. It was to be the basis of a debate with my colleagues and the starting point of discussions on the major issues with which the Canadian economy will have to come to grips over the next ten years. It is more properly a working paper which Ministers might consult when reviewing economic development priorities at the national and even the regional levels.

In the discharge of my duties as Minister of State for Economic Development, Mr. Speaker, I think it is my responsibility, and I should always bring to the attention of my colleagues and the Canadian public the challenges we must face thanks to that technological revolution. Mr. Speaker, I take this opportunity today to clarify the situation rather than paint it black.

[*English*]

That being said, let me review briefly the notice of motion proposed by the Opposition. It could really be divided into three parts. The first part deals with the issue of funding. It purports to condemn the Government or seeks the condemnation by the House of the Government for its failure to provide adequate and purposeful funding for research and development and specialized training necessary to cope with technological change in the workplace. This question has been debated and commented upon at some length since the budget was brought down. In fact, as we know, the budget provided over $700 million of incremental, direct, federal—and I underline "federal"—funding in this area. In addition, the Minister of Finance (Mr. Lalonde) tabled with the budget a discussion paper on the issue of research and development. He wants to know, and we want to know, what are the best techniques?

As studies show, we have one of the richest fiscal incentive regimes in all of the industrialized world, that is, with regard to stimulation of research and development in the private sector. However, perhaps it needs some fine-tuning. Perhaps it needs some enrichment here or there. That is what this open public discussion on the basis of the document tabled yesterday should show.

I would point out that, in terms of the commitment to increased research and development in all sectors, we are doing very well. Let us not consider it from a point of view of gloom and doom or—

[*Translation*]

As I said a moment ago, by painting the situation in black, because frankly I can see that our policy will have a very promising outcome.

[*English*]

I see, for example, that we are on track with rising to 1.5 per cent of spending as a percentage of Gross National Product by 1985. That is something which is to be applauded. I think that the effort made by the private sector, by industry and by all communities in recent years has been very encouraging indeed. Of course, the motion speaks of specialized training.

[*Translation*]

I would like to refer to the speech which was delivered by my colleague, the Minister of Finance (Mr. Lalonde), when he tabled his budget. Here is an excerpt:

> To take full advantage of technological advances, Canada will increasingly need well-educated and well-trained workers. Moreover, workers will have to acquire new skills and knowledge throughout their working lives. With this in mind, I am allocating tonight an additional $155 million for human resource development programs. This will bring to $1.2 billion this year the funds allocated for skills development in occupations that are significant for economic growth. Over 250,000 Canadians, half of them young people, will benefit this year from federal support for human resource development.

[*English*]

What else needs to be said? We heard during Question Period today, as well, the response of the Minister of Employment and Immigration (Mr. Axworthy) when he outlined the vast array of programs and the amount which is being spent on human resource development. Therefore, I really do not think that the Hon. Member's notice of motion is in fact well founded when it comes to the commitment of the Government in terms of expenditures themselves.

Let me consider the second part of the motion which was put forward. We speak of a displacement of jobs in manufacturing and in business services. Reference is made to the so-called Government study. As I said in my opening comments, there really is no Government study. There was a discussion document which was there to promote discussion, and it obviously has had that effect, partly through the leak of which we are all aware.

• (1250)

As the Hon. Member knows, there is much debate in the western world at the present time about what the impact of these new technologies may be. I was looking at the comments of the well known economist, Michael McCracken, which he aparently made during a radio interview in the course of this week. He takes very serious issue with the idea of job loss. He said perhaps the contrary, that if we do not embark on these new technologies, the result will be a much greater job loss, and I think we would all agree with that. He does not necessarily accept the view that these new technologies will bring about job loss.

What do we mean by job loss? I must say that I become somewhat alarmed when I see headlines such as "Job Loss Study". There is a very big difference between unemployment and job loss. If we automate and introduce robotics, if we introduce new systems for flexible manufacturing and provide more automation, surely there will be a job loss in that sector. It has long been predicted in all the industrialized countries that there would be a job loss in the manufacturing sector. I will come to the question of whether that is a bad occurrence in a few moments when I review some authorities on the subject. I do not believe that it is bad, and I suggest that I am supported by most independent studies. There will be a job loss, but what about the job gains? How many jobs will be created? What new opportunities will arise from these new technologies? Those are the questions that we must address. Does anyone really know the answer?

In that regard I would suggest that economists are very divided on this issue. There is an old saying about economists that if all the economists in the world were laid end to end, they would still point in all directions. Nothing could be more true when it comes to this debate. That is not to criticize economists, because they too have stimulated debate and put forward ideas. The fact is that I do not believe anyone completely understands these issues because no one has a crystal ball that can tell us what new opportunities will arise, just as we did not know what the automobile would do in terms of shopping centres, tourism, trailer homes and all those things that have evolved from the new transportation system. How do we know what the new information society will bring?

There is much reason to believe that it will bring a lot of good jobs. In fairness, let me say that there are two schools of thought on the subject. I would like to refer to both of them. One school of thought says that there will be more better paying jobs. That is an optimistic scenario and one that is obviously founded upon the historical pattern of technology and technological change. This is a serious school of thought and one that already has a certain amount of evidence to support its thesis.

For example, I refer to an article by Richard Riche who is a senior supervisory economist employed by the U.S. Department of Labour. This article comes from "Economic Impact" No. 41, 1983. He says this:

> When computers were first introduced for office data applications, predictions were made that large numbers of clerical and kindred workers would be displaced; and job opportunities for millions of people, in what is one of the largest occupational employment categories, would be curtailed.
>
> What actually did happen in the United States was quite different. In 1960 clerical workers numbered about 10 million and accounted for about 15 per cent of total U. S. employment. By 1980 there were more than 18 million clerical workers and they accounted for about 19 per cent of the total. Thus, instead of clerical worker employment decreasing as had been predicted, employment increased about 85 percent between 1960 and 1980. And clerical employment is projected to continue to increase significantly to 1990.

That regards the clerical sector about which much concern has been expressed.

Of course, the other sector is the manufacturing sector and the impact of robots there. With respect to robots, there are also some interesting comments in this same report. I read from page 23 where it states:

> One survey of users and manufacturers of robots suggests that about 95 per cent of the jobs displaced by robots between now and 1990 will not involve unemployment because workers will be either retrained or, in some cases, retire because of age.

I can deal with the programs that are necessary for that, but we should not lose sight of it. There is much more, but I fear that time does not permit me to read all this into the record. I would be very happy to make some of this available to my hon. friends because I am sure they would find it interesting.

Mr. McGrath: Mr. Speaker, I rise on a point of order. We feel that the Minister's statement is a very important one. He commenced his remarks at 20 minutes before the hour. We are prepared to go beyond the hour and give consent to allow the Minister to complete his statement.

The Acting Speaker (Mr. Blaker): The Chair has been informed that if unanimous agreement is sought it may be given in order to permit the Minister to commence his ten-minute question period at one o'clock. Is that agreed?

Some Hon. Members: Agreed.

Mr. Johnston: Mr. Speaker, I appreciate that because I enjoy the calibre of the debate, and I believe it is an important one as it may be the beginning of a debate that will take place across the country. We will be able to address some of these issues which are very important, particularly to the generation of young Canadians who are so concerned about their future. I think it is important for us to realize what the opportunities and challenges are.

Let me continue this interesting comment on robots. It says:

> Although it would seem logical that the initial impact of the installation of robots would be to reduce employment and, sometimes, to create some unemployment, this has not actually been the case to any great extent. The purpose of the introduction of robots is to improve productivity, thereby enhancing the competitiveness of the firm and the welfare of individuals associated with it. The existence and size of the initial employment effects are often overstated, since the reduction in work force resulting from the introduction of robots is partly offset by the hiring of maintenance personnel, workers to manufacture robots, and computer programmers to provide instructions.
>
> It should be noted that the structure of employment will change in what most persons would regard as a positive direction.

I emphasize this:

> Robots will usually replace workers engaged in monotonous tasks that are often physically overly demanding and mentally unrewarding. Sometimes, too,

the jobs taken over by robots are dangerous for humans. In these cases, the displaced workers may ultimately welcome robots as a means of freeing them to do more rewarding tasks.

I think that is a significant point that must be made in the context of this discussion.

We have another school of thought which tells us that we may indeed have more wealth through the new technologies but less jobs. That school also has some very credible spokesmen. One of the most credible is Wassily Leontief who was a Nobel prize winner in 1973. Leontieff's article, which I read and found interesting, can be found in *Scientific American* of September, 1982. This *Scientific American* publication is entirely devoted to issues on the mechanization of work. Leontief postulates that there indeed may be permanent job loss through these new technologies, and he bases himself in part on the only model he could find, which was Austria.

Some years ago Austria did a study of the effects of new technologies on the Austrian economy. He says:

The projections that carry the present state-of-the-art laborsaving technology into full application everywhere in the Austrian economy by 1990 lead in all cases to the largest increase in gross domestic product—

That is to say the most wealth:

—but also to the highest levels of unemployment, to unemployment of 10 percent, a level not experienced in Austria since the dark days of the 1930s. With curtailment in the length of the work week at the maximum degree of mechanization, the direction of both the positive and the negative changes remains the same but their absolute magnitudes are reduced. Unemployment in this case comes closer to the civilized Austrian experience of 2 percent.

Of course, he makes the argument that if that scenario is correct, we will have to address some major changes that will have to take place in the nature of work.

I remind the House that the work week has dropped from 67 hours 100 years ago down to 40 hours today. I do not believe that we should say that this is a dismal scenario that we are seeing. I suggest to my hon. friends that no matter which of these two positions is correct, either more better paying jobs or indeed less jobs through mechanization, but more wealth in both cases, we have the means at our disposal to address the problems because society will be the richer for it.

The only scenario where that does not take place is if we back away from our commitment to technology and the technological revolution. If we back away from it then, of course, we will see a fall in our standard of living. We will see a devalued currency. We will see massive unemployment because we simply will not be competitive in the international marketplaces and, I suppose, we will become the traditional hewers of wood and drawers of water.

• (1300)

There is tremendous excitement ahead for us. There are great opportunities. I would say that one could take either of the scenarios. I prefer the optimistic scenario because we have been that way in the past. We have been down that road. We have seen it happen in agriculture. Between 1946 and 1961 we lost half a million jobs in agriculture. We have seen employment in agriculture between 1946 to 1981 drop from 25 per cent of the work force to 4 per cent of the work force. I do not think anybody would consider those jobs lost; those are jobs displaced. But again of those scenarios—and I will just close my comments with this one point—whether we have more better paying jobs or whether we have less jobs but more wealth in both cases, in either of them we have a transitional period that we have to address. We have to address that through retraining, through a commitment to a human resource development, to bringing new skills onstream, and above all by making young people in the schools of this country aware of the skills and disciplines they require to take advantage of the jobs that will be available through this technological revolution. That is why we have an awareness component. It is not a public relations component, as some of the journalists have said. It is an awareness component. It is to make young Canadians, particularly young girls in primary and secondary schools who are still not opting for the sciences, still not opting for mathematics and chemistry as they should, of the opportunities that lie ahead. For that purpose I was pleased to announce in the course of my comments earlier this week that we will be holding a Canada Tomorrow Conference which will bring together all the elements of our society. They are virtually all the elements of our society concerned with technology because technology impacts and has an effect on each and every sector and on each and every Canadian.

Mr. McGrath: Mr. Speaker, I listened very carefully to the Minister's statement. I consider it an important statement. But the Minister tries to disregard what he calls a Cabinet study document as merely that. Yet that document, which somehow was leaked to the press, refers to the fact that because of the new technology and because of the micro-chip society in which we are moving, we will see unemployment in this country increase to 15 per cent by the end of the decade. We now have 600,000 women unemployed and we now have almost one million people who are long-term unemployed. The Minister has addressed himself to the Government's response and the way it is looking at changes in technology and its impact on the work place, but what do we do about the army of semi-skilled people, and the people employed in the service sector who will see their jobs disappear? Do we reconcile ourselves to double-digit unemployment into the next decade, or do we address the problem of what technology will do to the unemployables of our society? As the Minister knows, a job today means the same to a person as a plot of land meant to a person in the pre-industrial revolution era. If you cannot provide a person with job opportunities, then that is the same as denying a peasant 100 years ago with enough land to feed himself and his family.

Mr. Johnston: Mr. Speaker, I will take that question in the light of the kind of unemployment, let us say, that Mr. Wassily Leontief predicts could be the case, because of there not being enough jobs. In other words, society will be wealthier. We are looking at the next decade, what about the next 50 years? What kind of Canada will we have in 50 years? How many people will be employed in production? How much leisure time will society have? How will the jobs which do exist be distributed? That strikes me as being a very important issue and

one that, as I say, might very well be addressed in time through such issues as part time work and a reduced work week or whatever. Those issues have to be addressed. I accept that. I do not think we are there yet. That basically is founded upon the principle that, in fact, there will be fewer jobs.

If one goes the other way with the other scenario and says "No, there will be more jobs," then I suppose the Hon. Member's question would have to be interpreted as being "How do you make sure that people are trained to take those jobs?" That I accept as also a challenge, and that is why the Minister of Employment and Immigration pointed out today that this $1.2 billion referred to in the budget speech is devoted to human resource development. Maybe the Hon. Member is saying it is not enough. I do not know whether it is enough or not enough. The programs are seen to be effective. They are training people in the so-called microchip society, but that is not something we are just moving into. It has been with us for some time. We have had it in the offices of the nation for some time. In fact, in that area we are among the most advanced in the world.

We do have a record to look at. I would say the opportunities are there. There is no reason to talk about 15 per cent unemployment in 1990 or 1991. I wish the Hon. Member would not keep referring to this paper as if it were the gospel on this subject. Not at all. It was written in order to create discussion. It is based upon certain ideas which are well known. Let me give you an example, Mr. Speaker. Every prediction shows that jobs in the manufacturing sector will decrease through the new technologies. That is true in the United States, it is true in western Europe, and Japan, and it is true here. It has been said in some countries that the percentage of people in that sector may go from 20 per cent of the work force to 5 per cent of the work force. When we know we have over two million people in manufacturing, if we lose half of them, let us say over the decade, that is a million lost jobs. But that does not mean that there will not be a million jobs created in some other sector. We also have approximately, let us say, two million people coming into the work force.

The Acting Speaker (Mr. Blaker): Order, please. I am duty bound to apply the rules of the House which require very short answers and very short questions. I would point out to the Minister that there are a number of Hon. Members who are rising and want to put questions.

Mr. Johnston: I apologize, Mr. Speaker.

The Acting Speaker (Mr. Blaker): These Members will not have an opportunity to put their questions if the answers remain that long.

Mr. Nystrom: Mr. Speaker, I have a follow-up question to the one asked by the Hon. Member from Newfoundland. At the outset I want to say that we have to realize that this new society is here already. We cannot put our heads in the sand and pretend that it does not exist or that we can stop it. The important question, as the Minister now says, is how we do the transition and make sure that we are part of it so that we do have a better standard of living.

My question concerns retraining. Japan has about five times as many people as Canada, and 40 times as many people in the electrical engineering schools as we have. I think that is one reason why they are so far ahead of us in the area of advanced technology. If you look at the Science Council reports, they state that we lag behind almost every other industrial country in the world. Why has this Government allowed this to happen? Why does this Government not make advanced technology a more important priority in terms of spending? Why does this Government not make retraining of workers a more important priority in terms of spending? I know the pie has only that many pieces, Mr. Speaker, but other countries have chosen this area as their major priority. Why have we not done that?

Mr. Johnston: Mr. Speaker, we are doing that. We have provided very substantial increased funding to the Natural Sciences and Engineering Research Council, for example—

Mr. Nystrom: Compared to others?

Mr. Johnston: —which is the centrepiece, if you like, of our post-graduate studies in this country. The federal Government has been there. We would hope that more of the provinces would get onboard and support that sector as well. A recent study in Quebec showed how important the federal contribution has been.

I know I should not go on at great length and I will not, but I do feel that an effort is being made. The percentage increases in all these sectors in terms of Government spending have gone up very, very substantially over the last several years.

• (1310)

[*Translation*]

Mr. Gauthier: Mr. Speaker, I have a very brief question for the Minister. Considering an announcement he made some time ago that there would be a national conference on the subject, I would like to start by asking him about the problems of structural unemployment which Members see daily in their constituencies, when people are untrained and lack the skills for the jobs available. I would like to know whether the Minister has the assurance of the provinces and other partners in this federation. This country is so decentralized that education is a provincial and not a federal responsibility, but just the same, we do have something like $3 billion for education. I want to ask the Minister specifically whether he can count on the co-operation of the provinces and the private sector and the associations generally concerned with this area, so that the conference will produce results and really be a success?

Mr. Johnston: Mr. Speaker, the Hon. Member referred to co-operation or consultation among all partners. I must say I have not had an opportunity to discuss our Canada Tomorrow conference with the provinces or the private sector, because the

idea itself was in fact part of the budget. However, I can assure the House that in the course of my travels across Canada, and in discussions with the provinces and consultations with industry, I have seen an increased interest in technology. In fact, everyone is quite anxious to co-operate. There are very few people in this country who fail to realize the importance of technology for economic recovery. It is therefore my conviction that all the parties concerned, all the provinces, industry and the academic world will be enthusiastic participants.

[*English*]

Mr. Fennell: Mr. Speaker, I find that the Minister is on the right track and is trying to address it, but in my opinion, he is taking a tunnel-vision approach to it. The Minister referred to hewers of wood and drawers of water. We have done this well. What incentive will the Government introduce so that we are better producers of our wood and better protectors of our water? You can justify it as you want. He did not refer to a book from the Science Council of Canada, which is an excellent document. He must go beyond the manufacturing and service sector. Where are these people going to go? How are we going to develop Canada beyond the 50-mile stretch along the border of the United States?

Mr. Johnston: Mr. Speaker, the Hon. Member touches on an important point. As I said, the time available for this kind of debate does not allow us really to cover the waterfront. There is no question that a major thrust of the technology policy has to be in our traditional sectors. That is often forgotten. We talk about hi-tech and silicone valley. What is more important—and I have made this point in speeches—is that we diffuse technology in the traditional sectors, that we apply the latest technology to the forestry sector and the extractor industry sector.

These will continue to be Canada's strengths in many ways. We are not going to change the face of our economy overnight. I see that as being fundamental, applying these new technologies to sources of traditional strengths. I would cite the forestry sector in particular where a major thrust must be made to ensure that it remains competitive. The latest technology must be used in reforestation, harvesting and processing, and in new areas such as engineered woods as well as the biotechnology areas which complement them in so many respects.

I accept the point made by the Hon. Member. It is not an area that is neglected. I simply did not have time in the course of my remarks to deal with it at any length.

The Acting Speaker (Mr. Blaker): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1.14 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Joe Reid (St. Catharines): Mr. Speaker, the motion before the House today is not only timely but it is crucial to the future development of Canada. We can either move with confidence into the twenty-first century or we can linger behind as suppliers of raw material to the other industrialized nations of the world. That choice is ours.

We are overwhelmed almost daily by new technological advances. As Alvin Toffler puts it, we are encountering the third wave and Canada cannot afford to ride that wave on imported technology, nor can we afford to use our limited cash resources to develop products that no one can sell.

Speaking for the riding of St. Catharines, I am naturally interested in research and development and the advantages that a vigorous R and D program might have for the shipbuilding and automotive industries. Both of those industries have been harder hit during this recession than most other segments of our society.

A moment ago, I heard the Minister speak rather disparagingly of the Opposition as purveyors of doom and gloom. Mr. Speaker, I want to point out that it is not our purpose and intent to make known the facts simply on the basis of preaching doom and gloom, but we want the country to know that things could be different if the process were different and if the programs were different. We are here simply to set out the facts and the records of the Government as they are.

We have heard some reference made to Japan in the course of the debate. I would like to make more such references. I will not dwell too long on the fact that the Japanese automobile and shipbuilding industries have competed vigorously and successfully here in Canada and throughout the world. Indeed, in terms of the automobile, the Japanese now control between 25 and 35 per cent of the Canadian market. This success has come about in large part because their Government, management and labour have been able to pool their resources and talents, their knowledge and experience toward the development and production of marketable goods.

Shipbuilding is perhaps the best example of the co-operative, pragmatic approach of the Japanese. As technology advanced and the capital equipment of the Japanese shipyards became obsolete and as the decision was made by the Japanese Government to exploit the world market, the Japanese essentially closed their shipyards for a period of some two years. They closed to regroup, retool and retrain. After that hiatus, the Japanese stormed the world and are now in control of over 50 per cent of the shipbuilding market.

There are several lessons that could be learned from this example, not the least of which is that Government and industry-sponsored research signals the need and the value of putting industry in Canada today on an entirely new footing. Research gave the Japanese an edge, the edge needed to give them a competitive advantage. On the automotive side, the Japanese were not only able to anticipate the rising demand for smaller cars and trucks, they were able to continue upgrading their production through style, design, construction and engineering methods to put those vehicles on world markets. It comes as no surprise that the Japanese are investing heavily in

research and development. At present that investment amounts to 2.4 per cent of their GNP.

• (1410)

By comparison, the Canadian Government has left our shipbuilding and automotive industries to get along as best they can on the research and development side. Even worse, the Government has actively assisted exporting countries in both these two industries to gain stronger footholds in the Canadian market. Industries locked into price and marketing wars with imports find it more and more difficult to free up the research and development dollars needed by themselves. As those dollars diminish, the industries' ability to stay ahead of changing technology and consumer trends also diminishes.

I recognize that to accuse a Government of working against the interests of industries such as the automotive and shipbuilding industries is a serious charge. Yet there is no other conclusion one could reach when one considers the Government's action with respect to each of those industries. The shipbuilding industry was promised a shipbuilding policy as early as the spring of 1980. Three years went by before any action was taken. During that time even Petro-Canada was out buying offshore. To the credit of the Canadian shipbuilding industry, lay-offs were delayed and minimized to an extent that belied the extreme difficulties they were experiencing. While Petro-Canada was buying offshore, the Government was busy taxing away what business the industry could generate. All Hon. Members will recall the discriminatory tax imposed on marine bunker fuel. A number of Government Members spoke out strongly against that tax, and then went on to vote for it when it was before the House. The industry mounted a strong lobby to oppose the tax, but to little or no avail.

Running concurrently with that furore was the November budget proposal—and now the law—to halve the capital cost allowance for the first year of acquisition. This measure added hundreds of thousands of dollars to the tax liability of a prospective ship owner. Orders fell off, to no one's surprise.

One can be forgiven for thinking that these two measures were the only ones with which the industry had to cope. They are bad enough, but we cannot forget the hike in seaway tolls and lockage fees which contributed to the decline in shipping. Transportation is a highly competitive industry where a cent per tonne difference in price decides whether a customer will use the transportation mode of a railway, shipyard or truck, inside or outside Canada.

The Americans encountered similar economic difficulties. They took action to put their railways on a more competitive footing, an action opposite to the direction being taken by the Canadian Government with respect to shipping. Hence, while shipping costs were going up because of Government-imposed taxes and fees, United States rail costs were going down because Americans entered into a deregulation exercise. I point out these factors and considerations to demonstrate that the industries in question can only allocate money for research and development if they have money remaining after paying their operational expenses. For the Government to nail the private sector for not spending enough while taxing the sector beyond reason is simply hypocritical.

Despite the albatross of high taxation and discriminatory policies, the private sector has managed to undertake some impressive research and development programs. Some of the programs have led to growth and prosperity for some sectors, while others have been able to maintain their viability by new product innovations. However, far too many businesses and industries have not been able to stay ahead of research and development in their fields, while others have come to rely upon imported technology. If we believe it is important that Canadian research and development be homegrown to the greatest possible extent—and I do—the federal Government will have to assist industry and its promotion and development more than it is presently doing.

After 15 years of neglect the Government is now proposing that a goal of 1.5 per cent of GNP be reached as quickly as possible for the support of research and development. That is almost a full percentage point behind that of the United States, Japan and West Germany. By way of contrast, the 1979 Progressive Conservative Government established a goal of 2.5 per cent. Our view was and is that Canada has lost ground which it has to make up. It not only lost ground before 1979 but has lost even more since then.

It is simply inadequate to throw money at a problem. There is no end to the projects which might be funded by someone somewhere. This can always be used as a plausible case for the value of funding a particular area of research. Tough decisions have to be made. In times of economic difficulties perhaps those decisions are even tougher, but we must face them and go with areas of endeavour which show the greatest promise.

In keeping with this Government's approach, I note that $1.5 million of the $100 million in new high technology spending will be allocated to public relations. The best public relations in the world are more jobs and greater economic prosperity, not the further expenditure of public dollars on Government advertising to perpetrate a myth. After all, when we compare the expenditure of hundreds of thousands of dollars on advertising for Petro-Canada with the decreasing support for Petro-Canada by Canadians, we might conclude that Government advertising has a negative effect upon Canadians.

High technology is a booming sector of the economy. It is creating thousands of jobs where few existed before. It is not the net sum of employment. High-tech businesses are usually very profitable and are responsible corporate citizens. They are having little or no difficulty convincing a country with high unemployment that high-tech is one of the bright stars on the horizon. We might then wonder whether the Government's $1.5 million public relations program is not ultimately designed to associate it with a success story instead of an unparalleled record of failures.

I mentioned unemployment a moment ago. That crisis is the second aspect of the motion before us today. St. Catharines-Niagara has been extremely hard hit by unemployment,

primarily because of the Government's inept and incompetent handling of the economy. Wonderful promises were made in 1980 about an industrial strategy, lower interest rates and lower energy prices. These were to happen, but once the election of February 1980 was over the Government proceeded to lead Canada into the worst economic downturn since the Great Depression. The Niagara, as an industrialized region, felt this more than most. Over the last year the St. Catharines-Niagara reporting area has more often than not been among the worst three urban centres for unemployment in Canada. Last month, as Government Members were quick to point out, unemployment dropped by almost 2 per cent in the Niagara, putting us as fourth worst in Canada. What Government Members fail to mention, though, is the fact that better unemployment statistics are coming forward because people are removing themselves from the labour market. They are just giving up any hope of finding a job. In the Niagara some 10,000 to 20,000 people are in this category. If those persons become heartened by the Government's optimistic and self-congratulatory mouthings and rejoin the labour force, the unemployment rate in the Niagara would be at at least the minimum which we projected of 22 per cent.

• (1420)

There is little comfort to be gained from lower unemployment statistics when the reason behind them is the despair and despondency of many thousands of Canadians. Even now, with all the benefits of the budget of the Minister of Finance (Mr. Lalonde), there were 7,000 fewer jobs in industrial Canada than in the month previous, and the unemployment rate in Ontario rose in the last month from 11.4 per cent to 11.7 per cent. The Niagara area fared even worse than that.

A significant number of those who are now unemployed can expect a brighter future when and if economic recovery takes hold, but many will not have that brighter future, Mr. Speaker, because they will not have the skills to accommodate and to meet the needs of that future. The motion before us draws attention to this fact and cites a federal study's conclusion that unemployment could reach 15 per cent by 1991. That is a figure we might have to live with. We cannot expect, nor should we, to raid other countries for the skilled workers needed to fill some select Canadian jobs, as we so often have done in the past. Surely, we can train our own people for our own jobs and prospects.

Study after study, including the parliamentary task force report "Work for Tomorrow", has cried out for more retraining programs to put Canadians in a position to fill those jobs requiring new or upgraded skills. The Government's response has been totally inadequate. It seems that the Government would rather issue Unemployment Insurance cheques than to use that money and the innate willingness of the unskilled worker to receive training to sponsor a national drive to get Canadians ready for the challenges which lie ahead.

The high-tech revolution can be a positive and welcome one for Canada if we are prepared to stay ahead of it. Nevertheless, if we continue to drift as we are now, that revolution will neither be as great nor as positive as it should be. The time for action is fast running out, Mr. Speaker. Let us get on with the job now.

Mr. Deputy Speaker: Are the Hon. Members rising to ask questions of the Hon. Member who has just spoken? If not, the Chair recognizes the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I rise with some trepidation. This is a rather important debate. The tone was set this morning by the Hon. Member for St. John's East (Mr. McGrath) and reinforced by the Hon. Member for the New Democratic Party and the Minister.

It is an interesting fact that most of us on both sides of the House do attach much importance to the subject of job creation and what I may call the "cybernetic revolution" we are facing. The fact is that we have a challenge to meet, but as Canadians, I am sure we have the energies and the potential will to do so with success. Rather than speak gloomily about the subject, I would like to address it on two aspects dealing with the revolution. First, I would like to speak to the research and development component of the motion. Second, I would like to address the question of training and development of our human resources which is our Canadian wealth in the future.

I would like to clarify for Hon. Members certain statements made about the level of research and development funding in Canada and about this Government's commitment to increasing R and D so that we do meet our investment target of 1.5 per cent of GNP by 1985. Canada has passed through a period of relatively low investments in research and development, but this trend has now been reversed. In 1982, Canada's gross expenditures and R and D reached 1.34 per cent of GNP, well on our way to meeting our target of 1.5 per cent of GNP by 1985. During the late sixties and for the first half of the seventies, there was a steady decline in the share of the GNP which was invested in R and D. As a percentage of GNP, Canada's gross domestic expenditures on R and D declined from what was then an all-time high of 1.29 per cent in 1969 to a low of 0.96 per cent in 1976. Spending by the Canadian business sector was particularly weak when compared to the expenditures of the industrial sectors of the major industrialized nations. Moreover, most of our international competitors were achieving larger productivity growths and our deficit in high technology trade was on the increase.

To provide Canadian industry with incentives to increase its R and D expenditures and by so doing increase its productivity and competitiveness in the domestic and international marketplaces, the federal Government introduced an R and D investment tax credit in 1977 and followed up in 1978 with an additional allowance for scientific research. Later, in December 1980, Cabinet endorsed an R and D Planning Framework which set a national target for R and D expenditures in the natural sciences and engineering to reach 1.5 per cent of GNP by 1985. Half of these investments were to be made by the industrial sector and one-third by the federal Government, with the remainder to be taken up by the other sectors. The

framework also established growth targets for gross domestic expenditures on R and D and for the expenditures of the various funding sectors. Beginning in 1979, gross domestic expenditures on R and D were to increase annually at an average rate of 20 per cent, with industrial support increasing at 27 per cent and federal funding to be fixed at 17 per cent.

Considerable progress has been achieved since the introduction of the tax measures and the adoption of the R and D plan. Over the period 1979-82, gross domestic expenditures on R and D have increased at an average rate of 20 per cent, industry's investment has grown at 26 per cent per annum, and the federal contribution has advanced yearly at a rate of approximately 18 per cent. These growth rates are almost identical to those contained in the R and D Planning Framework. The downward trend in the gross domestic expenditures on R and D to the Gross National Product ratio has been arrested and reversed. From 1976 onwards gross domestic expenditures have consistently increased at a faster rate than the GNP and, since the approval of the R and D Planning Framework, gross domestic expenditures on R and D, as a share of GNP, has increased from its base value of 1.03 per cent in 1979 to 1.34 per cent in 1982. In 1982, R and D expenditures in the natural sciences amounted to $4.7 billion, $833 million, or almost 22 per cent more than in the previous year. This is the largest year-over-year percentage increase ever recorded. During the same period federal funding of GERD increased by $232 million from $1.4 billion in the previous year to $1.6 billion in 1982. In real term, national R and D expenditures have increased each year since 1976 at an average of 7 per cent annually and between 1980 and 1982 have grown at 10 per cent per annum.

• (1430)

In addition to the support provided by grants, contracts and contributions, the federal Government also encourages industrial R and D through a variety of indirect measures. In 1980, for example, 343 firms filed claims amounting to $181 million in additional allowances for scientific research and $83 million in R and D investment tax credits. Corporate taxes were probably reduced by between $90 to $120 million as a result of these claims.

Federal assistance is also provided for other stages of the innovation process. In 1982, the major industry support programs spent $429 million to improve the innovative capabilities of Canadian industry.

More than half the $2.6 billion in industrial R and D was performed in high technology sectors such as communications equipment, aerospace, petroleum products and chemicals. These four sectors carried out $1,228 million of R and D in 1982, $255 million more than in the previous year and roughly twice the amount performed in 1979.

Preliminary data for 1983 suggested a slowing down in the growth of funding in both the federal Government and industry sectors. However, in the case of the federal Government, these data were based on the 1983-84 Main Estimates and did not contain the expenditures from a number of Cabinet Committee decisions made since that time.

Nor did the data reflect the April 19 budget initiatives which include $100 million over the next two years for new technology policy initiatives, $180 million for high technology procurement and $290 million to be spent on new research facilities.

In the case of industry, the 1983 data are based on forecasts of expenditures derived from the 1982 industry survey. Once again, these forecasts do not anticipate the increased tax credit or flow through tax incentives proposed in the April 19 budget. These measures are expected to increase Government support of industry by some $185 million in the first full year in which they will apply and encourage substantial increases in industry funding. Even without these new incentives, other evidence suggests that the 1983 figures are conservative. For example, *The Financial Post* survey of industry R and D indicates 54 of 82 firms will increase their R and D expenditures in real terms over the next three years.

Of the $3,242 million allocated for science and technology expenditures in 1983-84, $2,611 million or 80 per cent will be for activities in the natural sciences and engineering. R and D in the natural sciences will amount to $1,956 million, 11 per cent more than last year, and in the related scientific activities expenditures will increase 12 per cent from $585 million to $655 million. Since 1979-80, expenditures on R and D and related scientific activities will have grown at annual rates of 15 per cent and 14 per cent respectively.

Approximately 52 per cent of the federal 1983-84 R and D program is allocated for projects relating to natural resources, including food and oceans, energy and the advancement of science. Another 11 per cent will be spent in response to initiatives from the industrial sector and 8 per cent on health R and D. In recent years, energy and space have been the fastest growing program areas with increases averaging 23 per cent per annum between 1981-82 and 1983-84.

Federal R and D expenditures in the industry sector will amount to $462 million, 27 per cent more than the 1982-83 level and more than twice the 1979-80 total of $213 million. Over the five-year period, federal funding of industrial R and D will have increased by 21 per cent per annum. Federal R and D expenditures on university R and D have grown by 17 per cent per annum during this period and by 15 per cent for federal intramural R and D.

During the 1983-84 fiscal year this Government will spend an estimated $631 on activities in the human sciences. This is 8 per cent more than the $583 million spent in 1982-83 and 59 per cent more than the 1979-80 expenditures of $397 million.

For all these reasons, this Government is confident that Canada will continue its progress toward the 1985 target of 1.5 per cent. I thank Hon. Members for letting me put these figures on the record because I do think they are important. As Members know, the Standing Committee on Miscellaneous Estimates, which regularly goes through these exercises of

rather dry figures, is always interested, and I thought it would be appropriate at this time to make these public.

[*Translation*]

Mr. Speaker, I would now like to speak to a matter that is closer to my riding and to your own riding of Ottawa West as well, namely, training and development.

As we all know, a number of companies in the Ottawa area are specialized in high technology I am thinking, for instance, of Mitel, which has made a tremendous contribution to Canada's economy by taking advantage of the latest modern technologies. I am of course delighted to see these companies expand, and in fact, Mitel recently announced it had obtained a very important contract for exporting telephone communications equipment.

Mr. Speaker, before going into the details of my subject, which is training and development, I would also like to draw the attention of the House today to an article in the *Financial Post* published under the title "High-tech booster", which revealed that "Canada's high-tech sector is well pleased by Finance Minister Marc Lalonde's April budget, which contains several significant investment changes and more than $500 million-worth of incentives".

Mr. Speaker, that appeared today, in the *Financial Post.*

Mr. Speaker, I am not going to read the whole article, although there are some very interesting explanations concerning the measures contained in the last budget which, as I said earlier, are likely to promote what is known as research and development, that is, things that are essential to the growth of our economy.

Organizations that reacted favourably to measures aimed at assisting progress in the technology sector also included the Canadian Advanced Technology Association, whose Executive Director, Mr. Robert Long, indicated that the result would be increased investment in this sector.

In an economy that is primarily based on private enterprise, I see these reactions as signs of a trend that will lead to practical projects and thus jobs, and that is worth a lot more than gratuitous statements to the effect the Government has failed to act in this area.

This is not to say that the situation is satisfactory or that we can look forward to a rosy future, because the unemployment rate remains high, despite our present economic recovery. It is clear that many workers who have been laid off in certain industries and certain sectors will never get back the jobs they had before. They will have to be redirected elsewhere, if possible to jobs where they can use the same skills, but in many cases, these workers will have to be retrained. In fact, the National Training Act, which was passed in the House last year, will enable the Government of Canada to spend nearly $1 billion on training and development. Mr. Speaker, I think these expenditures are essential, because they will help yound people to acquire the training they need to get jobs that require new skills.

We must look ahead and we cannot afford to listen to people who want to perpetuate industries that are labour-intensive but are technically obsolete in some areas and where foreign competition is practically eliminating us from the market. On the contrary, we must develop advanced technologies and not only maintain or improve our position on the domestic market but also make gains on market abroad. All this will also require the co-operation of provincial authorities—again, in connection with the National Training Act—because we all know that the provinces, which have jurisdiction in education matters, have a very substantial say in the development of occupational training programs.

Mr. Speaker, I would like to read a comments from a talk by Dr. Larkin Kerwin, President of the National Research Council, who spoke to the Richelieu Club of Ottawa. This is in connection with what I just said about the problems of co-ordinating training programs to allow for both national priorities and the priorities of the provinces which are constitutionally responsible for education. I shall now quote Dr. Kerwin:

> Unfortunately, there is no mechanism or co-ordinating body between the Federal Government and the provinces as far as scientific research and development is concerned, and as a result, it is difficult to define priorities in this respect. The sensible thing to do would be for both levels of government to agree on a common strategy, with definite emphasis on establishing high-technology industries.

• (1440)

We must therefore provide a comprehensive solution to this problem. We must urge the provinces, the universities and the entire post-secondary sector to work together with the Federal Government and sit down and determine our objectives, once and for all. That is why this morning, in the House, I asked the Minister whether he could count on the co-operation of the provinces. He answered, as Hon. Members will recall, that he had not yet approached the provinces. I hope, and I say this very sincerely, that all the provinces will sit down with the Federal Government in order to establish these mechanisms which are essential if we are to meet our common objectives, namely, training our human potential, our young people, in both technological and industrial skills.

It is no use going on about what happened in the past when workers were often trained for occupations where not enough jobs were available. From now on, we shall have to be very careful in selecting the kind of training we want to provide, not only as a matter of economics but also in order to maximize effectiveness.

In fact, the new program set up by the Department of Employment and Immigration contains a number of elements that will be very helpful in this respect.

First of all, we have the Canadian Occupational Projections System which makes it possible to collect, compile and transmit information on future manpower supply and demand, by

occupation. The program will help improve long-term human resources planning in Canada. There is also the Skills Growth Fund, which this year will make some $100 million available to Canadian institutions that are anxious to modernize or expand.

I am not unfamiliar with this fund, Mr. Speaker, because on March 17, here in the House, I asked the Minister of Employment and Immigration (Mr. Axworthy) for details about a grant provided by the fund to help create a training center for the high-technology industry here in Ottawa. The seven firms participating in this enterprise are: NABU, Epitek, Digital Equipment, Canadian Marconi, Mitel, Gandalf and Systemhouse, which are now developing plans for this special training program. The participation of this consortium is a perfect example of co-operation between the Federal Government and the private sector in the context of training Canadians so they will be able to meet the challenges of the eighties.

Mr. Speaker, as I said at the beginning of my speech, to achieve high levels of employment and an increase in real wages, we must be able to provide Canadian workers with skills that are sought after by growth-sector industries. The key element of a labour market strategy for the eighties is therefore to improve and fine tune occupational training. The National Occupational Training Program, established under the National Training Act, has provided the basis for such action.

I see that you are rising, Mr. Speaker. If my time has expired, I am sorry, but I would have liked to continue my speech.

Mr. Deputy Speaker: Is there unanimous consent for allowing the Hon. Member for Ottawa-Vanier (Mr. Gauthier) to finish his speech?

Some Hon. Members: Agreed.

Mr. Gauthier: Thank you for giving me more time, Mr. Speaker. I shall be brief. As I said earlier, our aim was to make sure that employers could find workers with the skills required to expand their businesses and to help individuals acquire the necessary skills to become more productive and more competitive on the labour market. The National Training Act determines where training funds will be allocated, that is mostly for training activities in occupations of national importance.

Mr. Speaker, the key elements of the training strategy to be implemented under the Act in order meet our needs are as follows, I shall be very brief because I would like to cover this most important issue as completely as possible. First, more information must be obtained about the needs for various skills. To this end, governments, business and labour must, of course, work together under the Canadian Occupational Forecasting Program.

Some changes must also be made to training and development facilities to help them provide the required training. The various establishments must adapt to the new conditions in order to provide the training courses deemed necessary. This adaptation is difficult, I am told, because the increase the number of trainees is now at a standstill. Because of this, special funds will have to be earmarked for the expansion of training facilities in areas where the need is greatest. Projects funded by the Skills Growth Fund established under the National Training Act are already giving results, as in the case of the seven Ottawa companies I mentioned earlier.

Elsewhere, the British Columbia Institute of Technology, for instance, is already providng a computer design and manufacturing program. The Winnipeg Computing Devices Corporation has developed computer training courses for underprivileged youths and the Holland College in Prince Edward Island has a marine techniques program.

The quantity and quality of industrial training must therefore be improved. Particularly, on the job training for jobs geared to the growth of Canada should be increased. The revised Industrial Training and Critical Trades Skills Training Programs are essential tools for making the necessary improvements.

In conclusion, Mr. Speaker, I remember spending many years of my life in school, from 1960 to 1972, when the number of technical schools in Canada grew tremendously under a program introduced by Mr. Diefenbaker in 1957 to encourage the provinces to build technical schools in order to meet the challenge of the 70s. We took up a challenge in 1980; in 1990, we shall have to get together, develop new techniques and direct our programs toward youth training.

[*English*]

Mr. Deputy Speaker: Are there any Hon. Members rising to ask questions or make comments on the speech of the Hon. Member? If not, the Chair recognizes the Hon. Member for Waterloo (Mr. McLean):

Mr. Walter McLean (Waterloo): Mr. Speaker, I rise to speak to the motion before the House today, that this House condemns the Government for its failure to provide adequate and purposeful funding for research and development and specialized training, necessary to cope with technological change in the workplace. According to a federal Government study this will cause serious displacement of jobs in manufacturing and business services, resulting in continuing high unemployment, forecast to reach 15 per cent by 1991. I do so because it is surely one of the most urgent issue before the nation. This issue is not just an international one but also one which confronts each of our constituencies.

My colleague, the Hon. Member for St. John's East (Mr. McGrath), in introducing the motion today indicated that the Government is finally coming to a new realization, in part because of a study which was leaked to the public. The Government is being besieged by groups and sectors across the

society to give some leadership, in terms of a national effort, to deal with the changing times.

Now we are told that the Government is beginning a process of conditioning Canadians to a situation which might well have been avoided had there been, during the last 15 years, any reading of the signs of the times which are before us. As my colleague said, we are placed in a situation today where there are some 609,000 women and some 624,000 youth between the ages of 15 and 24 who are unemployed. They are the ones who are the first to go and the last back in the work force.

• (1450)

In his response in the debate, the Minister has set several scenarios before us and has sought to take attention away from the failure of the Government to plan through these years. He has suggested instead that we now play catch-up football. He tells that we are in a transitional period, of which we are all aware; and that this must be addressed, as it must be and on an emergency basis. There will now be a propaganda program in the schools called an awareness program and there will be a Canada Tomorrow Conference. Had the Minister and his officials been taking the warnings of the Science Council of Canada and those of other Government agencies seriously through the years, we would not be in this situation.

Speaking to the 1983 general meeting of faculty and staff at the University of Waterloo, an institution with world class technological capacity, the President, Dr. Douglas Wright, said:

> The transformation of the economy now taking place, driven by new technologies and international competition, is leading to a more fundamental division in the labour force. In the next few years, unskilled workers will face rapidly declining prospects and the role of knowledge-based workers will become much more critical. Canada's future depends more on its human resources than on its natural resources. It seems no accident that the most successful economies in the world today are resource-poor and technology-rich. They all put a premium on rigour in education and training. They are all committed to maintaining long-term competitiveness through research and development.

By way of reflection on that comment I was interested to learn, for example, of the integration of universities and industry in Japan. At the University of Tokyo there are now some six professors of robotics in the engineering faculty. They feed their research and development directly into the Japanese car industry. Presently, 25 per cent of the cost of a car in Canada is in electronics and 90 per cent of that electronics comes from Japan into the North American automotive centres.

In an article in the Business Quarterly of 1982, Professor MacMillan suggests that before long even our base resources will not be needed. The Japanese are in the process of developing a ceramic base for engine blocks which will no longer require the traditional metals to be used.

Today we are at a point where there is need to help small businesses apply new technology. Small businesses persons in my area of southwestern Ontario in Kitchener-Waterloo say that they cannot often be accepted because they do not have a track record. The Government wants to continue on the safe route and they are left out.

I want to focus for a moment on 52 per cent of our society which has been rigorously studying the implications of new technology. That sector consists of women and the organizations that speak for them. I want to draw to the attention of the House and our nation the current participation by female workers in our economy, and then move on to some suggestions about the importance of retraining and training programs to ensure that women are not made to suffer the brunt of job displacement due to technological change in the work place.

Let us review for a moment labour participation. In 1982, there were some 4.844 million women in the paid labour force. That is over 50 per cent of all Canadian women. Of those women in the labour force, 65 per cent were under 45, and 45 per cent were women with children under the age of three. The overwhelming majority of these women were single, widowed, divorced or the sole support of dependants. In addition, almost half of the wives in two income earning families were married to spouses earning less than $15,000 a year.

In 1981, the average income of a women in the paid labour force was about $8,100, which is less than half the average male wage of $16,659. If only full time work is considered, the average woman today earns 58 per cent of her male counterpart's average wage. That is $12,069 compared to $20,719.

Let us consider the matter of retraining of women in high technology. From December, 1981, to December, 1982, the unemployment rate among women rose from 9 per cent to 12.1 per cent, an increase of 41 per cent. Seventy per cent of women in the paid labour force are concentrated in low paid job ghettos in the clerical, sales and service occupations. The situation there is not improving.

Between 1975 and 1980, the female share of good managerial, professional and technical jobs increased by 1.5 per cent while women's share of traditional female jobs increased by 3.5 per cent. The over-all number of women in the latter category is far more significant than the managerial category.

Women are also losing ground in teaching, traditionally one of the best occupations for them. Between 1975 and 1980, 66.7 per cent of new full time teaching jobs went to men.

To this dismal picture must be added the possible impact of high technology, the subject we are addressing today, on women in the paid labour force. The job ghettos in which the majority of women in the paid labour force are clustered are prime targets for the efficiency and productivity improvements made possible by the micro-chip revolution. Up to one million jobs presently performed by women may disappear by 1990.

While the total number of jobs may remain stable and even increase, depending on Canada's over-all success in developing this new industry, workers with existing skills, many of them women, may well find themselves displaced.

To further compound the problem, all indications are that the skills gap between the old jobs wiped out by the new technology and the new ones created may be too great to be bridged by on the job training alone. This is especially true of clerical work. In order to prevent massive unemployment among women and the attendant social consequences for them

and their families, and in order to prevent widespread opposition to the new technology, these displaced workers must be retrained.

My Party is not prepared to abandon one million female workers. It is committed to the following measures to ensure that the necessary retraining takes place. First, financial incentives, especially tax measures, for employers to retrain existing employees prior to the introduction of new technology which renders their present skills obsolete. Second, financial incentives to industry, educational institutions and the Provinces to enable them to provide training which is targeted not only at the new high-technology jobs but also, wherever possible, at the displaced workers. I notice that there is nothing like that in Bill C-150 which covers educational transfers. If the Government is going to put strings on these transfers, why not put some strings on the training for women? Third, the supplementing of on the job training by skill development leave or some other form of paid or subsidized educational leave.

• (1500)

Fourth, amendments to the Unemployment Insurance Act to permit recipients to take appropriate retraining programs without loss of benefits.

Fifth, amendments to the Canada Labour Code specify a minimum standard for employees under federal jurisdiction with respect to consultation prior to the introduction of technological changes into the workplace with respect to retraining and with respect to health and safety standards in relation to new technology. The Canada Labour Code amendments are particularly important to women since the vast majority are non-unionized and therefore cannot bargain for such protection.

We turn now to the matter of training for women. We note that at the same time as traditional women's jobs are disappearing women continue to enter the labour force in ever increasing numbers. Presently six out of ten new entrants are women, both recent graduates and older women, and this number is expected to increase to seven out of ten in the next decade. The majority of these women are still equipping themselves for traditional occupations. Second to teaching, clerical work is still the most common occupation for female Bachelor of Arts graduates. Most women with business diplomas become clerks, compared to the majority of their male counterparts with similar qualifications who go into sales or management.

Women coming out of educational institutions, or from the home, must be encouraged to move into non-traditional occupations, especially those areas expected to be "priority" occupations in the next decade, through such measures as specialized counselling and special training grants.

In particular, my Party is committed to the following measures in relation to training. First, the substantial expansion of the Outreach Programs which counsel women re-entering the labour force while at the same time ensuring that these programs continue to be operated as much as possible by the client groups.

Second, significant expansion of the CEIC Program for non-traditional training for women to ensure that women obtain their fair share of Government-sponsored training places for non-traditional jobs—currently only 6.5 per cent of such spaces are occupied by women—and to provide fiscal incentives to employees to hire and to train women in non-traditional occupations.

Third, reorientation of Canada Employment Centres generally so that they no longer act as a barrier to women seeking to enter non-traditional jobs. It is interesting to note that studies continue to indicate that Canada Employment counsellors are still channelling women into clerical training programs.

I want to pay a special tribute to the women's groups in the Waterloo region who are making an important contribution to the study of the effects of high technological changes in the workplace in the midst of that area in the country which is beset by unemployment problems due to the slump in the automotive industry and other industries. The group community resources for women through this spokesperson, Wendy Newberry, says that in our Kitchener-Waterloo area alone hundreds of working women, many employed currently in the insurance industry, are already experiencing the effects of the transition to word processing equipment, from typewriters to electronically-based information systems from manual data processing. She said that she would be happy to ensure the Government receives the report of this group's findings as they become available this spring and that they are particularly eager to see the Minister of Labour (Mr. Caccia) act upon the recommendations of the Labour Canada report entitled "In the Chips: Opportunities, People, Partnerships," which was submitted to the Minister last Fall by his Department's task force on microelectronics and employment.

In the few moments that remain to me, I want to suggest that this sector, the sector of women, is but one of the sectors and this is but one illustration of the size of the problem in front of us. Already in this debate we have reversed some of the many possibilities that lie open to us. The Government had before it the detailed report of the Science Council of Canada. In that report, after looking at the effects and the economic imperatives of all of this technological change, the needs that we have been talking about for employment strategies, retraining programs, software skills, design systems, co-operative approaches between labour and management, the Council predicted a bleak future if Canada does not act quickly to maintain social and economic stability in the transition to an information society. That report states:

> Many sectors of our manufacturing industry would be rendered obsolete, virtually overnight. Our trade balance, already precarious, might never recover. Structural unemployment could lead to permanent joblessness for many Canadians, a decline in living standards and, for some, emigration.

This future can be avoided if action is taken immediately. The Government has had warning, not just for a year but for years and, indeed, through the last decade. This debate is important. Even at this late date there is a requirement for all sectors to come together to agree upon those strategies, and we in presenting this motion do so in order that we can expose to

ourselves and to the Canadian public many of the opportunities and alternatives which we would lay before the Canadian public as we look forward to the opportunity of becoming the Government of Canada.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Are there any Hon. Members rising to ask questions? The Hon. Member for Ontario (Mr. Fennell).

Mr. Scott Fennell (Ontario): Mr. Speaker, you must remember I have probably the easiest riding in Canada to recall and I realized when you were hesitating that you were not going to look up my riding. Most people ask where it is!

Nevertheless, this subject is of great interest to me. The Hon. Member for Waterloo (Mr. McLean) referred to a book that I treat as a bible. It was written in March, 1982 and was put out by the Science Council of Canada entitled "Planning now for an Information Society". I am just pointing out the dangers here because in that book the Science Council shows where it anticipates being between 1985 and 1990 and the year 2000. The Science Council also refers to where we will be in the years 1980 to 1985. Things are happening so quickly. What the Science Council predicted for the years 1980 to 1985 has now occurred, and part of what was anticipated for 1985-1990 has occurred.

This fine report was produced a little over a year ago. I am not criticizing the report; I am just getting my point across. What I am concerned about is not unemployment as such because that is an over-simplification of the problem. We have a social problem, a serious social problem, because technology will affect every facet of life. Today it is not necessarily taking jobs away from the workers.

I happen to have General Motors close by and part of its operation is in my own riding. I have been through the plant and I have studied what is happening. General Motors has not really reduced the number of employees. The reason General Motors put in robotics and got into high technology was not to reduce employment or cut employment costs but to improve the product and quality. The quality control is far greater when you have automatic welders as compared to humans, with their frailties and weaknesses. It is these frailties and weaknesses that concern me about high technology, not only the unemployed.

• (1510)

I do not believe that because of the baby boom we are going to have the serious unemployment we anticipated, but we are going to have a great deal of time. I do not say leisure time because that is a dangerous term. When you refer back to the days of Rome, it was leisure time that destroyed their society. In any event, we will have time.

One of the things we can do with our time is construct new projects. That would be an interesting use of our time. High technology will provide us with that. It will also provide us with access to information throughout the world, the upgrading of medical information and medical science to keep us healthy. It will give us easier access to stores in order to make purchases. This will be particularly helpful to the handicapped who are unable to leave their homes. We will have a great deal of extra time.

A number of times one of my colleagues from British Columbia has talked about farmers who, because of the economy, have had to get an extra job off the farm. They have had to do this in order to maintain their farm, which is their basic interest. The Department of National Revenue is now going through its books and beginning to tax these people on their basic income. That is negative input. We should be developing tax incentives for individuals. Our basic industry was that of being hewers of wood and drawers of water. Those people individually and collectively can develop new technology for growing trees and producing a higher volume of grains. Let us look at corn, for example. Formerly corn could only be grown in the southernmost part of Ontario. It can now be grown in Manitoba. Each farmer who has an enterpreneurial spririt wants to do something along that line. I maintain that what the Department of National Revenue has done to these people is wrong.

With the extra time that will be available, it is very important to develop new skills, products, hybrids, the cross-pollination of different cereal grains and grasses. Therefore, it is very important that we encourage the small farmer. More people will be going back to the land. Through high technology and because there simply will not be as much employment in the manufacturing centres, more people will move into mid-Canada and develop their own interest and industry within that area. We will get away from the megacities which we have created through our material needs. We have to look at what we can do for the farm people through individual efforts. Also, we must look at biotechnology. We are not addressing ourselves to that. It is a very important subject because it may improve the strain of anything that grows. With improved medical science, people will be able to do more with their extra time. It is important that that time be filled.

As I said in question period today, we cannot fill that time with pay television. That is a crutch. We must give people a tool. That is what high technology will do. It will give people access to information. They will have access to debates in this House of Commons going back 20 years. People will have access to information in magazines from around the world. There will be international communication of information. What is going to happen will be exciting, but we have to identify what people are going to do with their time. We cannot call it leisure time or it will have no purpose.

Someone said to me that he can imagine the time when he will work three days a week. He will be able to devote over 50 per cent of his time to what he is interested in and yet retain the same basic income to maintain his standard of living. If that can be spread across the country, imagine how much benefit this country will get from people developing new ideas, new concepts, new methods of harvesting and growing, new forms of energy that we have not yet touched in this country. We keep talking about drilling for oil. We go five miles underground. We go out into the oceans into iceberg alley to

try and find oil. I was told today that in Nova Scotia they can produce almost enough alcohol to replace the oil they bring in from overseas.

Mr. Baker (Nepean-Carleton): They need that in Nova Scotia.

Mr. Fennell: That type of technology has been developed by individuals in the United States in such places as Kentucky, where they run their tractors on gasohol. We do not have that incentive in this country. This is what we must do.

Giving grants to large corporations is not the answer. We must assist these individuals. Let me give an explanation of grants. The Minister of State for Science and Technology (Mr. Johnston) stated that he is providing larger funding. It usually takes the bureaucrats about a year to decide whether something is a worthwhile subject to be studied. By the time the grant is made, it represents less than 10 per cent of the total cost because usually the project has been completed.

If you really want to help industry in research and development, and that is where you want to put your effort, you should allow these people to remove deferred income tax payable from their financial statement. This would put their statement in a much stronger position. The free enterprise market will then come up with the money. They can borrow debt capital without future income tax on their statement. The Government will not collect it anyway, so why not wipe it off their sheets and allow them to go to the free market to raise funds? That is what industry wants, not grants because they take too long.

I have talked to Walter Light of Northern Telecom many times. He is a Canadian for whom I have the highest respect. He has done one of the most amazing jobs in this country to represent us in the communications field. I do not say he did alone, but he was the leader. He does not need grants. We are talking $700 million over two years. On one project alone, Northern Telecom will be spending $1.2 billion over the next five years. I am bringing high technology up because that is how it should be financed.

● (1520)

Going full circle, it is the individuals we must talk about. It is the potential unemployment that many Members have referred to and, as the Hon. Member for Waterloo (Mr. McLean) said, the unemployment of women that we must talk about. Well, Mr. Speaker, this week I spoke to a young lady who happens to work in the United States. Where she works, they have placed terminals in people's homes so that those people who used to come to the office to type now type within their own home. The typing is processed within their own home and printed in the office. We are going to come to that. There is a new book on this subject called "Megatrends" that tells us that in the future we will be taken away from the centre of the city and, perhaps going almost too far, we will all work in our own homes and not go to an office. The only thing that is missing there is the social interchange and the opportunity to discuss things one on one.

I do want to stress that we must deal with the social impact of technology. We must protect the people. Let me talk about structural unemployment, a subject which many people have referred to. Structural unemployment really refers to those people who cannot accept this new technology, people who were raised in an age when they used their hands. We must protect those people. We must assist them to relocate, to retrain, to do whatever is possible to assist them. If that fails, we must assist them to live with dignity. That is something that we are not dealing with.

A person from the age group of 20 to 45 can adapt very quickly to new technology. Some people in their middle years and older have a hard time grasping the new technology. Those are the people that will be seriously hurt. I feel that the youth will be picked up in time because they can go to community colleges and they can gain the knowledge that is needed, but it is the people who cannot do this that we must protect. At this point, the Government has not identified what is to be done about this problem.

About two months ago I talked to two young men who worked for General Motors. I said: "I hope you realize that your children will probably not have the same jobs you have". They replied: "Why is that?" I said: "Have you noticed the new robots in your plant?" They said: "Yes, we think they are wonderful". I said: "Has it not reduced the number of employees required per car manufactured?" They said: "Yes, it has". So I said: "You probably come from a family in Oshawa who came from a generation of people who have worked in the automotive industry". They finally admitted that.

Those older people who work for General Motors will always have a job because they can be taken care of by a large corporation. General Motors has spent a great deal of money re-educating their electrical maintenance people to become electronic maintenance people. At the present time General Motors maintains that there has been no reduction in staff, but they do acknowledge that, as more robots become available, there will be a reduction in staff. However, the management of General Motors still argues with me. The point to be made here is that the necessity of maintaining the new equipment will almost take up the slack by employing the people who used to put the wheels on the cars.

I would like to see the Government address the social problems of high technology. I would like to have the Government allay the fears the people have of losing their jobs. I would like to see the Government provide some incentive for these people to do other things. Perhaps these other things may be the cottage industry, it may be art, it may be a multitude of different things. We must stress the importance of the individual because the machine will take over by doing what individuals have done in the past.

We must encourage individuals to do more on their own. As long as people have a basic job and can make the same income in two and a half to three days a week that they made in five days in the past, then they can be productive Canadians with other interests. The Government will benefit, because if these

other interests develop on a commercial basis they would then be taxed by the federal Government.

Basically, the economy is nothing more than a great big machine. Every time the wheel goes around in this machine, the Government takes a dollar from it. The faster the wheel turns, the more dollars the Government gets. This is important because it would assist in reducing the debt load that our children will be carrying. We have gone through trying times and our debt load is very heavy. When the Keynesian theory has been used in good times, there are no funds in reserve available to attack the social problems of high technology during trying times.

I really feel that women in the workplace will always have a place. I feel that women have grown and developed in the last ten years. I personally believe that women can do many of the functions that men do far better than men. There are some things that men can do far better, such as playing baseball and hockey.

Some Hon. Members: Oh, oh!

Mr. Fennell: No, I will say that. I maintain that football is a good example of this. I do not think women should participate in body contact sports. That is my own feeling. But there are many jobs in administration and in management that women can do far better than men. There are businesses—

An Hon. Member: Did you ever get a body check from a woman?

Mr. Fennell: No, I am not saying that. I am being very positive. I am one of the few Members in this House of Commons that has never had a male working on my staff, because I find that a women will work harder.

Mr. McGrath: Now you are really in trouble!

Mr. Fennell: I say that because women have done an excellent job. They are a part of our whole society and must be protected. I do not think we need to try to protect women as hard as some people say we do because I think they have the confidence that some men lack.

We must consider older and middle-aged women because they have a problem. I referred to that previously when I said that some General Motors' employees are moving into this structural unemployed group. The younger women in the country are now aggressive, forceful and are making their way. They are not being relegated to clerical jobs; they are being given administrative jobs. I have a daughter aged 22 who has no intention of being a clerk. She is going to run the show. That is good because now women know that they can run the show, and there is the opportunity for them to do so.

I would like to go back, Mr. Speaker, to a subject that I feel very strongly about, and that is the disabled. I believe that the technology we have developed will be of great benefit to the disabled. I am not talking about the machines, I am talking about the use of that technology. If we use the technology, we will accomplish something. If we only use the machines, we will be back in the dark ages again. Machine intelligence will remove labour, but it is an advantage that we must develop ourselves. By developing the technology ourselves and by training the citizens of this country, we will become self-sufficient and a better country, a more productive country, a more entrepreneurial country. We will create finer people that have interests other than sitting in front of a television set watching Pay-TV.

Mr. Ogle: Mr. Speaker, I would like to congratulate the Hon. Member for Ontario (Mr. Fennell) for his grasp of the major problem that technology will bring about in the human dimension. In light of what he has told us, I think it is important to go back and look at other periods of time in which the same kind of maximum shift occurred to see what is necessary to retain from the former style of life and what is no longer necessary to retain.

I think an example of this is the steamship industry. Although I am a prairie boy and have never been in close proximity to ships, I have always been fascinated by boats and ships on the oceans. As I have travelled around the world I have seen all of the different shapes and styles of sailing ships. I think it took about 8,000 years to develop a four-masted clipper that could go to any part of the world. I have often wondered what the people who sailed on the clippers thought when they first saw a steamship. It had taken 8,000 years to make this machine of wood, cloth, steel and whatever was necessary. Then someone came along with the steamboat, and the clipper might as well have been 3,000 years old. People who sailed clippers had something to offer those who sailed steamships. They had the experience of the seas. They knew the tides, they knew how to navigate and they knew how to dock. They had an abundance of experience which was beneficial to those who operated steamboats. Perhaps they could not make the transition into the steamboat era, but nevertheless they had something to leave with steamboat operators.

• (1530)

I would like to indicate one problem to the Hon. Member for Ontario (Mr. Fennell) which could be brought about by the new technology. It could be difficult to retain the old values which I think are important in society, such as the human values. When we look at technological change and education, how to use a computer or how to work a new machine, perhaps many of the elements which hold society together will be forgotten. How will the human, ethical or moral dimension be carried on as we go through this new wave of development?

Mr. Fennell: Mr. Speaker, I am interested in boating. For example, I was always a traditionalist who believed that a wooden boat sailed better. In fact it did. It took many years for fibreglas to catch up or sail with as even a keel as a wooden boat. That was new technology, that was new development; but I happen to prefer a wooden canoe because they still have not perfected the fibreglas canoe to ride fast waters as well as a wooden canoe.

I was referring to bringing back the nuclear family and holding it together. We must allow people to do things together. For instance, they could have small plots of land to produce their own vegetables. They could return to the use of cold cellars in which to keep their roots throughout the winter. We should encourage families to do things together, not with the machine but because of the machine. People will have more time to attend church. People should be encouraged through the church to get back together. We should try to encourage the voluntary organizations of society to get together. They will have the time. We do not need Government grants for that sector. We need accelerated tax credits for those organizations.

In my opinion the family has fallen apart, and recent statistics show this. If there is any way with the development of this new technology that we could improve family ties, then we will have accomplished something really worth while.

Mr. Thacker: Mr. Speaker, my question to the Hon. Member for Ontario (Mr. Fennell) relates to how he sees society compensating individuals. The recent report shows an additional two million unemployed and perhaps a total of four million. We will actually have a smaller work force when the new technology takes over. How can society compensate individuals? In the past it has been by people having jobs and putting in their hours. Then we had the unemployment safety network, disability pensions and so on. How can society compensate the ordinary individual who cannot work because there are no jobs?

Mr. Fennell: Mr. Speaker, I think the Hon. Member is trying to take me one step too quickly. We must have a broader base of interest because there may be two people doing the job of one person today. For example, a person who works three days a week will have the chance to develop other skills. He may move on to those skills and drop the skills that he used in the past. We must develop a broader spectrum of skills for all society.

We can never drop back on Unemployment Insurance or social security. We must encompass the entire spectrum but we must bring back personal initiative by creating new jobs and giving tax credits so that individuals have the freedom to do what they want. It will no longer be a society centred around the manufacturing base.

I cannot really answer the Hon. Member's question in a few words. We have to develop in such a way that people are given a feeling of fulfilment. This is really what I am shooting for. As the Hon. Member for Saskatoon East (Mr. Ogle) pointed out, it is important to bring back the nuclear family. That is one of the goals. Then families could do together the things they used to do, as they did on sailing vessels and on small farms.

Mr. Ogle: Mr. Speaker, the question of the Hon. Member for Lethbridge-Foothills (Mr. Thacker) was an extremely important one in the whole change or shift in the wave of technology. It is important for society to look at the way families and individuals were actually cared for as each wave went ahead. In the pre-industrial age the family group was looked at in one way. Prior to that tribal societies were looked at in another way. It was only in the industrial age that the income one would receive from a job became a way to look after a family.

As more and more people do not have jobs—and I do not have the exact answer—a distribution system will have to be found so that everyone will have enough on which to live even though they do not necessarily gain it from a job. Perhaps the definition of a job will have to be changed drastically from the one we now use, as a place to go and spend eight hours. I do not think we have arrived at the answers, but I thank the Hon. Member for Lethbridge-Foothills for pointing to a key question in this debate.

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, in joining this debate let me indicate first that a year or two ago we would not have heard any discussion in the House concerning the technological revolution despite the fact that it had been taking place for approximately ten years. The Japanese have been very involved in studying the technological revolution and indicated their formal investigation and research into the matter in the Mitsubi Report of 1973. This is one of the reasons the Japanese in the 1970s became one of the dominant economies of the world.

As many Hon. Members have pointed out, we are in a very historical period. We are entering the third industrial revolution. As an NDP Member pointed out, the first industrial revolution occurred when we went from an agricultural society to a society of steam engines, an industrial society, at which point 90 per cent of Canadians working in the agricultural sector lost their jobs. Those people who lost their jobs on farms went on to gain new jobs in the cities. These were jobs in the manufacturing sector or in industry in general. If we could put ourselves back into that time when Canadian society and the world society were basically agricultural, we could again sit here and be frightened about the prospects of job displacement or the fact that 90 per cent of the jobs would be displaced; or we could look with imagination at and accept the challenges ahead of us, move on and take advantage of the tremendous productivity increase and wealth generation that takes place in an industrial revolution. We have experienced this in the two previous industrial revolutions with the steam engine and then with the combustion engine.

• (1540)

One of the first things we must overcome as Canadians is resistance to the technological revolution. This can be found in Governments, in business, in labour and consumers. The dramatic changes which have been occurring are indeed frightening.

I would like to go from the general to the more specific because, as we attain knowledge and take a closer look, the fear diminishes. One of the biggest problems associated with the industrial revolution, without question, is job displacement

and unemployment. We are hearing these days a lot of rhetorical questions and answers, seeking political points in Question Period, about the unemployment situation. Yet I believe most Hon. Members of Parliament, when they are not in the House, recognize that the majority of this unemployment is structural and is due to the technological revolution, and the best way we can handle it is with a concerted, co-operative effort.

We have to deal with some pretty thorny issues and I am going to take the first one head-on; that is, the deficit. I do not know how we can choose a Prime Minister, a Member of Parliament or a provincial legislator and not consider what this person's views are on the deficit. It has become very much a political question. The deficit is increasing, Government spending is increasing, let us have a return to the right, a return to "small c" conservatism. But how will that impact on our response to the technological revolution?

Hon. Members opposite stand up and say we need further tax incentives for research and development; that we cannot destroy our social security system or our Unemployment Insurance system; that we must have more job training, as the Conservative speakers have all indicated; that we must have more retraining; that we must maintain our educational system; that we must maintain one of our most valuable resources, which is not oil but our human resources, by the best health care system in the world. The importance of a healthy population in an industrial revolution is unquestionable, but often times overlooked. However, just the areas which I have outlined now account for well over 70 per cent of the deficit.

So we must deal with the situation of the deficit. Is our deficit something for which we must sacrifice the many programs which all Hon. Members are saying we need to respond to the technical revolution? Or must we put some different perspective on it?

Let us look back at what the deficits were compared to the GNP in the United States and Canada when the first industrial revolution was going on and when the second industrial revolution was going on. Were there massive increases in investment? Were there higher Government deficits and higher business deficits in order to adapt and to modernize the industries in the first and the second industrial revolution? Did that occur? Yes, it did. And if Hon. Members look back at the records they will see that this is the case.

This is also linked with the question of productivity. We have all heard how badly Canada is doing in terms of productivity, if you listen to much of the media or many of the Opposition Members. Quite frankly, that is not the case. We are one of the top five nations in the world in productivity. It is true, however—and I see an Hon. Member shaking his head—that our rate of increase in productivity has been diminishing. This, Mr. Speaker, is something we must address and which this Government has been addressing, particularly in the last budget.

If we look over the medium and long term, we know that with a technological revolution there is a productivity multiplier effect. There is also a wealth generating effect. One of the first problems we must address is how to redistribute this wealth in such a way that those workers who have lost their jobs in the more traditional industries are able to obtain retraining in the new kinds of industries which will develop with the technological revolution.

That is not just a pious hope, Mr. Speaker, this is exactly what the Japanese have done. I do not think we can point out often enough that the Japanese have gone through a major portion of a technological revolution without a dramatic increase in unemployment. I believe their unemployment rate is at about 2.9 per cent now. This is not because they have some hidden magic or because they are of a different culture; it is because the Japanese were aware of what was going on when they automated their automobile factories with robotics. They took the workers who were displaced and retrained them for other areas, whether in service, management or marketing, so that they did not have a rapid increase in unemployment. Perhaps they had a better opportunity to do this in their society because it is not quite as pluralistic a society as ours, and it is not quite so free a society as ours. We must face the fact that in Canada we have a number of disadvantages in terms of two levels of Government, a federal and a provincial Government.

Mr. Baker (Nepean-Carleton): We cannot avoid that.

Mr. Lang: As the Hon. Member for Nepean-Carleton (Mr. Baker) said, we cannot avoid that. But what we can do is make sure, through the political will of all of us, that our politicians and our Governments are working in a co-operative manner. And there have been some signs of that, Mr. Speaker. I was very encouraged to note that when the Minister of Finance (Mr. Lalonde) presented his budget, the Treasurer of Ontario, Mr. Frank Millier, indicated that when he brought down his own budget it would be along the same lines, stressing tax incentives for the private sector to enable it to adapt to the technological revolution and to create jobs. I believe that was a very positive note because this was a co-operative effort by different political Parties involved in two different levels of Government.

Another reality which we must face in Canada is the fact that we have for at least 100 years operated on the confrontational or adversarial system, not only in our Governments but between the main economic players in our society. It is not new to say that labour, management, business, Government, all have operated on an adversarial-confrontational system, and it has worked pretty well. However, we can no longer go on in this fashion, Mr. Speaker, or we will be left behind, particularly since we are a competitive trading nation and one-third of our GNP depends upon trade.

What are some of the things which Governments, business, and labour can do? First, if the priority is still "We are going to get as much money as we can without regard to productivity increases, without regard to the viability of the company", then that adversarial position will not be of benefit to labour in negotiating contracts. However, if labour says: "What we really want now is job security, job retraining; these are the

things we are going to bargain for and any increase in wages will be based on increased productivity", then labour will be striking a very positive note.

However, if this does not occur, we already know what will happen. We will have increased unemployment as businesses, particularly multinationals, are able to lay off workers in Canada and use the goods produced by workers who are willing to work for cheaper wages in other countries in the world, particularly in the Third World and in the developing countries.

• (1550)

What about business? Well, business can make a contribution as well. Many businessmen are saying in their interventions that the biggest thing they can take on is innovation of new products, adopting new marketing strategies, the developing of new markets as we come out of the recession. They can take the responsibility of helping to increase productivity through modernization and not blame lack of productivity on labour unions. In short, a co-operative effort.

I have seen this occur in my riding, Mr. Speaker, under the ILAP Program, where industry, labour and Government work together not only to modernize plants but to expand them. The Government's contribution was simply to offer interest-free loans for 50 per cent of capital expenditures for expansion and modernization in the manufacturing and processing field. With that incentive, the business and labour leaders in the Kitchener-Waterloo area formed a local ILAP committee and assessed various projects which came forward from both business and labour. We had dramatic increases in the number of jobs created and we had 16 plants modernize or expand in the space of one year. We are looking forward to more so as to increase the number of jobs.

There are other social consequences of the technological revolution apart from job displacement which have been alluded to by other Members. I am thinking of biotechnology where various strains of bacteria produce insulin, or other such genetic manipulation. What are some of the social consequences? Some people fear that these bacteria will get out of control. There might be an accident in the laboratory and a strain of bacteria is developed which is infectious to human beings. Government's responsibility here is to set down certain regulations and guidelines in co-operation with the scientific community so that people can be reasured that with this rapidly changing technology, as with others, we are not endangering the health and safety of our population.

Another example of the social consequences of the technological revolution is a very general one and it comes about so gradually that we may tend to miss it. There is a dramatic increase in stress which we all as individuals feel in a rapidly changing society. There is no question, as Dr. Hans Selye, world renowned expert on stress and a Canadian, has indicated, that the major stress inducing factor is change. We have a rapidly changing society and that will continue with the technological revolution. What is Government's responsibility here? I think we as representatives of the people must first of all recognize the problem.

Secondly, we should not be so hesitant and concerned when we see jobs in the service sector increasing. This is probably what should be occurring. Stress has a myriad of effects on people, anything from psychosomatic illness such as ulcers to social illnesses. I am thinking of alcoholism, drug addiction, and abuse of various chemicals which we take for granted in our society, such as coffee. Drinking one or two cups of coffee a day is fine, but when we begin drinking seven, eight, nine or ten cups of coffee a day as we adapt to increasing stress, it has a dramatic effect on some of us. People are becoming aware of the problems resulting from too much caffeine. The point I want to make is that there is an increasing amount of stress brought on by technological change.

I would like to conclude, Mr. Speaker, by addressing the particulars of the Opposition motion which says the Government is not spending enough on R and D. I take exception to this. I point out to the Opposition that if we stress R and D expenditure as the major aspect of the technological revolution, we are missing the boat. For example, there is no evidence that increased R and D expenditures in the areas of the natural or applied sciences will be the be-all and end-all solution. If we look at the way the Japanese have adapted to the technological revolution, they have used a system of adaption and innovation of existing products. We have seen them do this with many industries where the United States was ahead 20 years ago and the Japanese have come in, taken a look at the products, adapted and moved ahead.

I see you are rising, Mr. Speaker; thank you.

Mr. Nickerson: Mr. Speaker, I wonder if the Hon. Member would repeat that bit about the coffee. I do not quite understand that.

Mr. Lang: Mr. Speaker, I was making the point that as stress increases in society due to rapid change, many people will use various means to deal with it. Some people will smoke, some will drink, some will use valium, some will increase their use of such normal things as coffee to the point where they are not healthy. For example, if someone is drinking one or two cups a day of coffee, well, there is a dramatic difference between that person's intake and someone drinking 16 cups per day. That has a dramatic impact on the central nervous system. It shows itself in tension, irritability, sometimes there are gastro-intestinal side effects. I could go but I do not think the Hon. Member wants me to give a lecture on the side effects of coffee.

Mr. Thacker: Mr. Speaker, I would be interested in having the Parliamentary Secretary give us his views as to how he thinks society should compensate people under the assumption that there are going to be four million or five million unemployed and there simply are not going to be jobs available for them. The traditional way of life is to work and be paid a salary. Is the Hon. Member thinking in terms of negative income tax, or what would his view be?

Mr. Lang: Mr. Speaker, maybe the Hon. Member was not present for the first part of my speech but this is one of the important points I was trying to bring home. In the first two industrial revolutions there was dramatic job displacement. We went from an agricultural society to a steam engine society to a combustion engine society. We lost 80 per cent of the jobs in the agricultural sector. However, those jobs were then replaced by new jobs in factories. The automobile industry was a new sector where jobs were created. Much of this could not have been imagined when the first and second industrial revolutions started.

• (1600)

Therefore, one of the points I was trying to stress was that jobs will be coming along with the new technologies which are being developed. Our job is not so much to be frightened, to panic and to look for spurious ways of dealing with it, but, rather, to go with the technological revolution and retrain in those new, emerging industries as they come forward.

Mr. Lewycky: Mr. Speaker, I listened with great interest to what the Parliamentary Secretary to the President of the Treasury Board (Mr. Lang) said. I am just wondering if he could tell me whether he is aware that with regard to high technology there is a very great regional disparity. There are the high-tech centres of the various parts of the country where the young people are very much aware of the potential, and they also have the opportunity to participate in the types of programs which are available. Is the Parliamentary Secretary aware of the great regional disparity and, if so, can he tell us what types of plans his Government has to ensure that people from rural and northern areas are able to participate in the information revolution that we are experiencing in this country?

Mr. Lang: Yes, Mr. Speaker, I am quite aware of the regional disparities existing in Canada. They have been existing here ever since this great country was put together in Confederation.

Mr. McGrath: That is not so.

Mr. Lang: Mr. Speaker—

Mr. McGrath: That shows an ignorance of Canadian history.

Mr. Lang: —the Government has been aware of this problem. For quite a number of years, the Government has had the Department of DREE, which has now been merged with the Department of Industry, Trade and Commerce, to deal with that specific problem, even before the technological revolution occurred.

However, I think the point made by the Hon. Member is a very good one. The factor involving regional disparities is certainly one which Governments at both the federal and provincial levels must recognize in their policies. Our Government is cognizant of the problem, as indicated by the Minister of Regional Economic Expansion (Mr. Lumley) with his announcement in the House of a new program dealing with regional disparities. The Minister of Industry, Trade and Commerce sufficiently outlined it in his speech. I will not try to encapsulate it in a response to the Hon. Member's question.

Mr. Lewycky: I am not asking for a summary of the Minister's speech, but I would like to know if there are specific ways in which the Government will be including people from rural and northern areas. For example, the Canada Tomorrow Conference was discussed. Will there be people from northern Indian reserves and from rural western and northern Canada participating in this type of conference so that they might become aware of some of the present possibilities in the high-tech cocoon? People outside of the cocoon are not as exposed to such possibilities. I am just wondering if the Hon. Member could indicate some specific plans of the Government to ensure that these parts of Canada are included.

Mr. Lang: Mr. Speaker, to be quite straightforward concerning the specific conference mentioned by the Hon. Member, the Canada Tomorrow Conference, I do not know of the detailed plans or of the accessibility to be afforded to people from various rural and urban regions to attend the conference. I do know that the Government considers it to be a very high priority that all Canadians be aware of the technological revolution which is occurring and aware of the part that we must all play in it, as I have outlined in my speech.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I am very pleased that the Conservative Party brought forth the motion today concerning the lack of research and development in this country. I think that all one must do is consider the statistics and compare Canada with other countries around the world to see that we, as a nation, have really fallen down in terms of spending money on research and development and thus ensuring that we keep up with the rest of the world.

We have spoken at length today about the transition from the industrial society to the information society. I wish to begin my remarks by saying that I am glad there is a growing realization among Hon. Members in the House that we are in the new society, in the age of the computer, that things have really changed. Whether we like it or not, we are now here and we cannot turn back the clock. Unfortunately, one still hears Hon. Members of different political parties pretending that we will go back to the good old days, but that will not happen.

If one wishes to consider what is happening in Canada today or Canada tomorrow, all one must do is look at one's own children. For example, in our case, my wife and I have a nine year old boy. A few weeks ago our television went on the blink. My wife works in the television field and she and I tried to repair it. We tried to adjust it and spent a great deal of time, but we could not do it. Our nine year old boy, Jason, said: "Daddy, you are stupid; let me try".

Mr. Nickerson: He's got it right.

Mr. Nystrom: He has it right. I was about to take it into a television repair shop. After 15 minutes, at the age of nine,

with no training whatsoever, my son fixed it and it still works perfectly well. I have also seen my nine year old son sit down with electronic games, take them apart and put them back together. I really felt old a few days ago, and I just turned 37 about a week or so ago—

Some Hon. Members: Hear, hear!

Mr. Nystrom: —when he said to me: "Daddy, what were things like in the olden days when you were in school?"

Some Hon. Members: Oh, oh!

Mr. Fennell: Your wife looks so young!

Mr. Nystrom: We did not have the Pac-Man, the Atari, the Intellevision, or any of the computer games which are so normal and natural today. I suppose I must conclude that the olden days when I went to school, in the 1960s, will seem much more ancient and old to my son when he reaches my age than it seems to me when I consider the time when my father went to school, in the 1920s and 1930s.

This is because we are going through a society of very rapid change. That is the real world out there, and I think this nation must realize it. The nation will have to change its economic and social priorities to try to accommodate and mould that reality so that the transition is a human one with human values to guide us and not just cold, harsh, technical values. What is happening to my nine year old is the real world of other nine years olds and ten year olds as well.

A few years ago we never heard of computer camps in the summer, did we? But now there are computer camps for schools. There are children lined up who want to learn more about computers. Instead of typing classes, we now have key-punching classes and others of that sort. That is the real world we are in.

The Hon. Member for Ontario (Mr. Fennell) spoke very well. I think we must consider the new society as being one which can give us some more hope as human beings, one concerning which we can take a very optomistic point of view, and one which can really be used to liberate human beings from some of the drudgery and work which we have had to do ever since civilization began. That must be the goal and the objective.

At the same time, I think that we must be aware of some of the realities of what is happening. Many of the jobs with which we have been familiar are not there any longer and will not be there in the future. We must ensure that we start retraining people in this country as they are being retrained in other countries around the world so that they are not the victims of technological change. Instead of being its victims, they should be the people who benefit from technological change.

I want to review a few things that are happening in the real world. In the United States, for example, only 3 per cent of the people now work in farming as farmers. Only 13 per cent of Americans now work as blue collars workers in manufacturing plants. Sixty per cent of North Americans work in the information society. Be they teachers, lawyers, accountants, people working in high-tech or with computers, software, hardware or microelectronics, those Americans working in the so-called information society amount to 60 per cent of the population, with only 13 per cent in manufacturing and 3 per cent in agriculture. The 13 per cent in manufacturing will not increase, no matter which political party is in power, but, rather, will decrease in all industrialized countries around the world. It will decrease the same as it did in agriculture a number of years ago.

• (1610)

My father and my grandfathers before him were farmers in the prairies. In those days, there was a farmer on every quarter section of land on the prairies. I remember the stories that I was told as a child when the farmers would have huge crews of 20 or 30 men at threshing time who would use threshing machines and hay racks. The stooking crews would thrash the grain. Today, that is done by one person with a combine. About 120 years ago approximately 60 per cent of North Americans were working on farms and in agriculture. Today that number is 3 per cent but those 3 per cent produce more than the 60 per cent did some 100 years ago.

The same thing is happening now in manufacturing, mining and many other resource and other industries which have employed so many people over the years. In fact, that change began long ago in 1956. That was the first year that the United States had more people employed in white collar jobs than blue collar jobs. That was almost 30 years ago. When the Russians launched the first Sputnik satellite that orbited the world in 1957, it was a sensational way of opening up the world to the information society.

I believe we are undergoing very rapid changes. I have three deep and genuine concerns about what we should be doing as policy-makers in light of this reality. First, the Science Council of Canada said as recently as two days ago that our country is not keeping up with other countries in the world in terms of advanced technology, equipment, machinery and devices. The Council has said that we are about five years behind smaller countries in western Europe. That is half of a decade, which is far more significant than 30 or 40 years ago. We were told that we are spending less on R and D than other less industrialized countries. While we will be spending $700 million on advanced technology over the next two years, other countries such as France, Germany, Britain and the Scandinavian countries are spending billions of dollars.

We should also be aware of the fact that Canada is already far behind in terms of our trade deficit in high technology. In 1982 our net trade deficit was $8 billion in high technology. Many of the computers and office equipment that we import from abroad could be produced here in Canada. We do not produce the silicon chip in Canada even though we use so many of them every day in our nation. In fact, when one speaks to those in the computer industry they will say that if we do not change our ways our trade deficit in computers alone by 1990 will be some $10 billion in Canada. Imagine the

loss of jobs, wealth and economic activity that this means to Canadians, particularly young people who are fully capable of being trained in this country to build chips, computers and other microelectronic equipment that we are and will be using in Canada.

Today, our society is one in which soon every child will have a computer on his desk in every classroom in the country, but we will be importing those computers from abroad. That shows a lack of foresight and planning and is a disgrace to a country as talented as ours.

A second concern I have is that of the little high technology industry that does exist in this country, 40 per cent is already foreign owned and controlled. Many Canadian firms are now very vulnerable to foreign takeovers. Whatever industry we do have in Canada will end up like the oil industry today, being foreign owned, if we do not take appropriate action. The situation may even be worse since there will not be branch plants in the country. Instead we will be importing all of the high-tech equipment for our country's use. We must become aware of these realities as a nation and have some vision and confidence.

I am also concerned about the transition from our industrial society to our information society and how it affects so many people by unemployment. While I do not believe anyone has all the answers, one solution is obviously retraining. Perhaps we will move into a society in which we will continue to have shorter work weeks. We began some years ago with a 65-hour work week and we are now down to 40-hour work weeks. Perhaps there will be 15 or 20-hour work weeks in our society 50 years from now and we will have five or six weeks of holidays instead of three or four weeks. The Government of François Mitterrand is now experimenting with shortening the work week from 40 hours to 35 hours.

An Hon. Member: There is no work in France. That is what happens with socialism.

Mr. Nystrom: Suddenly my Conservative friends get very upset. They are afraid to look at any new and different ideas. I suggest that they will have to consider the possibility of continuing to shorten the work day or work week and increasing the holiday time in the years ahead. I say that because many of the jobs today will disappear and we will have to take care of those displaced people fairly and equally, whether my friends in the Liberal Party like it or not.

Let me use the automobile industry as an example. Last September, I had the opportunity to speak in Chicago to the United Auto Workers. The director of research of the American United Auto Workers told the convention that even if the United States retrieved its full share of auto production from the Japanese and others, only 17 years from now, in the year 2000, 80 per cent of the jobs that existed in the booming 1970s will have disappeared because of robotics and the fully automated factory.

There are now automobile factories in Japan in which 98 per cent of the operation is robotized. The average time for producing a car in Japan is some 11 hours, while it is some 31 hours in the United States. Robots in Japan are now producing cars in nine hours. The cost in terms of robots is about $5 an hour, whereas in terms of human labour the cost is $15 an hour for salary and benefits. This is the reality. As legislators we will have to consider ways to retrain workers who are displaced rather than letting them simply draw Unemployment Insurance or go on welfare. That is the challenge we face and we must ensure that the ordinary people are not the victims of the robots.

We are heading toward a robotized society in the world. The Japanese now have plants in which robots are building robots. In fact, in a machine plant just outside of Tokyo there are robots working the nightshift with only one human in the plant, the night watchman. That is the type of society that is evolving in our world.

I strongly suggest that we begin to retrain our people and put more money into upgrading their skills and preparing them for the world of today and tomorrow. The Japanese have 40 times as many young people in electrical engineering schools as we do in Canada and Japan has five times our population. Other countries such as Germany, France, Austria and Scandinavian countries put more emphasis on retraining than we do in Canada, and as a result the unemployment rate is lower and the standard of living is higher.

I believe that today's society also causes us to raise many questions about the direction in which our country is headed. The Hon. Member for Saskatoon East (Mr. Ogle) raised the question of our human values and the concept of our moral issues in terms of the machine and human beings. I think they were very good questions. We are moving into a society where many of the things we took for granted years ago, such as the value of physical labour and the value of capital, are being challenged. We are now entering into a society in which perhaps information is more important and brain intensive industries will be more important, where the knowledge that one possesses will be key in determining whether an industry is efficient or productive. I think a lot of the theories we had in the past are now being challenged.

• (1620)

It is important in this new revolution that we maintain very human values of sharing, co-operating and building and that we use high technology and new innovations to liberate people to make sure that we are not the slaves of the robot, that we make the robot work for us. We should make sure that we use technology to eliminate jobs that are dangerous in terms of health and safety and eliminate jobs that are jobs of drudgery. We should use the new technology to increase our productivity so that we will have more wealth to go around, to give human beings more free time and time to do work in the human and social field than has been done in the past. If we do that, then we can create a society that is better and more decent in the years that lie ahead.

Because of the new technologies we have a chance to have a more decentralized or a more democratic society as well. It will be a more flexible society. We should try to use these new

tools to make sure that does happen and we do not continue building bigger and bigger cities that are more and more polluted. Nor should we continue building more and more expressways. Instead we should have a more balanced growth in our society and promote more self-reliance, encourage more economic democracy, so that the ordinary people have more say over their lives and their environment than has been the case in the past.

I do think these are some of the things that can be accomplished. These are some of the things that we will have to think seriously about as legislators.

I have tried to raise a number of questions this afternoon. I do not know what the answers are to many of the issues we have been discussing today. I do think the values and objectives of a humane and decent society must remain. We must use the new technology, the robots and computers, to enhance that humaneness and decency and to try to increase the standard of living of the poor and the dispossessed. If we can do that, then surely the world of the twenty-first century can be a lot more just and exciting than the world we are experiencing right now.

[*Translation*]

Mr. Lachance: First of all, Madam Speaker, I should like to say that the Hon. Member for Yorkton-Melville (Mr. Nystrom) has just described very adequately the problems resulting from the introduction of robotics in the '80s. He compared this problem with the dilemma Western societies were faced with after the war due to automation which replaced a labour force which was unable to adjust. He mentioned also the need to retrain and upgrade the skills of our labour force. Would he not agree with me, however—I think I gathered from his remarks that he favours the development of higher-technology and robotics—when I say that in the long run, according to the experts, robots will create new jobs, just as automation did. However, in the short run, we will be faced with a rather serious unemployment situation which will affect especially the non-skilled workers who, no matter what program we may implement, will be displaced by robots. This will create in our society a fairly high level of unemployment which will add to the unemployment with which we are already faced today.

Mr. Deputy Speaker: Would the Hon. Member for Yorkton-Melville (Mr. Nystrom) like to reply to the Hon. Member for Rosemont (Mr. Lachance)?

Mr. Nystrom: Yes Mr. Speaker.

I have been an optimist for a long time. I believe that in the long run, there will be more jobs available in Canada, provided we establish a high technology development policy. Last year, unfortunately, for lack of such a policy, we had an international trade deficit of approximately $8 billion in the field of high technology and several countries have now out distanced us. I for one believe that there will be an increasing reliance on computers in schools for example as well as in all sectors of society.

I just read an article by an American economist which stated that by 1985, 75 per cent of all jobs in North America will require the use of a computer.

In my opinion, it makes a lot of sense to have a high technology sector in Canada. It is crucial that we in Canada manufacture computers and all the goods that we need in this country. It is very important in order to avoid relying too often on imports.

The problem must be addressed immediately. We have to cope with the transition from today's world to the society in which we will line 15 or 20 years from now. That is the issue and I believe that the challenge for us, as members of Parliament, is to find a way, through retraining programs like those in Japan or in European countries to provide new jobs for Canadians.

Mr. Lachance: In his intervention, Mr. Speaker, the Hon. Member for Yorkton-Melville (Mr. Nystrom) described some of the difficulties experienced by Governments which are literally assaulted by the great many calls for help from declining industries in a world of high technology. Given our limited budgetary resources, I would like to ask him to what extent he is suggesting that we, as a Government and as elected Members, help high technology industries—which will necessarily reduce our assistance to declining industries—and what will be the impact in terms of unemployment and jobs in those lagging industries which are generally rather labour intensive.

Mr. Nystrom: Mr. Speaker, that is a very thorny and very important issue.

I think that Canada can have a lot of economic changes. We have spent quite a bit of money to build the F-18, for instance, and a lot more as well for useless things. I would suggest that we must do as many other countries of the world have done, including Japan, France, the Federal Republic of Germany and the Scandinavian countries, and that is spend more money on high technology. Recently I called upon Dr. Stuart Smith, the Chairman of the Science Council of Canada, a Government of Canada agency. He often says that many other countries are now ahead of Canada. He also says that, according to the percentage of our GNP, we have spent much less in Canada than many other countries have and that we will have to change our priorities.

That is why the standard of living in Canada has been dropping since 1960 when we ranked second in the world, whereas we are now no higher than 18th or 19th. That is why we have to review our economic priorities. We need an economic strategy for the future.

[*English*]

Mr. Thacker: Mr. Speaker, I have a question for the Hon. Member for Yorkton-Melville (Mr. Nystrom). He outlined how much more efficient Japan is compared to the U.S.A.; for example, building a car in 11 hours compared to 31. Would the Hon. Member agree with me that the decision of our Government and the U.S. Government in the early 1970s to hold down the price of world energy was a dramatic interference in the world marketplace and that it actually affected us adversely in the sense that we held down the oil price, which sent a signal to our automobile manufacturers to continue to build big cars for us to buy? Meanwhile in Germany and Japan where they had to go to the world price on energy, they immediately turned their top scientific engineers toward producing more efficient cars. Some eight or ten years later they are beating us in the marketplace. Does the Hon. Member agree that that decision by Government interfered with the marketplace to such an extent that it has made our automotive industry out of date today?

● (1630)

Mr. Nystrom: Mr. Speaker, that may have been one of the factors, but there are many factors why the North American auto industry is behind the auto industry in Japan and Europe. Management in general in North America, in private corporations, tends to be shortsighted. There is too much emphasis on quarterly and annual profits rather than long-term planning. Also, in Europe and Japan greater priority is given to quality products rather than quantity. That is the major difference in the business community between North America, the Japanese and Europeans. The Europeans and Japanese are more concerned with the long term. They might have some short-term losses, but in the long run they want to ensure that they are internationally more competitive.

Our management is very shortsighted. Productivity is basically a management problem. It is management that makes important decisions about technological change or whether to expand certain industries. In North America we tend to have become caught up in the consumer process. We build more and more shopping centres, have more and more kinds of dog food and do more and more things that are basically useless. They do not make that mistake as much in Europe and Japan.

When it comes to research and development the Americans spend a bit more than the Japanese, but not much more. The big difference is that Americans spend about half of their research and development funds on military research and development while the Japanese spend almost zero.

It is very difficult to answer the question directly. It is like comparing apples and oranges. There are many cultural differences. I am being honest; I am not trying to skate away from what the Hon. Member is asking. There are many cultural differences. There are many things we can learn from them about quality of life rather than quantity. Because of the world recession and the fact that some of our resources are running out, hopefully we will put more emphasis on human values.

Mr. Thacker: Mr. Speaker, I want to take the Hon. Member on to a further discussion on which I would like his views. Why does he think that in Canada we hold ourselves back from participating in the world game?

Mr. Deputy Speaker: Order. There really is not time for a prolonged question and answer.

Hon. Chas. L. Caccia (Minister of Labour): Mr. Speaker, it is the quality of the interventions this afternoon to which I had the fortune of listening that prompts me to seek the floor. I thank you, Mr. Speaker, for this opportunity. I want to present a few thoughts dealing with the subject matter. Before doing that I want to focus attention on the motion before us today.

The motion is written in a political environment. Therefore, it would hardly be possible for the Hon. Member for St. John's East (Mr. McGrath)—

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I do not often dispute the Chair's calling of the Orders of the Day, but on this Official Opposition day, there are now more Liberal speakers who will have spoken before the end of the day—

Mr. Deputy Speaker: With all due respect to the Hon. Member, I wonder if he would care to count again. At one sequence earlier today, there were two Members of his Party consecutively.

Mr. Caccia: Mr. Speaker, a motion written in a political environment could hardly praise the Government for what it does. Otherwise, the Opposition would be remiss in its duty. The motion tends to ignore certain developments and initiatives taken by the Government that ought to be put on the record.

The motion seems to indicate that the Government has not dealt with research and development and specialized training. The question of research and development was put forward as recently as three weeks ago by the Minister of Finance (Mr. Lalonde) in his budget. This was done quite forcefully with substantial measures aimed at promoting, facilitating and creating incentives for the private sector with regard to research and development. That was only three weeks ago. That element ought to have had at least a minimum of recognition in the Hon. Member's motion.

Moving on to specialized training, the motion seems to have been written in a vacuum. For the past ten months this country has been engaged in a massive program of adult training under the auspices of the National Training Act and the Minister of Employment and Immigration (Mr. Axworthy). That is an outstanding shortcoming of the motion of the Hon. Member for St. John's East. As I said before, he cannot put forward a motion praising the Government, but by going to the extent of condemning the Government for not having done that which it evidently has done is an approach that is not conducive to putting the facts on the record; perhaps it does elicit a reaction from the Government side of the kind I am providing.

Having said that, I congratulate the Hon. Member for St. John's East. In a highly political way he has put an important issue on the table. He deserves to be commended for that initiative. His initiative has led to some interesting and thoughtful interventions this afternoon. We had input from the Hon. Member for Kitchener (Mr. Lang), the Hon. Member for Ontario (Mr. Fennell), the Parliamentary Secretary, the Hon. Member for Yorkton-Melville (Mr. Nystrom) and others. Their comments will be of guidance to the policy-makers of this country as to how to approach the question of technological change.

With the inevitable fear that the issue of technological change is creating among Canadians, it would be worthwhile to put on record a quotation that dates back to 1931. The then Director of the International Labour Organization stated that one of the factors in the unemployment program at that time was "the disorganization of the labour market caused by the extra rapid development of labour-saving machinery and the process of rationalization".

We all have to realize the effect of the new processes on the labour market in the eighties which are vastly greater than they were in the thirties. In 1931, Mr. Speaker, the Deputy Director at the Internationl Labour Organization reported, in his evidence of the effects of mechanical improvements on employment, that the agricultural combine deprives five agricultural workers of employment, In Canada the number of such combines increased from two in 1922 to some 7,215 in 1929. In that way a displacement of some 36,000 workers took place over a period of seven years. I doubt, however, whether in the 1980s we will have as much breathing space available as was available in the twenties.

• (1640)

The technological revolution that we are debating here today seems to be embodied in the miniaturized computer which has introduced into the industrial process an element of automation. The problem facing us is not a question of whether the process is good or bad; it is how we handle the process, how we manage it.

It seems to me that the Hon. Member from Yorkton-Melville, in his intervention, put his finger on what seems to me to be the essence of the approach that should be developed. That is that we must consider the effect of technological change on employment, on income distribution, on health and safety, and on labour relations. We can learn how to manage these effects by putting a human face on technological change. If at the center of our concern are the men and women affected by the change, then I believe we will have learned from the agricultural and industrial revolution of past decades and we will have learned the important lessons that those changes taught us to the benefit of present and future generations. This seems to me to be the essence of what this debate is all about.

In 1982 we established a task force on microelectronics and employment. It was conducted by Dr. Margaret Fulton and was completed last November. It was produced in the form of a very concise report entitled "In the CHIPS: Opportunities for Employment". Since then it has been the object of intense consultations with labour and management, because, of course, the recommendations contained therein touch on these facets of technological change.

We know, Mr. Speaker, that this technological change will affect the pattern of demand for labour. It will probably produce a surplus of unskilled workers and a shortage of skilled workers. It will create a necessity for training of the specialized kind that there is presently under the National Training Act and to which the motion before us makes reference. It will probably have an effect on workers in the service industry, and particularly, I suppose, on office workers. Technological change will probably have an effect on hours of work, on part-time work, on work sharing, and perhaps it will have a considerable effect on the question of early retirement and ways of inducing it and facilitating it for those who wish to take advantage of such possibilities.

On the side of health and safety, Mr. Speaker, technological change could also bring about new hazards, possibly with a greater influence on psychological problems. Therefore, the dangers of technological change in relation to health and safety may not be as evident as they were in the past and it will require greater research to prevent their occurrence.

I would like to express my gratitude to the Member from St. John's East because he has put on the table perhaps the most important issue that faces not only this Government but any Government that has an industrial concern and a labour force that is affected by technological change. This issue is that there will probably have to be greater flexibility in the future on the part of management and labour and that there will have to be some form of partnership developed between labour, management and Governments in the future. It is quite possible that management will have to give up more of its residual rights, become more democratic and encourage forms of co-determination and co-management. We have heard echoes of this from other countries in the past decade and these echoes are now reaching our shores. Maybe labour will have to be reassured so that it can accept the inevitable change. The assurance that should be given to labour is the assurance of some form of job security and employment growth.

This leads me to refer to the budget again as I did a moment ago, because contained in the budget is an important element which some speakers on the opposite side have seemed to overlook, although not all of them have. I regret that I have not heard all of the interventions. This element in the budget is the reference to a centre of productivity and employment growth. That centre is an instrument of a highly technical nature where technological change will be the focus, a forum where business and Government can bring to the fore experience at the shop floor level, as they say, bring to the attention of all the experience of the front line of the workplace in order to find some short-term answers to questions that have been of concern to some of the speakers on the opposite side. Those, of course, are the concerns of the Government as well. Beyond that, evidently answers will have to be found of a medium-term

nature and of a long-term nature, and the challenge is now before us.

Through its budget of April 19, 1983 the Government has made an offer to fund a centre if there is the will to create one, a place where labour can play a central role, together with business and with Government, in the shaping of our future, in the managing of this technological change and in the exchange and the bringing together of experiences as seen from different angles, in an attempt to search for solutions. Evidently the solutions are not easy to find and the finding of them cannot be the exclusive domain of one party or the other, of Parliament alone or the Government alone.

I am convinced, Mr. Speaker, that better answers will come as a result of consultations and co-operation by all of the sectors in our society that are affected. Inevitably there will be things that labour knows more about, there will be things that business will understand better, and there will be another range of knowledge and experience that the Government will be able to contribute in the interest of the public at large.

The future lies in these kinds of measures. I suppose the creation of a subcommittee of Cabinet on technology must have been brought up earlier in the debate. Mr. Speaker, what more evidence is needed to demonstrate to you that there has been and there is now forward thinking on the part of this Government of the kind that this Opposition motion does not seem to be aware of or does not want to take into consideration? If these elements that I am submitting for your consideration seem valid to you, the motion before us that condemns the Government has no foundation.

What I do welcome, though, is the fact that this debate has put forward a number of interesting propositions. There have been interesting questions and points raised by the Member for Waterloo (Mr. McLean) who made inquiries about the Labour Code earlier this afternoon.

• (1650)

Some interesting questions were asked by Hon. Members concerning the management of change in general. This issue is so important and fundamental to the survival of society and to the benefit of all Canadians that it requires more than just a political, partisan approach, which is understandable within the confines of these four walls. It will require very active and intensive participation and co-operation so as to trigger the input of all interested parties. Therefore, I place a particular importance on the creation of the centre mentioned in the budget of April 19. I see it as a vehicle to approach these issues which could make a considerable difference.

There are skeptics who say that this country is not ready for an approach by labour, business and Government. I am somewhat saturated, to say the least, with references to Japan and Japanese models. Quite frankly, those models from abroad have their own merits within the confines of those particular cultures. It is important to study them and to learn about their existence but, having done so, we have to turn around, look at ourselves and seek our own identity so that we can implement our own ways of doing things. It cannot be the Japanese way or the European way; it has to be the Canadian way.

In this respect I remind Hon. Members that in Canada we have some interesting models which have already been developed. For example, we have an approach through the vehicle of task forces as announced by the Minister of Industry, Trade and Commerce (Mr. Lumley) on several occasions in recent months. There is what could be called a bilateral model in the automotive industry which has a labour leader and a recognized industrial leader working together, co-chairing a task force and producing a report, in the case of the automotive industry, I suppose in the matter of a few weeks. They deliver to Government their findings and conclusions and then leave it to Government to make a decision in the interests of that particular industrial sector and of the public at large. That model is being repeated in the forestry industry. It could be said that somehow it is a continuation of the sectoral approaches of 1978 or thereabouts when some ten or 20 sectors were developed for study as an initiative of the Liberal Government.

Parallel to the bilateral approach we have a trilateral approach which exists in at least four places in Canada, all at the federal level. I will not venture into the provincial level where I am sure there are ongoing trilateral models, particularly in the fields of apprenticeship training and counselling across the board in most Provinces. But at the federal level in Hamilton, for instance, there is the Canadian Centre for Occupational Health and Safety run by a council consisting of labour, business and the Government. In Ottawa we have the Labour Adjustment Benefit Board, which is also run by a trilateral body. In addition we have the Export Development Board which advises the Minister in charge of exports and consists of three sectoral individuals representing labour, management and business. Finally we have the Textile Advisory Board—

Mr. Deputy Speaker: I regret to interrupt the Hon. Minister but his allotted time has expired.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I thank you for these few moments to speak on this matter. Also I thank the Hon. Member for Lethbridge-Foothills (Mr. Thacker) for his generosity in allowing me some time in which to speak and the Hon. Member for Dauphin (Mr. Lewycky) for not asking any questions. If I may be so bold, I will include the Hon. Member for Ottawa Centre (Mr. Evans) in my thanks.

I have listened very carefully to the debate today. I even contemplated a desire to move a motion under Standing Order 84(2) which would allow the House to continue almost indefinitely with this interesting debate, but I now think it is best that it conclude.

I was interested in the remarks of the Minister of Labour (Mr. Caccia). He talked about many things the Government is doing, and I think it is doing some things. The report which has been declared a Cabinet document so that it cannot be

shown to us indicated the danger of 15 per cent unemployment. One of the reasons we find ourselves in our present position is perhaps because the Government of Canada has forgotten two things. In terms of the size of the deficit, which may be a drag on the economy and on our recovery, it has forgotten the biblical injunction to save in the good years against the bad. It spends, spends, spends in the good years; spends, spends, spends in the bad years; and we have that drag which may very well dampen our recovery.

Second, as Governments will take the benefit to which I think they are entitled when things go reasonably well, they have to take the responsibility when things go reasonably bad. There is no doubt we are suffering today from the fact that Governments have failed to foresee the abvent of the information society and the importance of this new technology. Only now are lights going on when we face some tremendous problems in the community. There is not a supporter of the Government opposite who could honestly rise and say that this is the appropriate time to begin these changes. As a matter of fact, the appropriate time has long since past. That is a tragedy which will be borne by many young people who are now unskilled and will be caught in the short-term period. I do not want anyone in the House to think that there are not some tremendous advantages to the technological change which is now coming about, if we are wise enough to plan for it and to take advantage of it.

Some Members have talked about the changes in the industrial revolution with the invention of the steam engine, such as the change in the agricultural community which resulted in displaced workers. Those workers went to the cities to find new jobs. The high technology industry is not only developing for itself; it is developing technology to be used in existing industries to upgrade them, to make them more competitive and more productive, to create new jobs and new product lines to improve our place in world markets. We have to be awake and wise enough to take advantage of this. It is the challenge which faces every one of us, but this motion condemns the Government because it is starting awfully late.

I urge Hon. Members of the Government to read a little book entitled "While There is Time", by Stephen Leacock. He had the following to say about Canada in a very short passage:

> —Canada is as empty as ever—almost; still abundant room, abundant opportunity, life and all that makes it sweet, waiting here for uncounted millions of people, serene sky and empty plain, and rivers murmuring in the forest—nature's temple, where we crowd and wrangle round the entrances.

That is still the picture of our country if we are prepared to take advantage of those things which are ours, and one of those things is the advent of the information and communication age.

Some Hon. Members: Hear, hear!

[*Translation*]

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

This House stands adjourned until Monday next at 11 o'clock a.m., pursuant to Standing Order 2(1).

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

HOUSE OF COMMONS

Monday, May 9, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—MINING INDUSTRY

Mr. Thomas Siddon (Richmond-South Delta) moved:

That this House condemns the Government for imposing punitive tax measures; high energy and interest costs; and general economic uncertainty upon the mining sector, all of which have led to the loss of jobs in Canada and a loss of foreign markets and foreign exchange, and urges that a special committee of this House be struck to investigate and recommend immediate solutions to the problems facing the mining industry in Canada and the economic hardship and despair imposed upon thousands of Canadians in mining communities from coast to coast.

He said: Mr. Speaker, if this motion before the House today is adopted, we would see the creation of a special parliamentary committee to examine the very serious structural problems facing the Canadian mining industry today.

Naturally, the current slump in Canada's mineral production can be linked to a large extent with the world-wide economic recession. But many of the problems confronting our mines and their employees started over a decade ago and are unrelated to the recession. It is only during the past 18 months that this decline and the importance of this industry to Canada has become to visibly apparent to all Canadians because of the consequent widespread unemployment in the mining industry.

The result has been the hardship, the suffering, the uncertainty felt in mining communities across Canada, and the closing down of many company towns. These troubles began with the closing of Uranium City operations in northern Saskatchewan in December of 1981. Over subsequent months we have witnessed the decline of the potash industry in Saskatchewan, the asbestos industry in Quebec, iron ore in Quebec and northern Ontario, the closing of the major nickel mining and smelting operations in Sudbury for an extended period of time, the decline of our copper and molybdenum industries and, most recently and regrettably, the decline of our coal markets in Pacific Rim nations. This all translates into considerable human suffering and loss of income.

• (1110)

I want to say at the beginning that stop-gap measures will not be enough to solve these problems. The use of Section 38 under the Unemployment Insurance Act, the concept of work sharing and even programs like ILAP will only be useful if they lead to a meaningful investment in future plant and opportunity to produce and to market more competitively those bountiful mineral resources which we have throughout Canada.

These kinds of stop-gap measures, which I am sure the Minister will be speaking of in her rebuttal, will not affect more than a small number of those thousands and thousands of Canadian mine workers who are presently unemployed. They will be of little value unless they are geared to certain long-range goals which are established by the Government of Canada in consultation with the mining industry.

A special parliamentary committee, as provided for under the new House rules, would be the best way to tackle this issue. It would deal with the issue openly and could act with the urgency needed as a consequence of years of neglect, not only by the federal Government but by provincial Governments, in coming to grips with these very serious problems.

In Canada we have a great untapped potential in bountiful mineral reserves. It is inexcusable for the Parliament of Canada to overlook this important sector of our economy and the contribution that that mineral wealth can make to the well-being of all Canadians. And it is obvious that policy papers prepared by the bureaucracy are not the way to go towards solving this problem.

It has now been a year and two months since the Minister of State for Mines (Mrs. Erola) released her ill-fated policy paper, which at the time was called a discussion paper on mineral policy, yet nothing has come of that paper that we have been able to detect. In spite of a great and costly work effort by hundreds of officials in the Minister's Department, the policy paper missed the mark in terms of the real issues of priority that should have been addressed. It is not surprising that this paper drew harsh criticism from every quarter. However, the concern created by the proposed mineral policy resulted in a number of thoughtful and detailed responses. It would be tragic if these responses were ignored by the Minister as she puts her embarrassment under the rug, so to speak, with respect to this policy paper.

It is time that the Minister, the Government and her Department began listening to the real and long-range needs of the industry. There is a chronic need for a whole new approach to rejuvenating our mining industry. A parliamentary committee could map out the ground rules and objectives in this regard that should be followed by all Government departments, both at the federal and provincial levels. This would go a long way toward establishing the security and confidence that is essential to the growth of mining in Canada.

For example, some of the issues which such a committee would address might fall into the following categories. Such a committee should look at the elements of production costs such as wages, the impact of labour relations on those wages, the costs of energy, the costs of capital, in particular the interest rates available to Canadian investors and industry in comparison with those interest rates available in other parts of the world, the burden of taxation and the royalties. All of these elements of production costs should be compared with our other major world competitors to find out, for example, why it is that they can put nickel on the market at a dollar a pound cheaper than the Canadian producer can market it.

We must look at the question of efficiency of production. Canada's mining industry prides itself in being on the leading edge of modern technology. However, are we keeping abreast of the new and emerging developments that are being exploited in new mines being opened up around the world? On the question of economies of scale, can we justify a lot of small, marginal mines or should we be looking to larger scale activities? How does that question of scale relate to practices in other countries? What about marginal deposits and the important costs of infrastructure such as hydro-electric power and transportation?

These matters must be addressed and put into the context of what our chief competitors are doing in the Iron Curtain countries, such as the Soviet Union, in Australia and in Third World nations which are increasingly eroding our share of world markets. We must find out why it is that the Canadian mining industry of recent times has not been able to attract sufficient investment capital. We must think about world marketing strategies and the potential for growth in the Canadian mining industry. My colleagues and I this morning, and later today, will deal with many of these subjects in detail in order to provide the catalyst and framework in which a parliamentary committee could take a detailed and, I believe, very helpful look at this serious problem.

• (1115)

Surely, an industry which accounts for almost 10 per cent of our Gross National Product deserves better than it has been receiving at the hands of this Government. Eighty per cent of our mineral production is diverted to export which makes a very important contribution to our balance of payments and our Gross National Product. Therefore we must not merely pick away at the problem in a piecemeal fashion, Mr. Speaker, and I hope that will not be the practice of Liberal Members opposite. We must look at this problem in a very constructive and long-range way in order to restore that tremendous potential which had been developed over many years in the North and in the far-flung regions of Canada which created that important pool of wealth for the benefit of all Canadians.

The impact of mining, Mr. Speaker, is felt in every region of our country. It accounts for 4.1 per cent of all capital and repair expenditures and one-fifth of all our national exports. It normally employs 135,000 workers, and 10 per cent of our total labour force through indirect employment, with a multiplier of some five-fold over the actual number of people working in mines and smelters. The mining industry makes up 60 per cent of all railway freight which is handled in our country.

Total metal and mineral production in 1981-82 was over $31 billion, but in 1982 there was a substantial loss. There was a 20 per cent decline in the value of our mineral production largely going to export with consequent multimillion dollar losses, both for the major mining industries of Canada and the Treasury of Canada; because with major losses being declared, the flow of tax revenue to Government has been heavily depleted in the past fiscal year.

In the policy paper called "Economic Development for Canada in the 1980s", which accompanied the 1981 budget, the Government actually identified the importance of the mining industry and said that one of its leading economic priorities, to quote from that document, "lies in the development of Canada's rich bounty of natural resources". The quote continues:

> To back this up, the Government is allocating over $60 billion to economic development expenditures in the period to 1981-86.

That was a year and a half ago, Mr. Speaker, and as yet, other than some make-work help-out programs, we have seen little action in getting on with the important job of developing a greater opportunity for Canada's mineral industries around the world. Therefore, Mr. Speaker, in fact it has not merely been a matter of passiveness. Certain federal policies have amounted to a virtual attack on Canada's mining industry. This Government has indulged in destructive tax policies and interventionist adventures which have seriously eroded the investment climate for this resource sector in general. Thousands of jobs have been lost as these Government actions brought a curtailment of mineral development during the 1970s. It is a particularly upsetting situation for those who recognize the potential of the industry and the contributions it has made to Canada's past prosperity.

Mining established a foothold and flourished in Canada during the post-war period, Mr. Speaker, thanks to federal tax policies which encouraged resource exploration and development; but these policies were abandoned in the late 1960s and the industry came into a period of decline. The major step down the road to the present insanity was a decision to scrap the tax-free period, the three-year front end tax-free period, for new mines. This tax policy, or to call it by its more correct term, "tax deferral", allowed mining companies to be tax free for the first three years of developing a new mining project, with the understanding that that inducement would be repaid to Government, or there would be some recognition by way of profit sharing which would be extended to the Government after the mine had been developed. That program allowed the elimination of front-end loading on struggling marginal industries which were trying to raise capital and finance major new capital investment.

• (1120)

My hon. and eminent colleague, the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton), will talk in

greater detail later about how this tax policy was introduced and how effective it was, and then how over a period of time, because of various attempts by various provincial Governments and the federal Government to grab more of the revenues from these resources, the benefit of this particular measure was lost. It has been replaced by heavy front-end taxation which provides a tremendous disincentitve to getting on with the development of new mining projects at a world competitive price structure.

Destructive taxation, Mr. Speaker, has had a dramatic effect beause it not only took money away from struggling mineral operations but also created an unstable and unfriendly investment climate for an industry which requires long-term planning. The harm done by federal policy was unfortunately often magnified by provincial Governments, such as the short-lived experiment with socialism in British Columbia. There are a lot of British Columbians who are, since Friday, thanking their lucky stars that that Party did not take hold of Government again in British Columbia. We were able to witness on Friday morning the resurgence in trading even on the Toronto Stock Exchange in mining stocks which have been on hold for six months because of the concern that an NDP Government might have been re-elected in that Province last week. The British Columbia mine workers and mine companies are, of course, still recovering from the royalty on mineral production which was in effect under the NDP Government from 1972 to 1975. That short period alone chased thousands of jobs and millions of investment dollars out of British Columbia.

Similarly, the private sector potash industry in Saskatchewan was brought to its knees by the absurd levels of taxation introduced by the NDP regime in that Province. While the federal Government cannot be blamed therefore for all of the misdeeds of its provincial counterparts, it must also be held partially accountable for the absence of any meaningful progress on federal-provincial agreements on mining taxation during the 1970s. Such an agreement could have spared miners and mining companies and Canadians generally the insanity of taxes being compounded on taxes and payments to the various levels of Government which approached 100 per cent of profits, and more in many cases. This was certainly the case for certain operations in Saskatchewan under the Blakeney Government.

Aside from trying to co-ordinate mineral policy with the Provinces, Mr. Speaker, the federal Government should get its own act together. Although the work of M and R scientists is often laudable, the Department of Finance and other Government agencies have been hostile to mining. This has never been so evident as it was in the case of the two MacEachen budgets in November, 1981 and June, 1982. To quote one unnamed spokesman for the mining industry, "after the two MacEachen disasters anything would be welcome, but it is interesting that now they screwed it up, they are giving the economy back to business saying: 'Fix it up' ".

That is a characteristic, Mr. Speaker, of the budget which was introduced on April 19, which did take certain positive measures, as I am sure the Minister will be proclaiming in a few moments, which are designed to assist the mining industry. But there is no comment on the damage that was done by previous budgets with the reduction in the capital cost allowance, the non-deductibility of soft costs, the question of taxation of interest costs, tax on work in progress, and the tax audits being conducted vigorously against insider traders in mining companies and the general anti-investment thrust of previous Government policies.

It is commendable, Mr. Speaker, that in the budget of April 19 a decision was made to make the 33 1/3 per cent mining depletion allowance deductible against non-resource income for investors in the junior mining exploration companies. This is a welcome move, long overdue, but the benefits of the decision will be seriously undermined by the continuing unfair tax treatment of employees, officers and directors of junior mining companies, as I have already pointed out, where Revenue Canada is trying to tax as income the return on investment which was earned by consultants and professionals in exchange for their participation in junior mining companies. This sort of measure, which will be outlined further by one of my colleagues later today, has had a tremendous negative impact on the availability of investment capital to the mining industry.

The other matter the Minister will probably refer to relates to some changes in the investment tax credit and other initiatives contained in the April 19 budget. These are designed to provide an incentive to finance major capital projects in the mining sector. The only problem is that the industry is presently in a state of over capacity. Until we find a way to market our products more competitively internationally, no amount of additional investment capital will be able to deal with the long-range problem.

• (1125)

The most contentious of the initiatives of the Minister of Finance (Mr. Lalonde) in recent years is the plan to tax the housing and travel benefits traditionally received tax-free by workers in the North and other remote areas. This tax will add significantly to the cost of mining in northern Canada for both companies and, ultimately, employees. The decision last December to phase in the new taxes did nothing but reaffirm the industry's view that the Government is determined to destroy and weaken Canadian mining, particularly in the areas of Canada where new exploration and development are essential.

The assumption of the Minister of Finance that mine unions can negotiate contracts to make up for these lost benefits borders on the ridiculous. These unions are negotiating with companies which have been recording massive losses and which have often shut down their operations for extended periods, which is hardly an atmosphere for taxing increased benefits.

There are roughly 35,000 miners still off the job in Canada today, almost 30 per cent of the mining work force, despite the resumption of work in Sudbury and the promise of developments in the Hemlo gold field. The threat of the northern

benefits tax remains as a major obstacle to the return to work for many of these workers.

The Minister of Finance and his colleagues have asserted that this tax will put northerners on an equal footing with other Canadians, but this ignores the reality that these benefits are essential to making life in the North comparable to that elsewhere. The tax also ignores the many long-term decisions which have been made by individuals and companies in the belief that this provision would not be changed.

As I mentioned before, a stable investment climate must be a major priority in order that the mining industry may prosper. However, instability has been the policy of the Government, not only through destructive tax policies, but also with its stand on foreign investment and Government involvement in the economy. The Foreign Investment Review Agency, which has influenced the ownership of operations such as the Cyprus Anvil mine in Faro, Yukon, remains a major concern to investors despite the Government's decision to back off on FIRA during the recession.

FIRA's unsettling effects in the investment community are augmented by the newly formed Canada Development Investment Corporation which hangs like a sword of Damocles over the heads of everyone in the private sector. The mining industry is acutely aware of the threat posed by this super holding company because of CDIC's 1980 takeover of the Kidd Creek mine near Timmins, Ontario. This little adventure, tied to the National Energy Program, resulted in $400 million in new debt being created and imposed on the once profitable mine.

Petro-Canada's expansionary activities can only be viewed with alarm by the mining industry, especially since Petro-Canada's involvement in coal production in northeastern British Columbia demonstrates its ability to become involved in the mining sector. Now the new Chairman of the Board of Westcoast Transmission, who happens to be the President of Petro-Canada, indicates that he is prepared to move in, take control of British Columbia's natural gas industry and intrude into other sectors of the economy as well.

Last year's purchase of BP interests show us that the Government has no intention of repairing the damage it has done to investor confidence over the years. These and other Government policies have had a staggering impact. As I pointed out at the beginning of my speech, in the late '60s, the start of the Trudeau years, we saw a move toward the harmful tax policies of today.

We have before us a rather bleak situation and much opportunity to improve upon it. We in this Party are suggesting today that a special committee of the House be initiated immediately and be mandated to travel the country to consult with industry and Government Departments at both federal and provincial levels. We need to come up with some constructive proposals for dealing with this serious problem as to why Canada is declining so miserably in its pursuit of competitive opportunities around the world.

• (1130)

Mr. Cullen: Madam Speaker, the Hon. Member made reference to the three-year tax holiday. We know why that was done; it was in the interests of increasing the development of mines. The information I have is to the effect that so much high-grading was being done that it was not really in the long-term interests of the employees or of the mines that all of the high grade ore be taken out in the first three years during the tax holiday. They would then find themselves in difficulty down the road. Is this not in fact what occurred?

Mr. Siddon: I think the situation is exactly opposite to what the Hon. member describes. The elimination of this tax holiday made it much less attractive to develop marginal or low-grade deposits. Therefore the emphasis in investment was directed even more strongly toward the development and exploitation of high-grade deposits. That ensured that we missed out on the opportunity to develop a lot of new low-grade deposits. As the record will show, it has been much more difficult to finance through investment those low-grade deposits until perhaps the initiatives of the budget of April 19.

I think the most important thing we must recognize is that if we do not make it attractive for investors to invest their cash when they know they will not make a return for at least three to five years on exploration and development of a new mine, then we will just not continue to expand the number of competitive sources which have a profound influence on Canada's ability to compete internationally in the sale of minerals.

Mr. Cullen: Mr. Speaker, I do not think the Hon. Member can have it both ways. In one breath he is telling us that it had a detrimental effect on the low-grade ore because miners were moving to the high-grade. I suggest, with respect, that the high-grade mines will operate whether there is a tax holiday there or not. The area we should be working on is the low-grade. These mines will not operate and will not be in place, but maybe encouragement of these low-grade deposits is not in the long-term interest of the employers. We might have been encouraging miners or people who were doing this kind of investing to get into the low-grade aspects for the three-year tax holiday time, have these miners working for that time frame, and then being unable to work after the tax-free holiday.

Mr. Siddon: Mr. Speaker, I think the point is that as we expand our capacity to produce minerals, whether from high-grade or low-grade deposits, those developments will become profitable. Even granted the three-year tax holiday, there would be an implied contractual commitment that the benefit of that tax holiday would be paid back once profits were earned. It is ludicrous to suggest taxing paper profits. If the Hon. Member is suggesting that we allow only the high-grade deposits to proceed by denying the three-year tax benefit, which would essentially encourage competitive sources of production, then I cannot agree with him, Mr. Speaker. The whole purpose of the unloading of the front end of the tremendous investment burden that mining investors face is to get

more capital into mining and to stop this nonsensical situation of taxing income before it is ever really earned.

Mr. Deans: Mr. Speaker, the Hon. Member draws certain conclusions from British Columbia. In one instance he spoke about Saskatchewan, and in another instance he spoke about NDP Governments being somehow or other to blame for the downturn in the mining industry. There are two questions I have for the Hon. Member. How does he explain the difficulties the mining industry has in the Province of Ontario, where the NDP has never been the Government?

Mr. McDermid: And never will be.

Mr. Deans: Well, who knows about that? That is not a big problem, frankly. Second, the Hon. Member speaks about the need to create a good climate in which investors can invest their money. What does he think of the climate in Chile, Argentina, Guatemala or Indonesia where these same investors are investing who invest in Canada? They have to go there and deal with people who stand with a gun at their head in order to make deals. They do not seem to be withdrawing with the possible exception of Guatemala. They do not seem to be finding any difficulty dealing there. Does the Hon. Member really think that anyone believes his unadulterated crap?

Some Hon. Members: Order!

Mr. McDermid: Back to the fire department.

Some Hon. Members: Oh, oh!

Mr. Siddon: Mr. Speaker, the Hon. Member for Hamilton Mountain (Mr. Deans) belies a great unease when he has to finish his question with an arrogant adjective such as that. I would not mind if the Hon. Member would allow me to answer the questions he has put.

In the case of the Province of Ontario I think it is fair to say that many people in the mining community are not terribly pleased with the excessive bureaucracy that has to do with the trading in shares of mining stocks on the Toronto Stock Exchange compared to the situation, I might add, on the Vancouver Stock Exchange which has experienced record trading in these areas in recent months. That is not to say you can draw any valid parallels between the state of affairs in the Provinces of Saskatchewan or British Columbia under NDP Governments—and I might add Manitoba—and the situation in Ontario. I do not see the Ontario Government putting aside massive reserves of land, establishing Crown corporations to mine the minerals of Ontario in the name of the Crown and establishing a cartel and participating in a cartel in the marketing of those minerals, as was the case with the Province of Saskatchewan. I do not see the Province of Ontario driving out investment capital from the mining industry. In fact, if you look at the situation in Hemlo in the gold fields in the Timmins area, Mr. Speaker, you will see a tremendous amount of enthusiasm and excitement over the development of new mining ventures there.

I do not think it is fair to suggest that the Conservative Government of Ontario is practising in any way the types of socialist or interventionist measures that have become commonplace with NDP provincial Governments in western Canada.

If other Members would like to ask additional questions I will sit down, but I have one other question to answer which the Hon. Member asked me. It had to do with the situation in other parts of the world. I agree that it would be desirable for Canadian mining companies to keep their investment dollars in Canada, to enjoy a fair return on those investments and keep the jobs in Canada if our taxation and royalty structures and the predictability of Government regulations were such that they would. It is interesting that companies have been induced to take their investment elsewhere because of the negative policies of federal and provincial Governments with regard to the mining industry.

It is even more appalling to learn, as we did last week, that the Canadian Government is heavily engaged in financing mining ventures in many of these countries through the Canadian Export Development Corporation, CIDA, and other initiatives. I would like to know what my NDP friends think about the following example. The Minister of State for International Trade (Mr. Regan) announced on May 4, 1983 that the Canadian Government would be heavily assisting the development of a major new coal mine in Indonesia. He was present in Jakarta for the signing of the contract under which Canadian companies would get some spin-off work in relation to developing this coal mining project in South Sumatra.

The interesting facet of this story is that there is a policy which the Indonesian Government implements that says it cannot accept any investment in a venture of this sort unless there is an equal amount of money spent on contracts with the Indonesian Government in relation to any benefits that are taken out of the country. I think the Hon. Member for Hamilton Mountain is well aware of that. Here we have the Canadian Government setting up a new coal mine in South Sumatra which will produce by 1985 nine million tonnes of coal a year, which is equivalent to the entire production of the northeast coal field in British Columbia. The Indonesian Government says: "We welcome your assistance and the involvement of your mining companies but the condition is that you have to allow us to win Government contracts to import Indonesian goods to Canada", equal to the value of the investment we are making there. That seems rather ludicrous, Mr. Speaker, because there is no net gain for Canada. In fact, there is a net loss for Canada. We are adding another nine million tonnes a year production capacity in another country and the Canadian Government is aiding and abetting the loss of Canadian jobs in the process.

Mr. Bloomfield: Mr. Speaker, the Hon. Member has detailed the large tax increases that have been collected by the Provinces from the mining industry and he has called for federal intervention into mineral taxation. Would he describe the methods that he favours for imposing such intervention on

the Provinces, which under the Canadian Constitution own the resources within their boundaries?

Mr. McDermid: Tell that to Newfoundland.

Mr. Siddon: Mr. Speaker, I recognize the constitutional provision under Section 92 of the old British North America Act, now the Canada Act, 1982. There was nothing in my speech which suggested any form of intervention. It belies the thought processes of Government Members that they tend to think always in terms of intervention. I did not use the word "intervention" except in regard to the practices of the Liberal Government over the past 14 years. I used the term "consultation" and suggested that we establish or strike a parliamentary committee.

• (1140)

It is high time the elected Members of this House got down to talking with their counterparts in provincial legislatures and got the bureaucrats out of a process which has led to such a hodge-podge and complex system of taxation and royalties that the industry has no room in which to breathe. I was not talking about intervention. I was talking about consultation and some really effective work for a change by—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but the time allotted for questions and answers has expired.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I am pleased to rise and take part today in the debate on the motion that in part urges a special committee of this House be struck to investigate and recommend immediate solutions to the problems facing the mining industry and the workers in Canada. I think we should go beyond that to the communities involved in the Canadian mining industry because they are the ones most affected by the decisions being made.

I would like to refer to some of the happenings in my riding of Kootenay East-Revelstoke regarding decisions of the Government of Canada. The Minister is well aware of these matters as I have approached her in that regard. First I refer to a statement made by Senator Olson on August 6, 1980 respecting the development of northeast coal. In part he said:

> We recognized that federal financial assistance to facilitate the development of northeast coal was a sound investment for Canadians as long as our contribution reflected a responsible and reasonable level of potentially recoverable costs on the project. The current proposal from British Columbia, however, provides no indication that either Government could directly recover its investment.
>
> Development of the northeast British Columbia coal resource would of course be of great advantage to the buyers . . . since it would diversify their sources and provide security of supply. Quite plainly, the coal-buying interests must be prepared to pay a higher price per tonne if they are to benefit from accelerated development of this Canadian resource.

Also Senator Olson pointed out that there were already large quantities of marketable high-grade metallurgical coal available from British Columbian Albertan mines for shipment to Japan at prevailing world prices. Then in April, 1981 an agreement was struck between British Columbia and the federal Government. At that time Senator Bud Olson said:

> I am here on behalf of Prime Minister Trudeau and the Government of Canada to congratulate the Canadian and Japanese companies on their successful negotiation of the largest export agreements ever achieved between our two countries. I endorse Mr. Nemoto's remarks both now and during the negotiations of the importance of these agreements to the healthy and growing trade relationship between Canada and Japan.
>
> It has been an honour for me to lead the federal Government's involvement in this project. I had the constant encouragement and support of the Minister of Transport, . . . who, while he cannot be here today, has ensured the full co-operation of the National Harbours Board and the Canadian National Railways.

These are the kinds of changes the Government has made, without consulting the communities or the coal industries involved, that have created tremendous hardship. Since that time, 2,000 coal workers in my riding have been faced with a six-week lay-off. Also they were notified of another pending four-week lay-off. They are supplying the same markets which the northeast will supply. Not only is the Minister and the Government contributing almost $1 billion in infrastructure for northeast coal, but they will devastate the supply of southeast coal.

They have also appointed a marketing agency headed by a former Minister of the House, Ron Basford, at $800 per day and with a full-time office in Vancouver which will be in charge of the marketing of coal from the northeast. On the board of directors of that marketing board will be a Minister of the Province of British Columbia, the Minister of State for Economic Development (Mr. Johnston), his Deputy Minister, the head of British Columbia Hydro, the head of CN Railways and representatives from the new community of Tumbler Ridge.

This structure is being put in place to ensure the marketing of northeast coal. How does the Minister expect southeast coal to compete in the same markets with that structure in Vancouver to carry out discussions with foreign buyers? This is a very serious matter. I think the Government and the task force for which the Conservative Party is calling can do some good for the communities concerned. As the mining critic for the New Democratic Party, I support the idea of a committee travelling across the country and the inclusion of input from the people and communities involved.

At this point I would like to speak about the Iron Ore Company of Canada in Schefferville which has created a very serious problem for thousands of its laid off workers. As we know, Brian Mulroney is the head of the company. It has offered its workers 50 per cent of their costs to leave the area.

An Hon. Member: A generous offer.

Mr. Parker: It may sound like a generous offer but, as the Conservatives know, the only way out of Schefferville is by travelling on the railway of the Iron Ore Company. It will receive back the very funding it gave the workers, and in fact is asking the federal Government to come in and make up any difference. We have a responsibility to these communities and workers, but the company officials have an even greater responsibility than just turning their backs and saying that they have investments in South America, South Africa and Guatemala and that they are supplying their markets from those areas.

The Hon. Member was quite correct when he mentioned that the federal Government was spending moneys in other countries. Our Party brought that very fact before the House and questioned the Government as to why these development moneys were being spent in other countries, particularly at a time when there were problems in our mining industries.

• (1150)

I want to discuss another matter with regard to coal. Approximately 13 million to 14 million tonnes of coal are shipped to Japan from the Kootenays each year. Four mining companies are involved in the shipment. It is a very important commodity for the coal fields in my riding. Because there have been such discussions, I know that the Government is aware that Ontario Hydro purchases in the neighbourhood of 14 million tonnes of coal a year from the Americans; 14 million tonnes of coal come from the United States to Canada for Ontario Hydro. I want to emphasize very clearly that the amount of toxins coming from American coal is seven times greater than that from Canadian coal. We in the House talk about acid rain, and I want to say to the Minister of the Environment (Mr. Roberts) that it is time that we started to look at what is happening right here in Canada.

The Conservative Party has criticized the mining policies of the New Democratic Party in British Columbia. The Conservative Party may have had just cause to complain when the policies were first implemented in British Columbia. Those policies were drafted and laid out. Do you know from where the New Democratic Party got those policies? It looked at Cominco, part of the free entreprise market, to see how Cominco made deals with the mining industry. The New Democratic Party in British Columbia felt that if the mining industry was prepared to give Cominco that kind of revenue in order to use their mining facilities and their mining land, then it should be prepared to give that to the Province. That is the policy that was laid out. We found out very clearly that it was not working.

The New Democratic Party implemented a new policy and a mine was started up in Kamloops under the new policy. That mine is still operating and we are able—

Some Hon. Members: No, it is not.

Mr. Parker: They were shut down from a period of time but they are operating. So let us not have any more of the scare tactics that the Conservatives and the Social Credit Government are trying to bring about with regard to industry in Canada.

The Iron Ore Company, Mr. Speaker, gave generous separation allowances to about 300 workers in Schefferville but has completely refused to do anything for the 700 to 800 other employees who have lost their jobs in Sept-Îles where the ore was concentrated. The company has absolutely refused to consider these employees as permanently laid off. Railway workers are also losing their jobs. This is why I say that we cannot zero in on only the mining companies and the Government's activities. We must also look at the municipalities and the people involved.

Our caucus had occasion to meet with a delegation from Faro in the Yukon. The Government has taken action to alleviate some of their problems. They are doing some exploratory work in a small way, taking off some of the overburden, and that has put some people back to work. I want to say how sad I was as I sat on that committee to hear representatives from the Chamber of Commerce, the business sector and the working sector literally destroying their whole background as their community is dying around them. This is all because of the kinds of mining policies and regulations that are laid out and the programs that are followed. As we in this Party have said, it is time we implement an industrial policy for the country that not only looks at the potential in various parts of Canada but also at the mining industry to ensure a long lasting and stable work force in these areas.

I believe the Member from the Conservative Party who spoke earlier indicated that the taxation policies the Government has brought in with regard to taxation on northern benefits for workers in their bunkhouses has created tremendous hardships in the mining sector. I have asked the Minister to include northern benefits in my riding, an area where people live purposely to serve the mining industry.

As I have suggested, the problem is that the Government will not allow these people benefits under the northern benefits tax. I think that is ridiculous. When a young single person leaves his home to work in an outlying area and stays in a bunkhouse, he does not get the same benefits as does a married man. The married man who stays in that bunkhouse is able to show that as his second home, whereas the single fellow, while he may have residence in another area, will still be taxed as much as $23 a day for staying in that facility.

I want to say that these are the kinds of hardships the Government has created. The Minister may laugh, but I want to tell her that those workers are finding it very, very difficult to communicate and to go back and forth. For example, a single man who was charged under the Unemployment Insurance Act paid $1,000 to come out from the North and protect his rights at trial and then go back again. He was found not guilty, but it cost him $1,000 to go back to his home area to protect his legal rights. Those are the kinds of hardships that are experienced by workers in the northern areas. These hardships must be recognized. The planned new taxation on those benefits will create tremendous hardships for people in the mining industry.

We support the Opposition Party's proposal today, Mr. Speaker. I hope that the Government will look seriously at this proposal to set up a committee that will go across the country to meet with the communities, the workers, the mining industry and the Provinces to come up with a solution that will be of benefit to all.

Mr. Blenkarn: Mr. Speaker, I believe the Hon. Member complained about certain Government investment in railway infrastructure and ports in northeast British Columbia,

indicating that that was probably taking jobs away from Canadians. Does he not believe that the investment in that infrastructure will make it possible to find new mining resource potential in northeast British Columbia and make that new resource possible, or does he think that the investment in that infrastructure is a total waste of time?

Mr. Parker: No, Mr. Speaker, far from it. We in this Party believe that there is a time for development of the North, but the time is not now. At this time thousands of people are out of work. To build a new community at this time that will compete against one that is already in existence will create a hardship for the existing community. We would much prefer to see that $1 billion allocated to other areas at this time, such as upgrading the railways with firm agreements to ensure that we will be able to supply the market that we have. When the economy recovers and we start to produce, then would be the time to look at that infrastructure.

• (1200)

Mr. Blenkarn: Do I gather from what the Hon. Member is saying that when we have all sorts of unemployment, investment is bad, that we should not use Government funds to build a future for Canada, to open the roads to new resources? Is that his vision of the country? Is his vision that in bad times we should restrict our activity, not open up new opportunities or new resources but just hone in on present resources? Does he believe that is the way we should go in building this country?

Mr. Parker: Mr. Speaker I thought I made it very clear that I do not believe that is a time to develop coal fields in another area in competition with existing communities. Three existing communities can supply the market. To put up $1 billion for expansion in order to create a good atmosphere for our competitors to come into the market, where they can buy it cheaper, where it is northeast against southeast and southeast against northeast, is wrong. We do not believe in that kind of financing. It gives competitors in other countries an advantage.

Mr. Nickerson: Mr. Speaker, I was rather shocked to hear the exposition of the New Democratic Party's northern development policy. I am pleased that the New Democratic Party did not exist at the time of Confederation or we would still be waiting for a railroad to be built between eastern Canada and British Columbia.

In all seriousness, I do have a question for the Hon. Member. He complained that mines were being closed. An ore body being a wasting asset, that is inevitable with any mine. When you take the first tonne of ore out, the days of that mine are numbered. Is the Hon. Member proposing that we should not open mines because at some point in time they are going to be closed? If that is not the case, how would he solve the problem of dislocations that come about as a result of a mine closure?

Mr. Parker: In all sincerity, I think the Hon. Member is losing sight of what we are talking about today. We must have diversity for these communities. We must have a plan for a community that is beginning to phase out its mining facilities. That is the kind of industrial plan that we in this Party are talking about.

We must be able to see the potential of that area. We must not just walk away from it as the Conservatives would. Their big financiers just walk away. They give 50 per cent to the people, tell them to leave and let the community die. We do not believe in that. We believe in an industrial plan that will lay the structures to carry on the community through another phase, contributing to our country in a strong economic way. However, this needs planning, not the greed of developers who take the iron ore out of the ground and walk away with the profits with no concern for the community.

Mr. Deputy Speaker: Are there any further questions or comments?

Hon. Judy Erola (Minister of State (Mines)): Mr. Speaker, I welcome the opportunity today to speak at some length on the mineral sector and detail measures that this Government has taken and is taking to ensure the industry makes its maximum contribution to the Canadian economy and the Canadian people. I am particularly pleased to do so today. This debate is long overdue. It is the first on this subject in this Parliament and it gives me an opportunity to debate with Members of the House the state of the industry and the role of the federal Government.

I would like to reiterate that on Friday of last week I spent the entire day in discussion with the provincial mines Ministers. It may come as a surprise to Members of the Opposition, but five provincial Ministers present paid tribute to the role of the federal Government and how effective we have been, particularly in the last 18 months of the downturn.

The Hon. Member for Richmond-South Delta (Mr. Siddon) made reference to ore bodies such as Uranium City. I found that an unfortunate reference in many ways because he was defeating his argument. He and the Member for Western Arctic (Mr. Nickerson), who is a very knowledgeable miner, and I say that in a very positive sense, know that an ore body is a finite thing. That ore body declines to a point where it is no longer mineable. This is something that Governments—federal, provincial and municipal—must come to grips with. We have dealt with this over the past year.

It would be healthier if I gave some background as to where we are and where we are going. The Hon. Member is quite right, the mineral industry is one of the basic underpinnings of our economy. Excluding fuels, the value of primary metal production in Canada for 1982 was almost $11 billion. A high proportion of this value is exported, nearly 80 per cent, and is a major earner of foreign exchange. Residents of some 175 single-industry communities depend primarily on minerals for their livelihood. Therefore I share with the Hon. Member his concern that the industry continue in a healthy state. I assure the House that the Government also shares its concern.

The industry has witnessed a three-year period of declining world-wide demand for its products, a decline that is unprecedented, at least since the Great Depression. In 1982 the value of Canadian mineral production was down by nearly 18 per cent from 1981, which in itself was marginally below the year prior, 1980.

The cutback in Canadian production was reflected in cutbacks in the mining industry of many other mineral-producing countries as well. The reduction led inevitably to temporary loss of employment for many workers in the industry. Depressed world prices in some cases hastened the closure of marginal mines, leading to what might be termed premature economic exhaustion of the ore body, although physical exhaustion of the mineral had not yet occurred. Therefore there were some permanent lay-offs as well.

This must be said. The facts of the mineral exploration are exceptionally vigorous. That may come as somewhat of a surprise. Investment in new mines and an expansion of existing mines is taking place, in particular for gold, potash and in some cases for base metals as well. Therefore the news is not all bad. Also a cyclic recovery is underway which will lead to the gradual hehiring of laid-off workers.

I mentioned in my preamble that I met with Ministers responsible for mines in the Provinces and the Territories as well and the mood was far from pessimistic. During the course of this debate today, I am sure the House will hear further details of some of the expansions and bright spots that are occurring in Canada.

The federal Government has recognized the recent difficulties of the industry and the impact on those who work in the industry. It has moved resolutely to ameliorate the short-term problems and to lay a firm foundation for future success in the face of continuing change in the world around us.

In the few minutes I have today I intend to demonstrate that the resolution before the House is ill-founded in every specific way. I therefore propose to proceed by addressing briefly each issue mentioned in the resolution and to leave it to other speakers to provide additional information on the Government's programs.

Let us look first at taxation. The Government has not imposed punitive taxation on the mineral sector. The mineral policy discussion paper prepared by my officials, to which the Hon. Member for Richmond-South Delta referred, showed that while the taxes paid by mining as a percentage of profits increased during the early '70s, the bulk of the taxes went to the Provinces. The federal share of mineral sector taxes actually fell from 46 per cent a share in 1969 to 38 per cent in 1978. I will be very happy to show those figures to the Hon. Member. What is of supreme importance is that in this period the provincial share of taxation grew from 54 per cent to 62 per cent.

• (1210)

I suggest that a parliamentary task force would not solve this problem. I believe the Hon. Member should know that we, through Energy, Mines and Resources and through my Department, have a federal-provincial task force in place looking at the tax structure in this country. There has been a very healthy exchange of views and it has resulted in some of the tax measures which the Minister of Finance (Mr. Lalonde) announced just a couple of weeks ago. These are tax measures which were welcomed by the industry, and I might add by the Provinces.

Moreover, I believe it is important to note that the proportion of profits paid as tax by firms in the mining sector is strictly comparable to that paid by manufacturing and other sectors. Notwithstanding this equitable treatment of the industry as a whole within Canada, the Government has recognized the special contribution and problems of the junior exploration industry and has provided important tax incentives in its most recent budget to permit the easier accumulation of pools of capital and their application to mineral exploration and development. The Hon. Member for Richmond-South Delta referred to them briefly; I will expand on them.

The deductibility of earned depletion associated with mine exploration expenditures from any income will encourage increased investment in grassroots mining exploration. And this was done, as I said, as a result of our internal task force, with a great deal of help from some of the professional organizations, the Mining Association of Canada and the Prospectors and Developers' Association, with whom we liaise regularly. This benefit, which will be available to all taxpayers including mining companies, individuals and non-mining firms, will be particularly helpful to junior mining companies in raising funds for exploration, especially through the flow-through shares. I am surprised that we did not receive more support than what was received from the Hon. Member when he mentioned it.

The Minister of Finance also acted to adjust the federal investment tax credit provisions of the Income Tax Act to increase its efficiency and make the credit more equitable. A number of other changes in the budget will not only help to achieve these goals but should also encourage junior mining companies to bring their discoveries into production.

Furthermore, the budget recognized the problems associated with the special characteristics of the mineral industry by providing that non-capital, that is, business losses, will now be allowed a three-year carryback and a seven-year carryforward. This will help juniors to bring their initial mine into production, particularly where start-up losses are incurred in the pre-production period due to interest charges on any debt employed. The extended loss carryovers, of course, will be of great value to the entire mining industry due to its cyclical nature.

Then, to ensure that our mineral industry is treated equitably, not only relative to other Canadian industries but also relative to the mineral sectors in other countries, the Government has announced the launching of a major international comparative study of the tax treatment of the resource industry in Canada and abroad.

I find it rather interesting to note, on a visit to another country just a week ago, that we were held up as a shining example of how a Government has made the best use of the taxation system to develop our resource industry. I might add,

on the subject of tax audits, particularly in British Columbia, that yes, there have been problems which were brought to my attention several months ago; and these problems are now being addressed by my officials and by officials at Revenue Canada. I would like to congratulate prospectors and developers of that area, and also members of the Vancouver Stock Exchange, who were most efficient and courageous in arranging these meetings.

On the subject of northern benefits, I would like to point out to the Hon. Member from Kootenay that those benefits are not being taxed this year. The moratorium is in effect this year. In 1984 they will be phased in at a 25 per cent level and there is a cap. I am sure that this fact is not being conveyed to the general public, especially those affected, and I believe it would be very useful for Hon. Members of this House to know, particularly those who are not truly aware of how these measures are going to be applied and how unfair they were to other people in those parts of the country where isolation benefits existed and how unfair they were to those people who were receiving no benefits at all. It was a subject I discussed at some length with the mines and territorial Ministers, and I might point out to Hon. Members of this House that the territorial Ministers were not in favour of the existing system because of its inequity to the people who live within their boundaries. We are going to pursue the possibility of looking at other measures, not necessarily through the taxation system but other economic measures which will lead to the stable development of those areas. This is something I endorse heartily.

With respect to energy and interest costs, the Canadian mineral sector has indeed been affected in recent years by oil price shocks and by high interest rates, as has virtually industry in every industrialized country. Due to its remote locations, much of the mineral industry is subject to higher transportation charges on fuels laid down at those locations. In addition, the basic price of energy increased dramatically in the 1970s. Rather than being indifferent to these problems, however, the Government has acted over several years to cushion the impact of world energy price increases on the industry and is currently working with the producing Provinces to ensure that Canadian industry enjoys stable energy supplies at equitable prices. Again, I would like to point out to the Hon. Member that we have been working very closely with the mineral industry on an energy task force and the work of the industry has been exceptional in reducing the energy costs, specifically of the mining industry.

All industrialized countries have been grappling with elevated interest rates as they struggle to contain inflation. The Government's program of economic management has now brought interest rates to their lowest levels in several years. This relief has already had the effect of reducing excessive debt servicing payments which only a few months ago threatened the very survival of our major mining companies. The industry on the whole, therefore, is looking forward to a slow but steady recovery.

What has happened in the last 18 months? What has this Government done? What is our record on job loss and job creation? It is very good. The Hon. Member for Richmond-South Delta says that short-term projects such as Section 38 and NEED are ineffectual. I can tell him that I speak from direct experience. I come from an area where thousands of men and women were laid off. With the use of Section 38 and NEED we came through a very difficult winter very successfully. These people are back to work now. Without these programs, the severity and impact would have been far greater. In fact, if he were to visit my community, my riding, he would find an industry in good health and a community in very good health. That is a record of which I am extremely proud. This Government responded very sensitively and very flexibly by the use of Section 38. We created the NEED Program and, in our recent budget, the Special Recovery Program, which will create a large number of jobs.

Officials of Energy, Mines and Resources have closely monitored the situation and ensured that employees and community groups have been fully informed of the application of available job-creation programs to the mineral sector. As a result of this effort and of co-operation with certain Provinces—and I must say that the Provinces of British Coumbia and Ontario have been particularly flexible and co-operative—the record of use of these programs to relieve distress in mining communities has been outstanding. My officials have prepared an information package to assist the formulation and approval of mineral sector job-creation proposals. With the unanimous consent of the House I would like to table these proposals.

Mr. Deputy Speaker: Is there agreement for the Hon. Minister to table the documents to which she refers?

Some Hon. Members: Agreed.

Mrs. Erola: Thank you. An important feature of the job-creation programs in existence today is that they permit non-production work on mining properties, which will have the effect of improving the long-term productivity and cost performance of these operations. We found that to be extremely useful. As Hon. Members are aware, especially those in the critics' position, many, many single-industry towns are just that. It was important to put these people to work in areas where they would be indeed increasing the productivity of the operations. We have been able to do that. I suggest, Mr. Speaker, that without these measures and the other vital provisions of Canada's Unemployment Insurance system there is little doubt that the current recession would have been a full-fledged depression.

• (1220)

I would like now to deal with foreign markets and foreign exchange. For many mineral commodities some of Canada's mines and plants are among the world's lowest cost producers. Canada's mining companies have demonstrated their marketing skills over many, many years. They are outstanding. Thus

it is no accident that Canada became the world's largest non-fuel mineral exporter.

However, in recent years there has been evidence of a gradual erosion of that position. The explanation lies in structural changes which have taken place in world mineral markets over the past years. The following factors do stand out: procurement policies by resource deficient countries such as France, West Germany, Japan and to some extent the United States have led to offshore mineral investment and preferential trade ties. Optimistic growth scenarios and concessional financing by international institutions have led to excess mineral investment in less developed countries, often with involvement by the host Government. Once in place, such facilities often provide a high proportion of that country's employment and foreign earnings. That was painfully obvious during this last recession.

Now, the Government's response to this situation has been two-fold. First, to ensure that Canada maintains or increases its share of free mineral markets, the Government is determined that Canadian mineral production costs must be held to a minimum by discovery of superior deposits and by use of the best technology and other measures to increase productivity. I am announcing a specific mineral technology program today. I am most pleased to do so; the timing is most advantageous.

Second, the Government is committed to ensuring that international institutional rigidities which discriminate against Canadian mineral exports are reduced. For example, officials of Energy, Mines and Resources have conducted international fact finding missions relating to specific products. A co-operative study has been launched with the Mining Association of Canada to identify cases of non-tariff discriminatory trade policy and subsidized production. Finally, Canadian Government officials are participating in a special resource commodity working group of the General Agreement on Tariffs and Trade with the goal of eliminating barriers on mineral trade at all stages of processing.

I mentioned a moment ago, Mr. Speaker, that I wished to announce an initiative relating to mining, minerals and metals technology. In the past several months I have reviewed federal mineral R and D and examined proposals to meet the technological requirements and challenges of the 1980s. My review has focused on the Canada Centre of Mineral and Energy Technology known as CANMET. Its activities include policy R and D, which supports federal mineral policies, protection technologies to improve health and safety in the environment, and productivity technology to help improve industrial productivity and competitiveness.

My officials and I have consulted Provinces during this review and their input, complemented by the advice of industry across this country, has made a valuable contribution to this exercise. So today I announce an incremental two-year, $5 million program consisting of several elements to provide increased research and development assistance to the mineral industry in the short term. One of the more significant elements includes New R and D funds for contracts to industry in areas such as potash mining, hydrometallurgical and biotechnological processing of ores. We are going to look at foundry process control and computer simulation of process where short-term benefits can be identified.

Another element which is welcomed and done at the suggestion of the industry is making CANMET's special facilities and expertise available to industry at reduced cost where this does not compete with regular commercial services. As the Hon. Member for Richmond-South Delta is probably aware, most of the work that CANMET has done with industry up to this point has been on a cost recovery basis. Recognizing the cash flow situation of the industry, we are reducing the cost of these services.

I should also like to mention that tomorrow I will be announcing the awarding of a contract to Inco Metals of Sudbury to develop and construct a robot which will perform a variety of difficult and hazardous bar and hammer tasks now carried out manually. The total cost of this project is $778,000.

I note that my time is up, Mr. Speaker, but one thing is clear. I have demonstrated that the Hon. Member's resolution is without merit. Although the problems are real, they are being dealt with by this Government by working very closely with the industry and the Provinces. This Government is committed to the solution of the problems of the industry and has the necessary programs in hand and in development.

Some Hon. Members: Hear, hear!

Mr. Siddon: Mr. Speaker, I want to commend and thank the Minister for going into some considerable detail, as one would expect she would in her role as Minister responsible for mines. I note she has made a number of announcements in her speech today, which is commendable, announcing a package for the use of Members on Government aid programs to assist in the hard hit and depressed areas of the country, a new mining, minerals and metals technology program, and certain initiatives by CANMET. One wonders, Mr. Speaker, if perhaps we should not have Opposition days like this more often because it does appear the Minister gets to work.

When the Minister speaks of new programs and initiatives which were largely conducted by the bureaucracy of her Department, Mr. Speaker, I have to think back to the time of the mineral policy discussion paper which took a year and a half to produce and many, many hundreds of hours of consultation, yet there has been no subsequent action. In fact, that policy paper missed the main mark and the Minister did not respond to my suggestion that it actually missed the main priority high in the minds of all spokesmen for the industry.

I would just quote the President of the Mining Association of Canada who said on April 19 that Canada can wave goodbye to its leading position as an exporter of minerals if it fails to remain competitive with an increasing number of other producing countries. Canada is facing a formidable challenge in world mineral markets from many competitors but particularly from Communist and less developed nations. In fact, Communist countries have grown at twice the rate as Western countries in terms of mineral production.

The question I want to ask the Minister is: Does she not feel that it is high time Members of this House had a chance between Opposition days, which may come every year or two, to sit down and really get their teeth into some of these issues as this motion proposes? She said the proposal for a special parliamentary committee was without substance or foundation, if I remember her words correctly. Does she really believe that? Does she not think that there is a place for Members of Parliament between Opposition days to deal with these very substantive questions bearing on the potential for future economic income and jobs relating to our mineral industry?

Mrs. Erola: Mr. Speaker, I think I answered the questions very clearly. The mineral policy document to which the Hon. Member referred was the very broad framework from which have flowed the kinds of things I announced today. Surely the Hon. Member must be aware of that.

As to his call again for a special parliamentary committee, I think I dealt with that very clearly. In fact we are dealing with the problems of the mineral industry and we have had a number of task forces in place dealing with the mining community, reports of which are being tabled today. Most of these recommendations from the federal-provincial task force, which included representations from labour and from industry, are in place. The short-term recommendations are in place. The work of this task force will continue over the long term and it will report back to the Minister. Surely it is this kind of co-operation in place now which will result in a healthy industry.

I regret very much that there has been very little discussion in this House about the state of the mineral industry in this country. Certainly that is not due to lack of interest on this side of the House. We have been minding the store. I suggest to my critics—

• (1230)

Mr. Siddon: Why did all of your announcements come today?

Mrs. Erola: —that they have not been particularly active, nor have they taken a particular interest in the industry.

Mr. Nickerson: I was very interested, Mr. Speaker, in the statement of the Minister that there was a special international committee working within the GATT framework on the question of trade in mineral resources. The idea behind this, we were told, was to reduce the barriers to trade in minerals at all stages of processing. This would seem to be a new direction in Government policy, because as far as I understand it the old Government policy was to encourage the upgrading of ores and concentrates within Canada; hence the changes to the Canada Mining Regulations some years ago which prohibited the export of ores and concentrates in unprocessed form without a special permit.

I wonder if we could be told what is the Government's policy. Is it to encourage trade in ores and concentrates in unprocessed form, as it appears to be today, or is to encourage the upgrading of Canadian mineral resources within Canada?

Mrs. Erola: To be perfectly honest, Mr. Speaker, I am rather shocked that the Hon. Member for Western Arctic would have confused the issue. Of course, the Government is committed to further processing and that is the thrust. The Hon. Member is surely aware that there are many tariff barriers in place which prevent the sale of our minerals further processed. The exact thrust is to see whether, somewhere along the way, over the long term we can reduce these barriers so that we in Canada can process these metals further and find markets for them without the barriers which are in place now. Surely he supports this move.

Mr. Deputy Speaker: I will allow one short supplementary question as there are several Members seeking to be recognized.

Mr. Nickerson: I would like to ask the Minister one further question. It deals with the taxation of northern benefits. Last fall a press release was issued from the Minister's office. Since then there has been nothing on paper. Could we now be told how the Minister plans to implement the taxation of northern benefits? Will it be by way of changes to the Act, to regulations, or a series of remission orders? It is necessary that tax lawyers and tax accountants be able to see the written rules which will apply. When will they become available? All we have to date is a press release.

Mrs. Erola: Mr. Speaker, the Minister of Finance will be issuing those regulations. I do not know how much time I have available to me, but I think it would be worth while to explain just how they will be put into effect.

Mr. Siddon: We've got the answers.

Mrs. Erola: I am not sure that Hon. Members opposite do know, because as of this year the moratorium is in effect. There will be no taxation of—

Mr. Siddon: For next year?

Mrs. Erola: —northern benefits for this year, 1983. It is only in 1984 that these benefits, which will be kept, will be phased in at a 25 per cent level, the first year.

Mr. Siddon: One hundred per cent the fourth?

Mrs. Erola: The Minister of Finance will be bringing forward that procedure.

Mr. Parker: Mr. Speaker, I would like to follow up on part of the speech that I made and question the Minister with regard to Ontario Hydro purchasing coal from the States. We have a $1 billion deficit involving trade with the States. First, concerning the environmental aspects, U.S. coal has 7 per cent sulphur and western coal has less than one half of 1 per cent. That has a tremendous impact on acid rain. I would like to stress the possibility of a subsidy for moving western coal east.

Mr. Siddon: It's called the Crow rate.

Mr. McDermid: Reverse Crow.

Mr. Blenkarn: Put coal on the Crow.

Mr. Parker: What is the Minister's program involving the need for immediate action with regard to Ontario Hydro purchasing Canadian coal? There are 14 million tonnes coming into this country from other countries. Byron Creek is shipping a small amount of western coal to Ontario Hydro. The point I am trying to make is that we have a tremendous opportunity right here in Canada. Is the Minister seriously considering it and, if so, when can we expect an answer?

Mrs. Erola: The Hon. Member for Kootenay East-Revelstoke has put his finger right on the problem. It is transportation cost. He is well aware that the cost of moving western coal to the operations of Ontario Hydro is extremely high. That is one of the reasons the coal association of Canada has been a catalyst in changes to the Crow rate. I want to pay tribute to the mining industry and, more particularly, to the coal association of Canada for recognizing the fact that unless the Crow rate were changed, we would not see this situation change.

Mr. Siddon: Charge everybody more!

Mrs. Erola: This is why it is important for the Hon. Member and Members of his Party to support those changes—

Mr. Parker: Forget about the acid rain!

Mrs. Erola: —if he is to see the movement of western coal coming to eastern Canada.

Mr. Deputy Speaker: There appear to be many Hon. Members seeking to ask questions. Is there unanimous consent that there be an extension of the period of questions and answers?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: There appears to be unanimous consent.

Mr. Blenkarn: The Minister said that she felt that people thought northern benefits were unfair. In view of the fact that in the Northwest Territories over 50 per cent of the people employed are employed directly or indirectly by the Government of Canada, and they all receive northern benefits including housing, fuel and transportation assistance, benefits of every nature and kind, why would the Government of Canada pay northern benefits if they were so unfair? There must clearly be a reason for them. What is the Government's policy with respect to northern benefits for its own employees, when this increase in tax will conceivably take place next year, eventually with 100 per cent taxation on these benefits in four years' time?

Mrs. Erola: The Hon. Member for Mississauga South has put his finger on the problem. It is unfair. Why should federal Government employees be receiving a benefit which is unavailable to some of the people, indeed many of the people, in those northern areas?

Mr. Siddon: So, what are you giving them?

Mrs. Erola: As one of the Ministers at the Ontario provincial-territorial conference pointed out to me, the fellow working in the garage down the street, who was born in Inuvik and is being paid by the garage operator, is not receiving a single benefit.

Mr. Siddon: What are you giving him?

Mrs. Erola: There must be a better way to produce and come forward with policies which will be fair to everyone in the North. I suggested to these Ministers that we work on it and come forward with some sort of economic development policy which would make it more attractive for people to live and settle in the North and stay there, but one which would be fair to everyone in the northern territories.

Mr. Siddon: Provide the solution.

Mrs. Erola: The Hon. Member says "Find the solution". I say yes, let us find a solution.

Mr. Nickerson: We'll tell you one.

Mrs. Erola: I suggest that he come forward with some of his ideas. He might occasionally come forward with a good idea.

Mr. Blenkarn: The Minister knows that our colleague from Peace River in British Columbia has produced a policy with respect to taxation which would significantly assist. For a long time our Party has been discussing significant tax changes involving taxation of people in the North, to make it equitable. Clearly people in northern Canada, where the cost of groceries is three times what they are in southern Canada, where the cost of heating a house is $300 or $400 a month compared to the cost here in Ottawa, should not be expected to pay the same income tax, dollar for dollar, as people here in this city. That has been the policy of the Government all along. When will the Government come up with something which makes sense? We have made suggestions; when can we have something from the Government?

Mrs. Erola: Mr. Speaker, I have a great deal of sympathy for people who live in isolated parts of the country, particularly in the North. I have a considerable amount of experience in this area, coming from a northern mining community. As a matter of fact, a member of my family lived for two years in a very isolated area and paid just the costs to which the Hon. Member referred. Therefore I do have sympathy for these people. However, I do feel that we must develop a policy which will be fair to everyone who lives in the North, not just a select few who receive, in many cases, extremely generous benefits which are not afforded other people in this area. I think that people in other parts of the country would agree that a policy must be fair to all. That is why I am suggesting to the Hon. Member that the phasing in of the benefits which we have brought in is giving those people who live in the North an opportunity to cushion the blow.

Mr. Blenkarn: You are just increasing taxes on them!

• (1240)

Mrs. Erola: Give us, that is the federal Ministers and the provincial Ministers, an opportunity to come up with a program that will replace what is there now, one that is better.

Mr. Deputy Speaker: The Chair would ask Hon. Members to bear in mind the extension that has taken place. The Hon. Member for Parry Sound-Muskoka (Mr. Darling).

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, let me begin by congratulating my colleague for bringing this motion before the House, despite the fact that the Hon. Minister seems to think there was absolutely no need for it. I would also congratulate the Government for the measures it has taken in the budget which benefit the producing sector in general and the mining sector in particular. Such measures as allowing earned depletion to be deducted from any income source, the right to carryback non-capital losses three years and forward seven years, and the refundable investment tax credit are worthy moves and come none too soon.

As we are well aware, the Minister represents a constituency whose dependence on the mining industry is near complete. I know that she must have often been sick at heart as she viewed the effect that the earlier policies of her Government have had on that once prosperous industry and on her own riding in particular.

How tragic it is that before the Gallup polls and the inevitability of the coming election prompted the temporary shelving of some of the Government's more incredible economic theories, more than half of the manpower of this great industry had to take their place in the breadlines or go on Unemployment Insurance. The mining industry is not a sector that can be made to respond to Government incentive measures like a frog's leg jumps to a jolt of electricity. Like any other sector, it can be stomped into the ground by punitive or confiscatory tax measures, as this Government has clearly shown, but it cannot be resurrected as easily.

The mining industry depends for its health and welfare on the ability of producing sectors of the economy to buy its products. Without that, Government incentives such as increasing employment or addressing any other isolated factor in the productive equation will do no more than create more and greater stockpiles of unused products. So in order to find the reason for the crisis in the mining industry we must look to the general state of the economy.

Conversely, of course, the fact that over the past year or so half of the manpower in the mining sector has been out of work at one time or another is an utterly damning commentary on the effects of the Government's economic policy on the nation at large. However, this is not to deny the fact that the vast majority of Canadian mineral output is sold on the international markets. I believe the Minister stated that the figure was some 80 per cent. However, the Adams mine in Kirkland Lake and the Sherman mine in Temagami both have their output dedicated to the Dofasco mill at Hamilton, Ontario. The Adams mine recently closed down for a period of some three months, throwing some 400 breadwinners out of work. The Sherman mine is to follow suit some time in August. This example reflects directly on the point that I have been trying to make, which is that mining is dependent not on direct Government programs but on the general industrial climate. As we all realize, that climate has been very largely shaped by the Government's social and political experimentation over the past couple of decades.

The other factor that affects the viability of the industry is the price that it must charge for its product. Clearly if a property cannot produce a saleable product for less than the going price on the international market, then it becomes uneconomic.

The factors that contribute to the pricing of the product are such things as the grade of ore, the existence of marketable by-products, transportation costs, labour costs and so on. The Minister mentioned energy and interest rates, which are also significant. But there is one further major factor which is an important one in the case of the mining industry, and that is the crippling level of taxation imposed by all levels of Government.

The punishing level of taxation imposed on the industry by the provincial Government is no responsibility of the Treasury benches across the aisle, but their own tax laws are. I refer specifically to the non-deductibility of provincial taxes from taxable income for federal purposes. This single provision, enacted into law by the Turner budget of 1974, has done more to make Canadian mines uneconomic than anything else that I can think of. When this is coupled with the fact that the dividends of these mining companies, having been taxed by both provincial and federal Governments while still in the hands of the companies, are again subject to taxation in the hands of the investor, it is no wonder that the industry has been having a hard time finding seed money.

I will leave the discussion of the Government's policy of taxing northern allowances to my colleagues. We have already heard comments on that issue.

As I see it, the root causes of the industry's problems, like the root causes of the problems of the economy as a whole, are philosophical. Having concealed its socialist orientation from the voters in order to get elected, and perhaps sensing that this may well be their last chance to do so, the Government has embarked upon a collectivist, centralizing and demoralizing course that has laid waste to what was once the first or second most prosperous economy in the world and reduced it to the lowest level in the OECD.

In order to achieve this and to finance the effort to make as many Canadians as possible dependent, to some degree at least, on its own hand-outs, it has raised taxes to an unconscionable level. It has done so seemingly driven by the belief that the prime responsibility of a Canadian citizen, corporate or otherwise, is to generate income for the Government to spend, and in most cases to squander.

One of the perhaps unanticipated side effects of this policy has been that this double and triple taxation of the products of the mining industry has not only driven the private investor away, which I suspect would not cause the loss of too much sleep in Government circles, but has also in a great many cases priced those products out of the international market.

One of the most striking features in this Government's period of office has been the charts which show, commodity by commodity, our declining share of the world market over time. While each complaint raised from this side of the House for the past 15 years has been that our national economy was faring poorly, it has been met by the bland statement from the Prime Minister (Mr. Trudeau) or his Minister of Finance (Mr. Lalonde) that the problem was a world-wide problem. I challenge them to explain how the fact that the rest of the world has outstripped us at what was once our own game can be anyone else's fault but their own Government's.

The declining share of the world mineral markets can very largely be traced to two factors, both of which are the direct products of this Government. First is the punitive levels of taxation which have contributed mightily to pricing our products out of world markets; and the second is the Government's encouragement of foreign competitors. I believe other Members have touched upon this subject.

Speaking of the decline of the Canadian mining industry, the President of the British Columbia and Yukon Chamber of Mines, in his report to the annual meeting of that organization approximately three months ago, said:

> It did not start recently and cannot be blamed on influences from outside Canada, and secondly, it is not caused by a shortage of resources; our problems are mainly 'Made in Canada'.
>
> A review of Canadian and world production figures illustrate clearly that the decline of the Canadian mining industry began between ten and fifteen years ago. Since Canada's share of the world market for individual metals also began to decline during this period, it is obvious that Canada was less successful than other producing nations in opening new mines at a sufficient rate to replace those that were depleted. Moreover, the decline cannot be blamed on world economic conditions since the trend started well before this recession.

• (1250)

Mr. Cathro then concludes the paragraph with the sentence:

> The decline coincides closely in time to the Trudeau years and the corresponding swing away from economic policies that encouraged mining.

I could not have put it any better myself or as well, Mr. Speaker.

Let me read one more observation or prediction. This was made in 1976 by Mr. Alf Powis, President of Noranda Mines, who said:

> We have accepted uncritically the notion that the state has the duty to redistribute wealth. In the process we have lost sight of the simple fact that wealth first has to be created before it can be redistributed. And once wealth is created, it cannot then be both consumed and preserved. In the words of the old truism, we cannot have our cake and eat it too.
>
> The problem is that never before in history have so many remarkably ambitious and far reaching new social programs been so tightly compressed into such a short time period. In the process Government spending doubled between 1965 and 1972, and has doubled again since 1972—

We must bear in mind that these words were spoken in 1976. Mr. Powis' observation continues:

> —to the point where it now absorbs some 40 per cent of our Gross National Product. And much of this has been financed by printing money. This is not to criticize either these programs or the motivation behind them. In themselves they are directed at problems we all want to see solved. But in aggregate, they are simply much more than we can afford. In the process we have stimulated far too much consumption and starved the investment process that creates new wealth and jobs, and is the only way to beat inflation.

That was said seven years ago. Since that time Government spending has well over doubled again. Inflation, in many ways the inevitable outgrowth of the budgets of the Turner years, has gone berserk and a new factor has been introduced to the scene, the multibillion dollar deficit.

In this environment; the mining executive's international competitiveness destroyed by Government policy, the domestic economy rendered unable to buy his products, also by Government policy, and by yet a third set of policies rendered unable to attract the capital to finance exploration and expansion, the mining executive looks at the budget of last week and says: "Good, that's better."

What directions, then, would I like to see taken? Where would a Progressive Conservative Government be likely to move toward? First and foremost, provincial taxation should be made deductible from federal tax payable. Then we must remove the deadhand of Government taxation.

Further, we must recognize the fact that a capital intensive operation like the development of a producing ore body cannot be cost effective in a closely competitive economy as long as it is carrying both a load of debt and a double load of taxation. I believe we should consult with the provincial Governments with a view to arranging a tax holiday for new producing properties until that debt load is paid off. The Minister did mention in her remarks that recent meetings have been held with her provincial counterparts. Let us hope that particular problem will be discussed and partially solved.

We should expand on the initiatives begun by the Hon. Member for Vegreville (Mr. Mazankowski) when he held the portfolio of transport so as to facilitate the export of our mineral commodities. These initiatives should not be limited to the west and east coast, but should include also an exploration of the feasibility of extending the Ontario Northland Railway to the deep water areas on the east side of Hudson Bay and the construction there of port facilities. Should this prove feasible, what a shot in the arm it would be for the mining industries of northern Ontario and Quebec.

Most importantly, a Conservative Government would act decisively to restore public confidence, both at home and abroad, in the public policies of the nation. The importance of this cannot be overemphasized. Investors, those creatures who are such objects of suspicion to collectivist Governments such as this one, yet who nevertheless are the people who ultimately create the jobs the economy depends on, must be encouraged to invest. They must be shown that they and the jobs they create are welcome, be they individual investors or corporate investors. And they must be assured that so long as they

behave as good corporate citizens or our country, they will remain welcome.

Again only a Progressive Conservative Government is in a position to do this. The aura of suspicion that probably for a generation will linger about the Liberal Party will lead their motives to be questioned as long as that suspicion remains, no matter what the Minister of Finance may try to tell us. I understand he is away now on a mission. Let us hope his mission will be successful.

In my particular area I do not have any producing mines although my riding borders the Minister's riding of Nickel Belt and, therefore, I have a great and abiding interest in the industry. I believe there are some 40,000 people employed in the mining industry of Ontario, if my memory serves me correctly. In northern Ontario people employed in the mining industry total 15 per cent of the work force. Overall in Ontario, the percentage of people employed in the mining industry is much smaller; I believe it is 1 per cent of the labour force. Yet the 1 per cent produces 4 per cent of the Gross Provincial Product. That is certainly a tribute to the work force.

Mining is a capital intensive industry and is a very important industry. I believe the Minister mentioned that the amount of money it generates is significant, some $11 billion. Therefore the industry is important to the economy.

Ontario is also a significant producer of gold. I believe in 1982 dollars this Province produced some $25 million in gold. I had the privilege of going through the Minister's riding on Thursday and Friday of this past week with members of the Subcommittee on Acid Rain. We met with officials of the International Nickel Company. I was delighted to learn that the mine is in full production. I was not so delighted to learn that according to the Executive Vice-President, Mr. Walter Curlook, the mine is probably losing a million dollars a day. However, International Nickel is still providing a lot of jobs. Officials also told me that they are going into exploration in a great way. More production is very important. It was not a case of the work force only; Mr. Curlook emphasized that there must be more productivity among the white collar staff and among executives in order for the company to compete, as we are well aware.

I remember years ago, in fact when I went to school, which is a few years ago, that International Nickel produced 95 per cent of the nickel in the world. That was really something. There was no competition. That is a nice deal if you can get it.

Mr. Cullen: That is when I lived there.

Mr. Darling: The Hon. Member for Sarnia (Mr. Cullen) is pointing out that was when he was there. But now production has dropped to 24 per cent of world production and I guess it is hanging on by its fingernails. Our committee was in the area to find out what International Nickel was doing as far as pollution control is concerned. It is spending money, but it will have to spend tremendous amounts of money. The figure is astronomical, some $400 million a year by the time International Nickel gets down to allowable emissions of under 1,000 tonnes. International Nickel has dropped its emissions significantly from 7,000 tonnes a day to, I believe, some 1,900 tonnes a day now. We certainly give the company full credit for that. I told the Vice-President that we are all delighted to see the smoke belching out from the chimney of International Nickel again, and I say amen to that; but we want to do everything we can to get the company to reduce emissions as far as sulphur content is concerned.

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

Mr. Cullen: Mr. Speaker, I rise on a point of order. Will the Hon. Member be back after lunch because I have a question for him?

Mr. Jarvis: He is always here.

Mr. Darling: Actually, Mr. Speaker, I will not be here this afternoon because I am flying to Toronto.

At 1.01 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

SCIENCE AND TECHNOLOGY

HIGH TECHNOLOGY EMPLOYMENT TRAINING FOR LOW INCOME GROUPS

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, recently the Minister of State for Economic Development (Mr. Johnston) outlined four main objectives of the Government's new policy on technology. One of these objectives was the need to ensure that the benefits of technological development are shared equitably among all Canadians in every region. Some social agencies and community groups fear that the high technology revolution will result in a large number of poor and technologically illiterate, so-called "techno-peasants".

Given the growing importance of high technology, it is necessary that we develop policies at both the federal and provincial levels whereby those in lower income brackets across the country will have good access to high-tech training and job opportunities. The addition of financial and social barriers to training in high technology would be devastating to the chances of those in the lower income strata to gain future employment, and would be devasting to their ability to comprehend the usage, meaning and potential of computers and other high-technology advances.

I urge the federal Government to explore ways of advancing high technology training for lower income groups under the

National Training Act, and I urge all provincial Governments to improve the number and quality of their continuing education and evening courses in high technology related subjects.

* * *

RAILWAYS

CROWSNEST PASS RATE—PROPOSAL TO CHANGE—PAYMENT OF BENEFITS TO RAILWAY COMPANIES

Mr. Gordon Taylor (Bow River): Madam Speaker, the Government spent some $300,000 on the Gilson Commission which heard representations and had detailed comprehensive consultations with all concerned groups in the West. After studying the report, the Minister in a policy statement announced that the "major benefits of this initiative"—that is, sharing the Crow benefit between the railways and the farmers—included an "improved grain transportation system, increased resource development, and economic diversification". A year went by and the legislation still had not come before the House, and then suddenly out of the blue the Minister threw out the entire "Pepin-Gilson" proposals and announced to the press that the total Crow benefit would go to the railways.

The recommendations from the West did not change from what Gilson or the Minister had heard, but the Minister received one more recommendation that did not go to Gilson. It was not from the West, not from the House of Commons, but from the Quebec Liberal caucus. It demanded that the Government pay the total Crow benefit to the railways, and the Minister succumbed. The Minister used reason and the consultative process until the Quebec Liberal caucus spoke, and then out of the window went economic diversification and resource development in the West, out of the window went the tremendous potential of the cattle and hog industry in the West. The objective suddenly became to retain, at all cost, the Liberal power base in Quebec. The Government thinks that western Canadians will continue to be hewers of wood and drawers of water. The West wants only fair play with the rest of Canada.

* * *

INDUSTRY

CLOSING OF AUTOMOBILE PRODUCTS PLANT IN HAMILTON

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, we have another plant closing in Hamilton. Each one seems to be worse than the last. This case is Allen Industries, which makes molded insulation for automobiles. It has moved its plant from Hamilton to Richmond, Virginia. The company will sell its product back to Ford at Oakville. This must stop, this uncaring attitude which is displayed by many manufacturers located in Ontario particularly, toward the people who work for them and toward the municipalities that have put so much money into providing an environment which made the plants successful in the first place. We must draw to their attention that their responsibility to Canada must come before their opportunity to make $2 or $3 more from an already profitable operation.

I suggest that the Government should take a look at the auto pact to determine whether or not they are in violation, in one way or another, of that pact. If they are not, then it should renegotiate the auto pact and ensure that plants operating within the protection of Canadian law operate on behalf of Canadians.

* * *

NUCLEAR ARMAMENTS

SUPPORT FOR TESTING OF CRUISE MISSILE IN CANADA

Mr. Garnet M. Bloomfield (London-Middlesex): Madam Speaker, the possible testing of Cruise missiles in Canada has received a great deal of attention lately. I think it is important for Canadians to realize that the federal Government supports NATO and the Alliance. We believe that a credible deterrent is needed to maintain peace with liberty.

A careful analysis of the facts will show that NATO's "two-track" strategy of talk and deploy is the safest route to follow at this time. Unilateral disarmament is a very unwise course to follow, considering present world conditions, and would create a dangerous shift in the international balance of power. If we refuse to allow the testing of the Cruise in Canada by the United States, it will display to the Soviets that the western world is divided, and will further erode the hopes for genuine negotiations on disarmament.

This does not mean that the federal Government is against disarmament. Indeed, I know of nobody in our country who would not favour disarmament. It is the ultimate goal that all mankind should strive to achieve. However, history proves that this cannot be done by offering unilateral concessions. This tends to create imbalances and, at the very least, leads to demands for more unilateral concessions. It is the path toward ultimate catastrophe.

We would do well to remember that compromise and weakness did not prevent the Second World War. It nearly cost the western world its freedom. Canadians as a whole should support the strengthening of the NATO Alliance, recognizing that the best deterrent to war is to be prepared. We should proceed with the United States on the testing of Cruise missiles.

* * *

INDUSTRY

TAXATION OF DOMESTIC WINE PRODUCERS

Mr. Joe Reid (St. Catharines): Madam Speaker, with the soaring popularity of table wines on the North American continent, we should contrast the enthusiastic support given by American States to American grape growers and wineries with that given here at home. Most American States exempt

wineries from state liquor and wine taxes, and those that do tax impose a token five-cents a gallon tax amounting to less than a penny per bottle. Consequently American acreage in grape production has doubled each year since 1976. American States and European Governments regard wine as an agricultural food product. In Canada wine continues to be taxed as a alcoholic beverage from which Ottawa and Toronto combined receive $140 million in taxes annually, while Ontario growers realize only a $24 million gross.

The number of growers in Ontario has been cut in half to about 1,000. They have managed to survive by increased plantings of European and hybrid grapes and by concentrating on the production of quality wines. Members of the House, the Parliamentary Restaurant, and consumers everywhere are advised to mark 1982 as a good vintage year. "You don't have to be bold or daring, you just have to have confidence in buying Canadian."

* * *

• (1410)

AGRICULTURE

FUNDING NEEDS OF ONTARIO VETERINARY COLLEGE

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, for over 100 years the Ontario Veterinary College has been renowned the world over for its excellence. Thousands of veterinarians have graduated from this venerable institution and have practised their profession in all corners of the world. In addition, hundreds of students from other countries have been trained at the OVC.

Several years ago the Dean of the College warned that, due to inadequate financial support, the College was in danger of losing its status as a world class institution? The Dean had continually stated that unless the physical plant was upgraded and the operating capital increased, the college was placing its accreditation in jeopardy.

Recently the American Veterinary Medical Association accreditation team visited the OVC and downgraded the College to a limited accreditation category. This in effect means that the College has five years to meet certain criteria, for example, improving its physical facilities and increasing the number and quality of its faculty. During this period it is recommended that enrollment be curtailed.

The Government has recently promised to fund partially the construction of a fourth veterinary college in the Maritimes. This may well be a laudable endeavour, but surely the Government has an obligation to the three existing colleges to ensure that they are adequately funded in order to prevent the embarrassment of their failing to meet specific standards of excellence.

It makes little sense to spend money on a new veterinary college while at the same time allowing the three existing centres to lose their accreditation for the want of adequate funding. Therefore, Madam Speaker, I urge the Minister of Agriculture (Mr. Whelan) to meet with the Dean of the Ontario Veterinary College, who will be in Ottawa tomorrow, in order to take immediate action aimed at resolving this unacceptable situation.

* * *

RAILWAYS

CROWSNEST PASS RATE—NEW DEMOCRATIC PARTY PROPOSAL FOR CHANGE

Mr. Les Benjamin (Regina West): Madam Speaker, the New Democratic Party supports public investment to upgrade railway lines for transport of all commodities, not just grain. The Government's plan to cancel the statutory grain rates for western farmers is unacceptable. The New Democratic Party's alternative proposal would require an Act to facilitate the transportation, shipping and handling of commodities by rail and to amend certain Acts in consequence thereof that legislate the following: one, capital to upgrade the rail system provided by public investment in exchange for equity in CP Limited and increasing our equity in Canadian National; two, paying the railroads directly for proven out of pocket losses for transporting grain; three, maintain the statutory grain rates for grain farmers and extend the rates to other commodities and their products.

The NDP proposal for rail upgrading would not be confined to British Columbia and Alberta but would include the railway line to Churchill and other places in Canada where facilities are inadequate to handle the traffic offered. Our plan would cost no more than the Government proposal, but more upgrading would result because we would prevent public money from leaking out of the rail system.

Some Hon. Members: Hear, hear!

* * *

INCOME TAX

REQUIREMENT THAT SENIOR CITIZENS PAY ON INSTALLMENT BASIS

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, the senior citizens of our country derive benefits upon attaining age 65 such as the Old Age Pension and Guaranteed Income Supplement, and are no longer required to pay Unemployment Insurance premiums. But one of the hardships that they are faced with upon attaining the age of 65 is that they must pay their income tax on an installment basis. Many senior citizens are not aware of this and many of them find it difficult to do so. I think this may be something the Government should consider. It should indicate to the people of Canada that when they attain the age of 65 they are no longer required to pay their income tax on an installment basis.

Some Hon. Members: Hear, hear!

FORESTRY

FUNDING FOR RESEARCH AND DEVELOPMENT

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, the importance of forest industries to the Canadian economy is apparent. Almost 20 per cent of our exports is forest products, accounting for a $10.9 billion trade surplus. In many communities forest industries provide up to 60 per cent of employment.

When wood becomes scarce, our economy suffers. Yet recent studies show that wood losses due to forest diseases amount to an annual volume of 45 million cubic metres, some 20 per cent of the annual allowable cut in Canada.

Again, Madam Speaker, the Liberal Government's policies continue to disregard the importance of adequate research which could save hundreds of millions of dollars annually. Disease research programs of the Canadian Forestry Service have been declining and there has been a 50 per cent reduction in staffing.

For the fiscal year 1983-84 the Canadian Forestry Service has received $5.5 million for research and development. These funds, however, will only allow forest pathologists to catch up with basic scientific equipment requirements. The urgent need for additional person-years has not been met.

During the current recession forest losses may seem irrelevant. Let me assure you that they are very real when one takes into account the loss of trade dollars, of employment, and the detrimental effect on the environment.

I urge the Government to address this issue immediately in order to preserve our forest industry and the economy.

ORAL QUESTION PERIOD

[*English*]

HOUSING

CANADIAN HOME OWNERSHIP PROGRAM—REQUEST FOR INCREASED FUNDING

Mr. Gordon Taylor (Bow River): Madam Speaker, in the absence of the Hon. Minister responsible for housing, my question is directed to the Right Hon. Prime Minister. The housing industry, largely because of the Canadian Home Ownership Program, staggered back from the grave and had just started to mushroom when the Program was suddenly cancelled, leaving hundreds of Canadians in a precarious position. Since this part of the private sector is recovering, and since the Government has alloted $2.4 billion in the budget under Special Recovery Incentives for Private Investment, will the Government transfer $100 million to the Home Ownership Program and announce a date sometime in May when no more applications will be accepted, or will the Government at least deal with the applications already filed?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, this question was answered by the Minister himself on Thursday or Friday and the Government has not changed its policy since then.

REQUEST THAT GOVERNMENT SHOW COMPASSION TO APPLICANTS FOR GRANTS

Mr. Gordon Taylor (Bow River): Madam Speaker, the Minister did not deal with transferring part of the funds that were already set aside for the recovery. The cancellation of this program will choke off the recovery and it is a betrayal of those who took the Government at its word. When the Minister of Finance said this would happen close to the end of May, it raised the hopes of hundreds of Canadians.

Does the Right Hon. Prime Minister not feel some compassion for those who took the Government at its word and invested their money in putting in footings, taking out mortgages, et cetera? The Right Hon. Prime Minister called for compassion for people in Third World countries. I call for compassion for the people of Canada who took the Government at its word.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member and his Party are also frequently calling for compassion for the taxpayer, but they seem to have no end of suggestions for spending endless amounts of money to deal with difficulties here or there.

The Hon. Member suggests a change of allocation of funds from one area to the other. If we take funds away from an area, he will then complain that we are not giving enough to the unemployed, or to the youth of the country. This is strange coming from a Party who has so often advocated the use of sunset legislation. They know that at some point, Madam Speaker, a program has to come to an end and that the supply of funds is not unlimited. A case cannot be made for continuing every program, no matter how good it is.

I sometimes wish that the Opposition would discover how good our programs are and support them when they are in existence, rather than bemoan their ending and only discovering, when they are ended, how well this Government has legislated.

GOVERNMENT POLICY

Mr. Gordon Taylor (Bow River): Madam Speaker, when the Government does come up with a good program, it suddenly cancels it. The money is already alloted for recovery in the private sector. This is part of the private sector. We ask that the Prime Minister and the Government not betray the people who took the Government at its word, invested in mortgages, put in the footings, and are now left high and dry. I would ask the Prime Minister, who will provide the announced $3,000 for those who are now liable to lose everything if the $3,000 is not provided? Does the Prime Minister not care about Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the budget provided an additional $355 million to stimulate the housing industry. It also brought in two major changes to the Registered Home Ownership Saving Plan to stimulate home purchases and purchases of designated furnishings and appliances.

Madam Speaker, there are measures in the budget now. There is money being spent to encourage the building of housing. The Hon. Member cannot argue that we do not care for home ownership. The very recovery in that area is an indication that our programs have been working. Once again the Hon. Member is making a plea for the ever continuing and replenishing of funds. That cannot be done without increasing taxes, Madam Speaker.

PLIGHT OF BUILDERS

Hon. Bill Jarvis (Perth): Madam Speaker, I have a question on the same subject directed to the Minister of State for Finance, who indicated last Thursday that housing starts were off to a very good start this year, and to quote the Minister:

> We think that the industry is very strong.

I agree that there are encouraging signs of recovery. The great difficulty posed by the $3,000 program is that modest sized builders, those building half a dozen or ten homes, pouring the foundations, are now in a position where, based on the expectation of that eventual home-buyer assistance, they will have a very difficult time moving those houses.

• (1420)

I am sure the Minister will be the first to agree that housing completions are more important to employment than housing starts. Does the Minister have any hope to give to those builders, not those applying for 50 or 100 permits, but those of modest size who have made these starts, poured the foundations, and find themselves in a very vulnerable position insofar as eventually being able to sell those houses is concerned, now that the funds have run out?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, those builders are no doubt comforted by the reduction in interest rates which have been on a trend downward for the last three or four months. In the long run that will probably be more efficient support to the housing industry and all other sectors of the economy. There is a general reduction in interest rates. The other factor that is equally as important if not more important than the $3,000 grant is the security of Canadians who are considering the purchase of homes, knowing that this Government has put money into supporting job creation, supporting the continuation of employment for many people and many industries. Those two factors, with the commitment of billions of dollars, generally should provide the kind of confidence that consumers need to make that kind of purchase.

REQUEST FOR REDISTRIBUTION OF BUILDING PERMITS

Hon. Bill Jarvis (Perth): Madam Speaker, I point out to the Minister that many builders have mothballed housing, including six homes in my riding in the last two weeks. Construction has stopped because of the fear of inability to sell eventually. Last Thursday the Minister of Finance indicated they would check on some of the larger builders who applied for 50 and 100 permits under the $3,000 grant program. Can the Minister give some assurance that if the inspectors find that those larger builders do not in fact qualify, there will be a reasonable redistribution of permits among the small builders?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I apologize for being late. I was delayed at the very last second. We are trying to ascertain the size of the problem. Any program which comes to an end has this type of bulge at the very end. It is obvious that we had a rather unexpected increase in housing starts in the last half of April. We are now assessing the problem. We have asked our people not to take more applications. We will come up with some answers to some of the Hon. Member's questions I would expect within the next week or ten days. Meanwhile I want to reassure those who have put in bona fide applications that they will be given every attention possible.

* * *

MEDICAL CARE

REQUEST FOR BAN ON USER FEES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is for the Prime Minister. The Prime Minister will recall that just over a month ago I was urging the Minister of National Health and Welfare to bring in a Canada health act which would address the increasing incidences of user fees as a result of what had happened the night before, when Alberta brought in a new scheme of user fees. The Province of New Brunswick has just moved to introduce user fees for some hospital services, completing the prediction I made at that time, that we would see more of this if the federal Government did not act. When are we going to see some action on medicare?

When are we going to see a real proposal for a Canada health act that will address these problems, rather than simply letting medicare slide away while the federal Government waits for an opinion from the Department of Justice about what the constitutional possibilities are in this area? When are we going to have that opinion rendered by the Department of Justice, and when will we have a concrete suggestion from the Government?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not believe the Hon. Member is reflecting the Minister's answer correctly when he talks about waiting for an opinion from the Department of Justice. The Minister has repeatedly in the past talked to the Provinces and intervened with them on this medicare scheme, which is a creation of the

federal Government but which cannot be made operative without provincial participation, to persuade the provincial Government as far as possible to interpret the medicare legislation in a way which is desired by all Canadians. She has obviously failed in some cases. She indicated to the House she was considering whatever measures could be taken.

The reason for the delay is not because the constitutional problem is a difficult one generally. It would be to find ways to redress the situation which would not be challengeable in the courts. That is the difficulty. The Hon. Member knows that the federal Government, under its jurisdiction, cannot legislate in certain areas. The delivery of health systems is one. That is why we need the co-operation of the Provinces. The very law setting up medicare states that. We cannot change it unilaterally in any way which would suit our convenience or that of the New Democratic Party.

INQUIRY RESPECTING DEPARTMENT OF JUSTICE OPINION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, the Prime Minister has confirmed rather than denied my interpretation of the events. He is saying that the Department of Justice is trying to figure out what can be done within the Government's legitimate constitutional jurisdiction.

The Minister of National Health and Welfare said to me on March 17 that the Department of Justice was drafting a document. That was over a month and a half ago. When is that document going to be drafted? Also, would the Prime Minister consider having that document placed before the House of Commons before the Minister meets with the provincial health Ministers? The Prime Minister says that the Minister is meeting with the provincial health Ministers. They have not met for 11 months. Last May or June was the last time they met with regard to medicare. That can hardly be called active or intense consultation.

Will the Prime Minister consider tabling a document in this House so that the people of Canada and Members of Parliament concerned about medicare will have a proposal around to which to rally and stimulate public opinion, if indeed the proposal is good enough to deserve that?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I can predict that no proposal made by the Government will ever be good enough to rally the support of the New Democratic Party. That is a foregone conclusion. That is why I do not see any advantage in proceeding in the way the Hon. Member says. The legislation in Alberta is only to take effect next fall. The Minister is exercising her responsibility in ensuring that the ways in which we will try to make medicare operate will be the way the Canadian people want. She is exercising her responsibility to prepare that. It would not help at this stage to table legal opinions.

I repeat, the Constitution is quite clear on what the federal Government cannot do. It cannot legislate on the delivery of health systems. If the Hon. Member doubts that, he can consult his own lawyers. We do not have to table a document from the Department of Justice to say that. What we are trying to find is a way which will be accommodating to the Provinces and at the same time respect the Constitution and make medicare operable.

FEDERAL-PROVINCIAL FINANCING ARRANGEMENTS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, we do not want to know what the federal Government cannot do in terms of health delivery. We want to know what the federal Government proposes to do with regard to what it can do. It is not coming forward with that.

My final question has to do with the need the Prime Minister expresses for provincial agreement. I happen to be convinced that we are not going to get the kind of agreement among provincial Conservative Governments that will be an agreement which will preserve the five basic principles of medicare. Will the Prime Minister consider acting, providing it is within the constitutional jurisdiction of the Government, in a way that did not have the agreement of the Provinces? Will he facilitate the acceptability of that action by being willing to go back on the reductions in established programs financing that took place a year ago, and taking back Bill C-150 which imposed six and five on post-secondary payments? How can he expect the Provinces to agree to anything when he is doing this to them?

Madam Speaker: Order.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is confusing two subjects, post-secondary education and medicare. There was no reduction in the funds put forward for medicare. The Hon. Member knows that. I can give the answer as to why he is dragging a red herring around this discussion. He knows there is no solution without some form of respect for the Constitution. He is proposing that we buy off the Provinces by giving them more money. That is not the approach we intend to take.

* * *

• (1430)

SUPPLY AND SERVICES

FRIGATE CONSTRUCTION CONTRACT—DISTRIBUTION OF WORK

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is directed to the Minister of Supply and Services. The Hon. Member for Longueuil has been widely quoted as saying that the selection of the winning consortium is a purely political decision in the case of the Canadian patrol frigates, and if Scan Marine is not picked, he says there may be a political putsch within the Liberal Party. There are many factors which should govern the decision making but I sincerely hope that such political blackmail will not prevail.

Will the Minister confirm that one of the options put forward by Saint John Shipbuilding in their bid is to build two frigates in the Maritimes, two in the St. Lawrence Shipyards,

and two on the West Coast, and this would mean that, for the total contract, the total money spent would be 22 per cent to 24 per cent in the Atlantic region, 38 per cent to 41 per cent in Quebec, 22 per cent to 27 per cent in Ontario, and 15 per cent in the West? Can the Minister confirm that this very fair distribution of work was one of the options in the Saint John shipbuilding bid?

[*Translation*]

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, the Hon. Member has previously made representations concerning the frigate contract. At the time, I told him that the contractor who would build the six frigates would be awarded the contract on the basis of efficiency, Canadian content and of course, price. Those are the considerations. This is a very strict competition and assessment of the various offers is continuing. We shall be in a position to announce the name of the company that will be awarded the contract by the end of June, as was indicated by the Minister of National Defence early in July of last year. The Hon. Member will have to wait until then to find out what our decision will be. However, I can inform the Hon. Member that this decision will be made on the basis of the criteria I mentioned earlier.

[*English*]

Mr. McKinnon: Madam Speaker, I find it strange that the Minister left out one of the criteria which he expressed here last week, that is, that they would pick the best ship. I hope that criterion is still there because it seems to be foreign to the Hon. Member for Longueuil.

ENGINE PROPULSION SYSTEMS

Hon. Allan B. McKinnon (Victoria): Could the Minister confirm two things—first, that there is no shipyard in the country which has the equipment or personnel to build all six frigates in the time span available in the program? Second, would the Minister confirm or deny that the specifications for the ships called for gas turbine engines for high speed and diesel engines for cruising propulsion, and that Scan's submission did not include the diesel alternative engine because that would have put their costs over the effective limit?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, if the hon. gentleman had paid specific attention to my reply he would have noted that I did indicate that indeed the excellence of the ship was of primary consideration. Indeed, the hon. gentleman will have to wait until the decision is made and announced in order to ask his questions in terms of the various criteria and the weight attributed to them.

INDIAN AFFAIRS

NATIVE ECONOMIC DEVELOPMENT FUND—REPORTED PROPOSAL TO ESTABLISH CROWN CORPORATION

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. It follows questions asked on Friday concerning the proposal to establish a Crown corporation to administer the $345 million Native Economic Development Fund which was outlined in a Cabinet document which was signed by the Minister.

On February 19 of this year the Minister and two of his Cabinet colleagues met with representatives of the native caucus of the Liberal Party to discuss the formation of a Crown corporation and the appointment of its board of directors. Could the Minister tell the House whose idea it was that the board of directors of this Crown corporation should be made up of native members of the Liberal Party? Was it the idea of the Minister and his colleagues or was it the idea of the native people who were present at that meeting?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, first of all, the Hon. Member knows that a lot of the discussed documents are presently before Cabinet. Secondly, I would like to correct something he said. I did not meet with the native Liberal caucus with respect to this document or any other document. Third, Madam Speaker, the Government consulted a substantial number of people because one of our desires in this regard is to help native people help themselves. We want to ensure that this fund announced by my colleague, the Minister of Finance, in his November 1981 budget will produce the desired results.

RESPONSIBILITY FOR NATIVE PEOPLE'S ECONOMIC DEVELOPMENT

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my supplementary question on the same subject is directed to the Minister of Indian Affairs. On December 1, 1981, the Minister announced the establishment of a $345 million fund to support economic development for native people which was to be administered by his Department. Now, one and a half years later, it appears that the Cabinet is considering that the Minister of Industry, Trade and Commerce assume the responsibility for all economic development for native people through a Crown corporation whose board of directors are to be card-carrying Liberals. Is the Minister in agreement with this proposal?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, let me tell the Hon. Member, through you, that it was never intended that my Department would administer this fund, because my Department is the Department of Indian Affairs. This is a native economic development fund. It includes non-status Indians, Métis, and, of course, as the Hon. Member knows, any relationship we have with the Métis is through the Secretary of

State, for obvious reasons, in terms of the Minister of Indian Affairs not being able to, or being expected to adjudicate equally between these groups, especially because of the status Indians being primarily a federal responsibility. As far as the Native Economic Development Fund is concerned, I believe it is an excellent initiative. I cannot think of a more appropriate place for it to be than with the Minister of Industry, Trade and Commerce.

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INDUSTRY AND LABOUR ADJUSTMENT PROGRAM

STATUS OF PROGRAM

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. The Minister recently announced a national industrial development program to provide direct assistance to industry in all areas of Canada. What is the status of ILAP? Will it be continued?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I believe the anniversary date for the ILAP program is sometime in 1984. All the areas designated for ILAP assistance will continue with applications until their anniversary date. Any other decisions with respect to specific sections of ILAP will be taken on or before that anniversary date.

APPLICATION FOR DESIGNATION FROM MIDLAND-PENETANGUISHENE

Mr. Doug Lewis (Simcoe North): I direct a supplementary through you to the Minister, Madam Speaker, just to be very clear with respect to ILAP applications which are presently before the board. I am thinking specifically in terms of Midland-Penetanguishene, which has been before the board, or whatever the application process is, for three months. People in that area have spent thousands of dollars and hundreds of hours of time. They want to know when will that application be reviewed. Will it be reviewed under the current ILAP program or under the new program?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I believe over 1,000 communities are requesting ILAP designations. The new Industrial and Regional Development program will ensure that there will be financial assistance, depending upon regional enrichment for the whole country. Therefore most of the regions, such as the one mentioned by the Hon. Member, Midland-Penetanguishene, once this legislation is passed will be designated for assistance in those categories which were indicated in last weeks press release. I would enlist the co-operation of the House Leader for the Conservative Party for quick passage when that legislation is presented here in the House.

CANADIAN PACIFIC RAILWAY

DESTRUCTION OF WEST TORONTO HERITAGE STATION—POSSIBILITY OF PROSECUTION

Mr. Les Benjamin (Regina West): Madam Speaker, my question is directed to the Minister of Justice and it relates to a decision of the Canadian Transport Commission dated April 28, which I quote as follows:

—we are requesting the Attorney General of Canada to institute and prosecute proceedings on behalf of Her Majesty against Canadian Pacific—

And its directors, officiers, agents and contractors, regarding the destruction of a railway station in Wests Toronto. I would like to ask the Minister of Justice who, I believe, is the Attorney General of Canada, if he intends to lay charges as recommended by the CTC and whether or not prosecution will be pursued by himself and/or his provincial counterpart.

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I have seen that recommendation and it is under consideration. The Hon. Member will appreciate that it is not possible for us just to accept at face value, without further consideration, such matters as whether the Railway Act would sustain such a prosecution, and so on. The matter must be looked at very carefully, and in due course I will be able to announce a decision after receiving advice from the Department.

REQUEST THAT RAILWAY BE INSTRUCTED TO RECONSTRUCT STATION

Mr. Les Benjamin (Regina West): Madam Speaker, the decision was made by the CTC under the Railway Act, and that is a court of proceedings. Since it is obvious the CPR is running the Government rather than the Government running the CPR, I would like to ask the Minister of Transport, who tells us he is going to get guarantees of railway performance with his Crow rate destruction, if he can tell us whether he will use the powers he has under the Railway Act to direct CPR to reconstruct the West Toronto station to its original state, and whether or not he will insist that the Minister of Justice lay charges and prosecute CP for the destruction of that station, if for no other reason than to restore the integrity of the CTC, the Railway Act, and the Minister?

• (1440)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as the Minister of Justice has just said, the CTC has asked the Department of Justice to take proceedings in this matter. I understand also that the CPR has appealed the decision.

MARITIME FREIGHT RATES ACT—REVIEW TERMS OF REFERENCE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is also for the Minister of Transport. It may be most appropriate in that, according to some rumours, the Crow legislation is going to be introduced today. My question

concerns the same type of symbolic legislation in Atlantic Canada, that is, the Maritime Freight Rates Act and the private study the Minister commissioned to review that Act. Has the Minister received the protest of four provincial Ministers of Transportation about the narrow terms of reference, very narrow timeframe, and lack of public input to this study, and what does he intend to do about this?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my information is quite different. I understand two Atlantic Provinces have agreed, one has remained neutral, and one has disagreed. Be that as it may, my hon. friend is so busy in other files these days that he may not be fully acquainted with the fact that we now have memoranda of understanding with all four Atlantic Provinces under which, among other things, we try to do joint planning. The studies and review of the nature indicated by my hon. friend are the type of thing we try to do together, namely, attempt to spend as well as we can the hundreds of millions of dollars in support the federal Government gives to the Atlantic Provinces in matters of transportation. This is so normal and so desirable that I am sure my hon. friend would not want to disagree with that, because it is in the best interests of the Atlantic Provinces.

Mr. Nowlan: Madam Speaker, I think the Minister has been pretty busy too these last few days and weeks on many matters from air to land and Crow to sea. I think if the Minister checks his files he will find my information is correct. I understand that the 1982 agreement for upgrading secondary roads in Atlantic Canada has a proviso for joint consultation and planning, but the Minister's decision was unilateral.

REQUEST FOR PUBLIC CONSULTATION

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, to allay the fears in Atlantic Canada of businesses which are just on the margin and will not be able to succeed if that subsidy, internal and external, is taken away or reduced, will the Minister assure the House and Atlantic Canada that, regardless of the consulting firm's recommendations, there will be public input from those affected before any further action is taken?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will be exceptionally short on that. Yes, there will be consultation at least with the Governments of the Atlantic Provinces.

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CANADIAN ARMED FORCES

STATUS OF RESERVES

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I have a question for the Minister of National Defence if I can interrupt his briefing of the other Minister on the Frigate Program. Madam Speaker, the reserve forces in Canada are in very desperate shape for both equipment and manpower. What is the Minister doing to improve the situation?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I do not think the Hon. Member has the same information as I have. During the last couple of years we have in fact increased the budget for the reserves. We are giving them new equipment and we have integrated many reserve units with some of the operations of the regular force. I do not remember which western media were referring to this matter last week, but I think they were saying that they were very glad about what was being done with the reserves and that there was a great improvement over the last two or three years. I have that from some of our reserve officials, too, who are very happy with what we are doing. We could do more and more will be done, but at the moment I think there has been great improvement.

Mr. McDermid: Madam Speaker, hardly anything has been done for them, so they are most grateful for anything given to them. The spirit is high in the reserves but only because of the people involved, not because of their equipment or because of what the Government is doing for them.

MOBILIZATION PLAN

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, for two years the Minister has promised a mobilization plan for the reserves. Where is it? When are we going to see it?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I am very glad that the Hon. Member admits that the morale and spirit in the reserves are very great. I realized that when I visited some of the reserve units recently. As far as the mobilization plan is concerned, it is always developing. It is therefore more or less a fact at the moment that we have one. Obviously there are many issues in the mobilization program that we cannot make public, because you do not make all the information on these things public. But if the Hon. Member or some others are interested, I can ask my Department to give them a briefing on what we do in case of a general mobilization.

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FINANCE

STUDY OF CAPITAL GAINS TAX

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is for the Minister of State for Economic Development who will recall that at some time he had something to say about capital gains tax, and we now have before the House a related proposal under the ISIP Program. I was wondering if he would be doing a study in his Department on this Program and will he be referring it to a Standing Committee or a Special Committee of this House so that we can look into the

whole question of how inflation has affected capital gains and investment potential? It would seem to me that would be a matter of economic development.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, obviously this is a question which should be directed to the Minister of Finance. Perhaps the Minister of State for Finance would like to comment on it. All I can say is that I thought the Hon. Member would certainly welcome that initiative. Bear in mind that it grew out of a great deal of public discussion, and consideration by prominent members of the community most concerned with the issue of capital gains. I would hope he would applaud this approach to the development of policy.

POSITION OF INVESTORS IN SMALL BUSINESSES

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I am not criticizing the policy at all. I was wondering if the Minister felt the same type of thing should be done for other people who invest in small business which are not listed on the stock exchange and cannot take advantage of the scheme. He is Minister of State for Economic Development. Why would he not recommend to his Cabinet colleagues that some kind of equity be available to those who would create new jobs and businesses rather than just for the people who are fortunate enough to have their stocks listed, or can have them listed?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, the representations made between Ministers are of course confidential. But I can assure you that the Minister of Finance was very attentive, not only to representations from his colleagues but from members of the business community, the labour movement and various construction associations and other trade groups right across the country when he was in the course of preparing his budget. I think Hon. Members would have to recognize that probably at no time in the history of budget preparation has there been such extensive representations. I am sure the Hon. Member would have had his own opportunities to make representations to the Minister of Finance had he elected to do so. Now, I do not know whether he has or has not, but I have made my representations.

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AIR TRANSPORT

PACIFIC WESTERN AIRLINES—SERVICE TO WESTERN MANITOBA

Mr. Jack Murta (Lisgar): Madam Speaker, my question is directed to the Minister of Transport. Since the Pacific Western Airlines licence to service Brandon, Manitoba, and consequently western Manitoba, is being looked at at the present time by the CTC, and since that service has been excellent and most, if not all, the people in western Manitoba are very happy with it, I am wondering whether or not the Minister could instruct the CTC to give the PWA application very positive consideration and also clear up the uncertainties surrounding this vital service at the present time.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there are so many of these decisions that I can hardly keep track of all of them, but I stick my neck out. I think the CTC has already accepted the extension.

An Hon. Member: They have.

Mr. Pepin: They have? To say something new, I think the Department is also making arrangements to make some improvements to the airport at Brandon.

ANNOUNCEMENT OF DECISION

Mr. Jack Murta (Lisgar): Madam Speaker, I was not exactly clear on the Minister's answer. If they have made their decision and it is positive, fine. If a decision has not been made, would the Minister ensure that a decision is made as soon as possible? Will it or can it be announced so that the public will know about it? Certainly the public does not know at this point in time. Could he also ensure, and this is a plea from myself, that the decision is in favour of PWA?

• (1450)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am having a problem, because my hon. friend on the other side, exceptionally, seems to be more aware of the decision than I am. I knew the decision had been made, but I was not sure that it had been announced, which is always the problem when one is a Minister. It is one of those things.

On the subject, it was extended because the service has been very good, and it has been well used. Changes or improvements to the airport had not yet been made, in waiting for the decision of the CTC to extend the licence. Now that this has been made, the expenditures, and I cannot remember how many dollars are involved, will be made. I will communicate the full information to my friend as soon as possible.

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CROWN CORPORATIONS

INQUIRY RESPECTING CONTRIBUTIONS TO FOREIGN POLITICIANS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is directed to the Prime Minister. Does the Prime Minister feel that it is appropriate for Crown corporations or their agents to offer campaign contributions to politicians or aspiring politicians in other parts of the world, with whom they are attempting to do business?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I cannot answer that question . I do not know what the Hon. Member is talking about. There may be some circumstances where it is appropriate and others where it is not appropriate.

An Hon. Member: Answer in principle.

Mr. Trudeau: Yes. I am not the Pope.

Mr. Nielsen: Really?

Mr. Trudeau: I cannot say, with absolute finality, what is right or wrong.

Mr. Nowlan: Even he is having some trouble.

Mr. Deans: That is the guideline answer, I suppose.

CANADAIR—REPORTED OFFER OF BRIBE TO ALASKAN SENATOR

Mr. Ian Deans (Hamilton Mountain): I wonder if the Prime Minister recalls my asking him to investigate the circumstances surrounding Canadair's involvement with the State Senator from Alaska, Senator Hohman, who was convicted of agreeing to accept a bribe. Why did the RCMP not investigate Canadair's involvement in that matter?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, my recollection is that Canadair issued a statement that the person involved was no longer an employee of Canadair, that he was acting as an agent, and that he did certain things as an agent. That is my recollection of Canadair's declaration, Madam Speaker.

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INDUSTRY

DYNATEK PROJECT AT SIDNEY AIRPORT, B.C.

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is directed to the Minister of Regional, Economic Expansion. Could he give me an update on the negotiations with Dynatek at Sidney International Airport, elaborating on the $16 million part interest-free loan and part grant which was in the process at one particular stage? Where does the matter stand at the present time?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as the Hon. Member knows, at the request of the Province and the company, the Government of Canada made a substantial offer to Dynatek. Obviously we think it is in the best long-term interests, of the microelectronics industry, and, in particular, to help diversify the economic base of western Canada. There were some conditions, attached to the offer with respect to equity infusions, from the private sector. To my knowledge, these conditions have not yet been met.

MANAGEMENT COMPETENCY

Mr. Donald W. Munro (Esquimalt-Saanich): I assume, and this is in the form of a question, that the Minister satisfied himself before making this "substantial offer", as he said, as to the competence of the managerial staff to do what they said they would set out to do, namely, set in place a robotized system for preparing the chips.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, it has been several months since I have reviewed the dossier, but if I recall correctly, approximately 700 people were to be hired. Included were some very competent managers who had expertise in the field.

However, I would like to remind the Hon. Member that it was the Province of British Columbia which stated that it would not decide on the application until Ottawa did. If I recall correctly, the Minister of Science and Technology for the Province of British Columbia said, "We want to see what Ottawa is prepared to do first". We did act, I think, in a very responsible way. I believe that the Province of British Columbia has since followed up on our initial offer.

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EXTERNAL AFFAIRS

UNITED STATES PROTEST OVER FLAG BURNING INCIDENT—CANADIAN RESPONSE

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, my question is directed to the Prime Minister, in the absence of the Secretary of State for External Affairs. The Prime Minister will recall that a very strong note of protest was received by the Canadian Government from the Government of the United States relating to anti-American demonstrations which occurred in the city of Winnipeg, in which two members and others of the caucus of the NDP Government of that Province were involved, and where a United States flag was burned at the Consulate. Part of the note was in these terms:

> The United States must protest strongly the participation of Ministers of the Government of Manitoba in this event which clearly gave it an official character and would appreciate assurances that such official support of hostile demonstrations will not be repeated.

I would like to ask three brief questions with respect to the note. Has the Canadian Government received an apology from the Government of Manitoba, which has been transmitted to the United States? If that has not been the case, has the Canadian Government apologized to the United States Government on behalf of the Government of Manitoba—

An Hon. Member: Better not!

Mr. Nielsen: I hear the voice of an NDP Member saying that the Canadian Government had better not do that. The last question of the series is: will the Government table a copy of any note which was sent by Canada to the United States in response to the original note?

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Canadian Government received the note

from the United States and we have replied. As far as apologizing for the Government of Manitoba or the suggestion that the Government of Manitoba apologized, I do not think there is any objection to tabling the contents of the note, the answer to the United States, in the House and the Hon. Leader of the Opposition will be able to see and judge for himself, and not try to exaggerate the impact of this occurrence and treat it as something that is best forgotten.

[*English*]

Mr. Nielsen: I am glad that there is a willingness to table Canada's response to the note of the United States.

REQUEST THAT PROVINCIAL GOVERNMENT RESPONSE BE TABLED

Hon. Erik Nielsen (Leader of the Opposition): Will the Government also table the apology of which the Parliamentary Secretary spoke, which came from the Government of Manitoba to the Government of Canada?

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I did not say the Government of Manitoba apologized. I think the contents of the note will be self-explanatory.

* * *

[*English*]

FISHERIES

ATLANTIC SALMON STOCK—INTERCEPTION BY DANISH FISHERMEN

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, in the absence of the Minister of Fisheries and Oceans and in the absence of the Secretary of State for External Affairs, I wish to direct my question to the Right Hon. Prime Minister, because I know that he does have an interest in catching salmon.

Mr. Nowlan: Or any kind of fish.

Mr. Crouse: In light of the statement which has been made by the Minister of Fisheries and Oceans that the harvest of Atlantic salmon will be reduced this year in Nova Scotia, New Brunswick, and Newfoundland, but not in Quebec, I would like to know what steps the Government is taking to increase surveillance over poachers in the entire Atlantic salmon industry, including the catch taken by the Danes off Greenland, whose interception of Canadian salmon may well be the main cause of the decline in Atlantic salmon stocks. Will the Right Hon. Prime Minister take up this question, which is of very great importance to Atlantic Canada, with the Danish ambassador?

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, I am pleased to respond to the Hon. Member opposite. I want to assure him, on behalf of the Minister of Fisheries and Oceans, that the Minister and the Government are placing great emphasis on revitalizing, conserving and rebuilding the Atlantic salmon stocks. Indeed, we are concerned about the interception problem and it has been taken into consideration.

I want to assure the Hon. Member that any reduction in quota, which may be experienced anywhere in Atlantic Canada, of salmon or other stock, is a result of the best biological and objective evidence we can be given by our officials, and that the Minister is, as is the Hon. Member, very interested in preserving both the commercial and the sport side of the salmon fishery in Atlantic Canada.

• (1500)

REQUEST FOR STOCK ENHANCEMENT PROGRAM

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I thank the Parliamentary Secretary for his answer. Unfortunately, he did not answer the question. My question was directed to the Right Hon. Prime Minister and I was asking him if he would take up the matter of interception of our Canadian salmon by the Danes off the coast of Greenland. This is a matter that does come under External Affairs and concerns the Right Hon. Prime Minister.

In light of the obvious decline of salmon stocks in Atlantic Canada, when may we anticipate from the Prime Minister's Government a truly meaningful Atlantic salmon enhancement program being established?

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Madam Speaker, I want to assure the hon. gentleman opposite that the Minister of Fisheries and Oceans, and indeed the Government, take very seriously our relationships with respect to other nations and fishing treaties, whether they concern salmon off the West Coast, salmon off the East Coast, scallop off the United States, or indeed cod-stocks as far as the EC is concerned.

The Hon. Member opposite, being a member of the Fisheries Committee, knows that the Government of Canada has recently instituted a policy, particularly in fisheries, which says that we will treat our brother and sister nations according to how they respect the treaties we have signed with regard to various stocks. He knows that we have taken very strong and serious stands, in particular with the EEC for example.

Again, I would say that it would be much too simplistic to say that the Danes are the cause and the sole reason for the depletion of the salmon stock in Atlantic Canada. We have to get our own house in order. We are beginning to do that. With the support of the Hon. Member opposite we will see positive results in the next few years.

Introduction of Bills

ELECTORAL BOUNDARIES READJUSTMENT ACT

FILING OF OBJECTION TO REPORT OF COMMISSION FOR ALBERTA

Madam Speaker: It is my duty to inform the House that an objection signed by the Hon. Members for Edmonton-Strathcona, Red Deer, Calgary West, Peace River, Edmonton North, Lethbridge-Foothills, Bow River, Medicine Hat, Crowfoot and Simcoe North has been filed with me pursuant to Section 20 of the Electoral Boundaries Readjustment Act, Chapter E-2, R.S.C., 1970, to the report of the Electoral Boundaries Commission for the Province of Alberta.

If the House agrees, I would suggest that we follow past practice and print the text of the objections as an appendix to this day's *Votes and Proceedings*. Is that agreed?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*Translation*]

AN ACT TO FACILITATE THE TRANSPORTATION, SHIPPING AND HANDLING OF WESTERN GRAIN AND TO AMEND CERTAIN ACTS IN CONSEQUENCE THEREOF

MEASURE TO ESTABLISH

Hon. Jean-Luc Pepin (Minister of Transport) moved for leave to introduce a Bill to facilitate the transportation, shipping and handling of Western grain and to amend certain Acts in consequence thereof.

Madam Speaker: Is it the pleasure of the House to adopt this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: All those in favor of the motion will please say yea.

Some Hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Madam Speaker: Call in the Members.

[*And the division bells having rung.*]

● (2240)

[*English*]

SITTING SUSPENDED

Madam Speaker: I have been advised that the Members are prepared to vote tomorrow morning. I now suspend the sitting until nine o'clock tomorrow morning, at which time the bells will start ringing again. They will be interrupted tonight.

Mr. Prud'homme: At what time?

Madam Speaker: At nine o'clock the bells will begin to ring.

At 10.40 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 9 a.m. Tuesday, May 10, Mr. Francis in the chair.

[*And the division bells having stopped at 10.45 a.m.*]

The House divided on the Motion (Mr. Pepin), which was agreed to on the following division:

(*Division No. 322*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Chénier
Collenette
Corbin
Cosgrove
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fleming
Flis
Fox
Francis
Frith
Garant
Gauthier
Gingras
Gourd (Argenteuil-Papineau)
Gray
Guilbault
Hopkins
Hudecki
Isabelle
Ittinuar
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Lang
Laniel
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacGuigan
MacLellan
Malépart
Maltais
Massé
Masters
McRae
Munro (Hamilton East)
Olivier
Ouellet
Parent
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tobin
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan—112.

NAYS

Messrs.

Althouse
Andre
Anguish
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Carney (Miss)
Clarke
(Vancouver Quadra)
Cook
Cooper
Corbett
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Domm
Epp
Fennell
Friesen
Fulton
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hawkes
Heap
Hees
Hovdebo
Howie
Huntington
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Kristiansen
Kushner
Lawrence
Lewis
Lewycky
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
Mayer
Mazankowski
McCain
McDermid
McDonald (Ms.)
(Broadview-Greenwood)
McKenzie
McKinnon
Miller
Mitchell (Mrs.)
Munro
(Esquimalt-Saanich)
Neil
Nickerson
Nielsen
Nowlan
Orlikow
Paproski
Parker
Patterson
Reid
(St. Catharines)
Riis
Scott
(Victoria-Haliburton)
Shields
Siddon
Skelly
Stevens
Stewart
Taylor
Thacker
Thomson
Vankoughnet
Wenman
Wise
Wright
Young
Yurko—88.

● (1050)

Madam Speaker: The motion is carried.

It being past six o'clock on May 9, I now leave the Chair until tomorrow.

At 10.58 a.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, May 10, 1983

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1983-84 (NO. 2)

MEASURE TO ESTABLISH

The House resumed from Thursday, May 5, 1983, consideration of the motion of Mr. Cosgrove that Bill C-151, an Act to provide supplementary borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I have in my desk here a number of speeches; one on Bill C-151 is among them. There is also a very interesting speech on taxation as it relates to mining that I had hoped I would have been able to give yesterday, but because of the antics of the New Democratic Party, that was not to be. I look forward to delivering that dissertation in the very near future. We in this Party feel the plight of the many thousands of unemployed mine workers deserves debate in this House, and we were shocked to see the antics of the NDP yesterday.

In Bill C-151, the new borrowing authority Bill, an amount of $14.7 billion is requested by the Government. This is the item of debate today.

An Hon. Member: Let them eat crow.

• (1105)

Mr. Nickerson: I will read out the number of borrowing Bills which have gone through in the present session of Parliament: Bill C-30, Bill C-59, Bill C-111, Bill C-125, Bill C-128, Bill C-143, and now we have Bill C-151. If I ask what connected these Bills, what they all had in common, the answer would be pretty obvious. They are all attempts by the Government of Canada to seek the authority of Parliament to borrow yet more and more funds. In one fiscal year alone, in 1982 to 1983, it came back no less than four times to Parliament to borrow yet more money.

What is the financial policy of the Government? It seems to be that whatever it has in the kitty or in the public treasury is just thrown to the four winds. It has just thrown it away, dissipated it. The Government knows it can come back to Parliament for more borrowing authority to borrow more money, and away we go on the same treadmill. Is that the financial policy of the Government, that it just does not care or has no sense of fiscal or financial responsibility? It just comes back to Parliament time after time after time. Or is there a different reason? Is it just incompetence and poor management on its part? Is it unable to project the financial requirements of the Government of Canada? I would not have thought so. We have a great deal of expertise within the Department of Finance. We should have people there who can add, subtract and project what will be the amount of money the Government intends to spend over the next six months or over the next year. Surely they can project what will be the revenues of Government over a specific period. By simple arithmetic they can determine what amount of borrowing will be necessary.

This does not seem to take place. Perhaps one reason is the secret projections which are undoubtedly made that show the financial requirements of the Government to be so great and so vast that it dare not come to Parliament and ask for the full amount of money it knows it will need for a certain fiscal period because it would be too much for a public battered with such requests. So it comes back bit by bit. It asks for $5 billion, it comes back and asks for $10 billion, then it comes back and asks for another $15 billion, and on and on it goes.

Let us do a little simple arithmetic and find out what are the financial requirements of the Government of Canada at the present time. Its last borrowing Bill, Bill C-143, was divided into two parts—a $5 billion borrowing authority for 1982-83 and a $14 billion authority for 1983-84. This gave the Government a $2 billion carryover from one fiscal period to the next and $14 billion for the 1983-84 fiscal year. At present, without the passage of Bill C-151, the total borrowing authority on the books amounts to $16 billion.

• (1110)

If we look at the budget figures presented by the Minister of Finance (Mr. Lalonde) in conjunction with his budget on April 19, we find that the financial requirement there is some $26.7 billion. If you subtract from that the $16 billion of borrowing authority you end up with an actually needed requirement of some $10.7 billion, judging from the Government's own figures. That is the amount of money the Government will require to borrow during the current fiscal year. Why, then, when we look at Bill C-151, do we find the figure of $14.7 billion, a nice round $4 billion more than is actually required?

I have no hesitation in telling you, Sir, that had the Government come forward with the Bill to borrow the $10.7 billion, we on this side, knowing that there is no way we can turn the clock back, would have been prepared to grant that authority reasonably expeditiously. Why are we as Parliamentarians and

representatives of the people of Canada being asked to vote the Government what amounts to a $4 billion slush fund, which is what it is going to be?

The strategy becomes clear. We heard in the presentation of the Minister of Finance his plan to come forward with some 100 or 200 capital projects, but he would give no details. What we have in the offing is one of the greatest pork barrel operations in the history of the Liberal Party. You know, Sir, as well as I do that they have had some in their time, but this is going to be the greatest. This is going to be a $4 billion pork barrel operation. We are going to be faced with the spectacle of Liberal Cabinet Ministers traversing the country from one end to the other, shovelling out dollars in an attempt to buy votes for the next election. It is an act of desperation.

We can already see this happening. As an illustration, the Minister of Indian Affairs and Northern Development (Mr. Munro), who was here in his place a few minutes ago, a week or so ago took the Government JetStar, flew to Whitehorse and chartered a plane from there, at great expense to the taxpayer, to go to Faro to make an announcement. It was not necessary for him to go there; he has offices in Whitehorse. The announcement could have been made by officials in his Department. It was an exercise in publicity. That is what the Liberals are after; they are trying to get political credit for something of which they are not worthy.

Just yesterday the same Minister was in Port Dover, Ontario. Even if it can be said that he had a legitimate reason to go to the Yukon, being the Minister of Indian Affairs and Northern Development, he had no real business whatsoever going to Port Dover to announce a $2 million project, financed presumably out of the illicit proceeds of this Bill. He made the announcement in the riding of Haldimand-Norfolk for strictly political reasons. Unprecedented.

I understand the same Minister is today on a similar pork barrel trip to the riding of Western Arctic where he is going to make some announcements which just could as easily be made in Ottawa.

• (1115)

Let us look at the use of some of those funds that the Government allocated in order to buy votes for the Liberal Party. Look at the water bomber fiasco. We are going to buy a bunch of those things at $6 million each. Two will go to my riding. I know the forestry people there pretty well and they have never asked for a water bomber of that type. They have a pretty good system now. The fire season is only two or three months a year and they can hire on contract Canadian firms with expertise in water bombing. At other times of the year these bombers can find employment in other places in Canada or South America. They did not ask for Canadair water bombers; they were forced on them. This is just a mechanism to show that the Government is spending money but it has no real reason attached to it. There is a good deal of doubt about the efficiency of that type of aircraft operating in those areas. We do not know what they are going to be doing for the balance of the year; they will probably be sitting on a runway doing absolutely nothing for nine months of the year.

The $14.7 billion that the Government wants to borrow under the authority of Bill C-151 is by no means the total amount it will seek from the capital markets of Canada or abroad. There will also be considerable borrowing by Crown corporations and we do not know what that will be. We might be able to forecast the increased interest rates that businessmen and home owners will have to pay as a result of the Government borrowing this $14.7 billion, but we do not know the requirements of the 300 or 400 federal Crown corporations.

I want to emphasize the point made to Parliament by the Auditor General, who suggested it was high time that Parliament regained some control over the financial affairs of Crown corporations. At the present time they operate in the dark and are hidden from public scrutiny.

When we look at the projections made in the statement of the Minister of Finance on April 19, we find one reason why the Government may be asking for $14 billion more. A number of people, including myself, have suggested that the revenue figures included in the budget are suspect. They may be a little higher than the Minister can really expect. They are predicated on an increase in the Gross National Product that may or may not take place this year. Even if it does, there is always a lag between an increase in the general wealth of the country and the increase that comes as a result of that in the form of public revenue. Profits will not be recorded for some time and taxes payable with respect to those profits, especially because of the carry over provisions of the new budget, will not catch up for some time.

We also predict that there will be high unemployment in Canada for some time to come which will necessitate payment of Unemployment Insurance benefits in excess of those covered by the premiums collected. There will also be a decline in revenues from income tax from those people who are not employed.

I suspect the figures contained in the speech were put there to make the Government look good when it knows that it is being overoptimistic and will have to use some of that $4 billion excess borrowing authority to make up for the loss in revenue which will be lower than was predicted in the budget documents.

• (1120)

I want to take a quick look into the financial future of Canada, Mr. Speaker, our future over the four-year term as expressed by the Minister of Finance in his budget speech. Using his figures the projected cumulative deficit in the next four years will be $112 billion. The interest payable over that term will be not less than $77 billion. This, Sir, is what the Minister of Finance predicts or promises and, evidently, it is his most optimistic scenario. But what will happen if times are not quite as good as he imagines? This has happened several times in the past when Government has come in with projections which have later been found not to be reliable.

It is, Sir, a bleak financial future indeed for Canada which we are promised with this type of irresponsible fiscal financial policy. If one looks at the series of budget statements over the years, going back more or less over the lifetime of the present Government, one finds that in each statement we are told the Government is going to run a bigger deficit than the year before. It is going to be $5 billion or $10 billion more, or whatever, but after that it is going to start coming down. The deficit will decrease and we will have our affairs in order. That is what Government says at point one. One year later, at point two, it says exactly the same thing. The deficit has not started to come down; it has gone up even more. It is like the drug addict who says: "One more last hit and I will quit". But it never happens.

I believe the only solution to the problems of excessive borrowing and excessive deficits is to quit now. It can be done. We started in 1979 with the Crosbie budget which at that time showed the way. We installed at that time the envelope system which makes it easier than before to adopt policies of financial restraint. We have to cut our unnecessary expenditures now. That is always difficult to do for politicians. I know, but we have to take the bull by the horns and start cutting out some of the unnecessary expenditures. It is also important to undertake measures which will increase the wealth of this nation and thereby increase the public revenues. I believe that is the key to solving our financial problems. We must adopt policies which will allow people to have confidence in Canada, to invest in Canada, thereby creating jobs and increasing the public revenues.

I believe, Mr. Speaker, that the public of Canada has given up hope and lost confidence in the present Liberal Government and I look forward to the period following the next election when we on this side will be in a position to adopt those policies which are designed to increase confidence in this nation and to put its financial affairs in order.

The Acting Speaker (Mr. Corbin): Questions, comments? Debate.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I must say that I listened with interest to the previous speaker. I agree with many of the points which he raised today. I agree that we find ourselves today at the crossroads, at a turning point in Canadian history, Mr. Speaker.

• (1125)

The Government has once again brought before this House a Bill, namely C-151, for authority to borrow $14.7 billion to assist in the financing of the Government's affairs for this particular fiscal year. There is a mystery in this particular request because the Government asks for $4 billion more than it requires. This is not a claim by a Member of the Opposition; the Government, in its own fiscal requirements as laid out in the Estimates and as articulated in the House of Commons on a number of occasions, is now asking for a sum of $4 billion more than it requires. What kind of a signal, Mr. Speaker, does that send out to the people of Canada?

Let us describe for a moment or two the plight faced today by a typical Canadian citizen, whether working in a bank, developing a farm or a ranch, whether a fisherman, a logger or factory worker. The typical Canadian today, Mr. Speaker, is struggling to survive. He or she is worried about the future, particularly about the future for their children and grandchildren. Why? Because there is no clear picture of what lies ahead in this country even for the next year or two.

We read with interest that a number of agencies have attempted to predict the economic future of our country. They are only predicting a number of months in advance; that is all they are prepared to do considering the state of our economy and our financial world. Some of these houses, such as Midland Doherty, are suggesting that there is some reason for optimism over the next number of months, but they are unable to see what is going to happen in 1984 and 1985 with any clarity. Will this slow beginning of a recovery be maintained over the next number of years? That is the question they are asking and that is certainly the question many Canadians are asking themselves today. In other words, what does the future of this country hold for them and their children? There is in our country today an element of fear based on the uncertainty which exists in this country.

I believe that what frustrates people, Mr. Speaker, is not that there is a sense of insecurity, an element of fear; what frustrates people is that there is no need for this. We are not a developing country in the traditional definition of that term. We are not upset by political instability as are many of the military dictatorships around the world. We are not torn to pieces through various racial or religious differences. By almost any definition we are one of the wealthiest countries in the world in terms of natural and human resources and available capital. The fact is that we do not have most of the problems faced by other countries around the world today. We are not suffering from internal strife or violent political upheaval.

We have in this country, Mr. Speaker, more advantages than any other country in the world, yet we are falling on our face. That is what frustrates the people of this country. They do not understand why it is that with all of these advantages we cannot develop in any particular direction. We do not have a Government which is providing any particular leadership.

Mr. Stevens: They went too socialist; that is their problem.

Mr. Riis: My friend the Hon. Member for York-Peel (Mr. Stevens) suggests that the Government has gone too socialist. What we have is a Government which has no vision of the future of this country.

• (1130)

Mr. Stevens: That's all part of socialism.

Mr. Riis: It is not prepared to provide any leadership, which a federal Government ought to be providing. It is simply allowing the regions of this country to blunder on, telling them just to go ahead as best they can, without any particular

direction, just building on the resources, strength and riches which we have all come to appreciate. In these times that is no longer good enough.

I want to comment on a couple of sectors of our economy which, by and large, have been overlooked in the last number of weeks. I listened with interest when the budget was brought down, when many business groups said they were very pleased with it. It was said that this was a probusiness budget which would assist the business community of Canada. I listened as Members of the Government rose in their seats here and in other forums and indicated that this budget would assist business across our country.

What has become clear, now that the smoke has cleared from the budget, is that the Government included very little to assist small-sized and medium-sized businesses in this country. I will admit that there are certainly some features in the past budget which successful corporations, those doing exceptionally well these days, those with positive profit and loss statements, find to be very attractive. However, for a typical medium-sized or small-sized business operating in Canada today, which is struggling to survive, simply to maintain the status quo, the budget contains virtually nothing which will be of assistance.

I believe that the business community of Canada today is just waking up to the fact that it has been used as a fall guy. Those in the business community were called upon to support a budget to create a positive response across the country, and they did that. They now realize that they were conned and used, and that in fact the small entrepreneurs, the small businesses and the medium-sized businesses in Canada are no better off today as a result of the budget than they were earlier.

That is a sad comment, because if there was one fact that the House of Commons recognized over the last number of months, it was that the answer to our problems in Canada will not be provided by the large corporations because if their massive bureaucracy and their inability to move quickly to take advantage of these changing economic times.

What has become clear over the last number of months is that our economy is in a state of transition. Our economy fell down over the last two and one half years, but as it begins to rebound in different places a new economy of Canada is emerging. The firms which will be able to take advantage of the new and changing world are not the large, traditional corporations but, rather, the small-sized and medium-sized businesses. They are the organizations which are able to move quickly. They are able to dodge and twist and take advantage of the new technologies and new marketing programs. They are able to take advantage of new sources of capital and are able to risk moving very quickly into new areas in response to the changing economy of our country.

This is the group of firms which will be providing the jobs for Canadians in the future. These are the firms which will be providing the real research and development that we need. These are the firms which will be developing the locally based economies which are sensitive not only to the regions of Canada but also to the neighbourhoods of Canada. It is the small business community which is now best able to reflect the aspirations of Canadians as they become localized into their own communities and their own subregions of Canada. The budget contains nothing for those particular firms. It contains nothing for the individual who wishes to launch a small business to take advantage of a local resource or to cater to a local market.

One must wonder what it is that Hon. Members of the Government are using for their policy making. What sources of information are they using for their policies, for their programs, for the positions which they take within the budget framework? There has been no suggestion in anything I have read nor from any group to which I have spoken that the route to go is to cater to the large corporations and, by and large, ignore the small business sector. It has been quite the contrary. The dynamic business community of Canada in the future will be the small-sized and medium-sized businesses. Yet those are the sectors which have been overlooked in the budget.

In considering Bill C-151, asking authority for $14.7 billion of further borrowing, the other question which comes to mind is: What will the extra $4 billion be used for? What becomes very clear is that we are moving into a pre-election time. It is to the Government's advantage to have a contingency fund, a slush fund which can be drawn upon for buying votes from the Canadian Public. I hate even to suggest that that is something which the Government may be contemplating; but again, until we hear the Government clearly explain why it has requested an extra $4 billion slush fund, I think we on this side of the House must assume the worst. We must assume that the Government will be using $4 billion of taxpayers' money to buy votes in selected constituencies across the country.

Certain constituencies may wish sports or riding arenas, swimming pools, youth centres, halfway houses, ports, docks, marinas and the like. There will be funds for the Government to use in an effort to buy favours in those particular constituencies, either to shore up existing Liberal Members or in the hope of pulling the Liberal vote from existing Conservative or New Democratic Party constituencies.

I would ask Members of the Liberal Party, as they rise to debate the borrowing authority, to explain why it is the Government must borrow an extra $4 billion beyond its fiscal requirements. Explain that request to the people of Canada who are having a difficult time simply meeting their basic needs today. The people of Canada are surely not going out and borrowing extra money for contingency funds. They will be quite satisfied simply to borrow what they possibly can, considering the way the banks have been responding in the last number of months.

I want to propose two elements in the borrowing authority debate which have come to my attention over the last number of months and which I think should be placed on the record. They involve a certain kind of behaviour on the part of Canadian chartered banks which I think we ought to examine carefully. I want to qualify my remarks by first saying that I do not believe these are banking policies. I suspect that if

senior members of the banking establishment in Canada knew that those practice were going on, they would stop them immediately.

• (1140)

As I have travelled across the country and spoken to people about their banking problems, I would say that two very insidious types of behaviour have come to my attention. The first is that many small businesses end up paying an extra amount for the money that they are borrowing today. This does not relate to excessive interest rate charges, which are beyond their control since they are unable to obtain any assistance under the Small Business Development Bond. I am talking about the small business person who, in order to obtain a loan for $100,000, for example, will have to borrow $110,000 and pay back to the bank the equivalent of borrowing $110,000 for the $100,000. In other words, there is a bonus clause for the bank built into the loan which is, in a sense, a rake-off from the top of the amount the small business person is attempting to borrow.

An even more disturbing fact I have learned from the people I have talked to in the last two or three months is that in order to have a loans officer consider their application, they have had to provide that individual with a ticket to Las Vegas or a two-week holiday for the individual and his or her spouse to Hawaii or the Caribbean. In other words, some Canadians are beginning to behave in a way for which we have criticized people in other countries for taking a bribe or a rake-off. This has become a way of life for many small businesses in Canada and I think it must be exposed. We must expose incidents when small businesses are asked not only to provide a gift to the loans officers but to pay for a bonus clause on their loan above and beyond what they requested. As I said in my example, if many small businesses in this country today want to borrow $100,000 they have to borrow $110,000 while receiving only $100,000 for that $110,000 loan. This situation is becoming relatively frequent in the borrowing practices in our country.

There are many examples that could be cited today of the Government's lack of direction or policy, such as in agriculture, tourism, the small business sector, fishing, manufacturing and even in the high-tech industries. What is the Government's policy in terms of high technology? What industries is it particularly interested in encouraging in the high-tech areas? There are many unanswered questions and they are the result of a lack of direction on the part of the Government. They are the result of a Government providing no leadership to a country that is desperately in search of strong leadership to show where the country is headed.

When one travels across Canada today and asks people in rural villages, in cities and metropolitan areas where the Government is taking the country and what path it is following in terms of our economy, they cannot respond intelligently because no direction is being provided. The Government of Canada has set aside its responsibility of providing leadership and has decided instead simply to buy off Canadians. While I hesitate to use that particular term, one can see how money is being spent today where certain regions of Canada are being catered to and certain parts of our country are receiving support and encouragement simply in a shoring up effort for their economy while there is no direction or leadership for the country as a whole.

In closing, perhaps it is time to say that in the pre-election period, as the Government recognizes that it has to pull off a miracle if it is not to be replaced, perhaps it will start providing some leadership to the country. If it does not, the people of Canada will ask the Government to step aside and permit a Party that has a vision of this country and an idea of what this country could be to be given that opportunity.

The Acting Speaker (Mr. Corbin): Questions and comments? Debate.

Mr. Joe Reid (St. Catharines): Mr. Speaker, for the seventh time this session we are debating a borrowing Bill. That fact, along with the budget mania that we have experienced over the last 18 months, speaks volumes for how inept and incompetent this Government really has become. There is no longer any purpose, as the previous Hon. Member just said, to be found on the Government benches; nor is there any direction or leadership. The Members across the floor simply show up and vote, as we just witnessed today, without ever wondering or questioning the intertia in their own Government's front benches.

Today the Minister of Finance (Mr. Lalonde) is looking for an additional $14.7 billion. The Minister claims that this is a reasonable request. Let us look at the record. Eleven months ago the Minister wanted $6.6 billion; nine months ago he wanted $11 billion; six months ago he only wanted $4 billion and just two months ago he wanted $19 billion. In less than 12 months, including today's request, the Minister of Finance will have asked this Parliament to approve $55.3 billion in borrowing authority.

This is only one side of the story. The other side is made up of four budgets that have created the uncertainty and demonstrated the Government's lack of leadership, direction and clearly its incompetence.

The June, 1982 budget tore up the foundations of the November, 1981 budget; the October, 1982 budget did the same with respect to that June budget; and the budget in April, 1983 threw away the October, 1982 budget. The only consistent theme that ran through all of those budgets was the one item, "Borrow, borrow and continue to borrow".

We in the Opposition do not have the numbers to prevent the Government from borrowing that additional sum of money or to prevent it from taking us down the road to a debtor's prison. What we can do and what becomes obligatory for us to do as Members of Parliament is to point out to Canadians the impact that these borrowing bills will have on Canadians across the country and the reasons they have come about. Canadians will certainly have the numbers in the next election to put a halt to this fiscal irresponsibility and disaster.

Bill C-151, the legislation before us today, seeks borrowing authority of $14.7 billion. This is in addition to the $16 billion that the Government presently has in borrowing authority. The Government will be able to have a borrowing authority total of $30 billion during this fiscal year. But what has the Minister of Finance said as to his requirements? He has pointed out that all the Government will require is to borrow $26.7 billion during this fiscal year.

Let us re-examine those numbers because they do not add up. If according to the Minister of Finance the Government needs $26.7 billion, and it already has a borrowing authority of $16 billion, it might only need an additional $10.7 billion. But that is not what this borrowing Bill is requesting: the Government wants $14.7 billion. That is $4 billion more than is required, according to the Minister of Finance, and is a cushion. For what? For Liberal pork-barrelling. In other words, the Government is looking for a $4 billion slush fund to be used at its discretion as we approach an election year.

• (1150)

That amount, $4 billion, the excess over what the Minister of Finance states he requires, will allow the Government to spend $400 on every taxpayer in Canada. As most taxpayers are voters we might be looking at about ten million votes. It is the ultimate absurdity to spend the taxpayers' own money to buy their votes. Having already squandered the taxpayers' money, the Government now proposes to borrow more money to get their votes and will let future generations pay the bill.

I doubt that ploy or scam will work any longer. Most Members of Parliament send reports home giving our constituency offices a bird's eye view of what happens on the Hill. In the last report I pointed out that the gross national debt will likely exceed $200 billion by the end of 1984. It is already in the neighbourhood of $160 billion and is one of the highest per capita national debts in the western world. The response of my constituents was immediate and indignant. Constituent after constituent wrote to me asking how such a financial burden could get out of hand. They wanted further explanations. A number of constituents pointed out that it was time the party came to an end. They said surely by now the party must be over. I want to extend the use of the word "party" to include the Liberal Party.

The Government contends that a deficit is necessary because of the automatic stabilization that is required during these difficult economic times. No one will argue about that as a principle or a theory particularly, but what we do argue, Mr. Speaker, is that deficit financing has become a way of life for this Government, both in good times and in bad. The Liberal Party has not brought in a balanced budget since the 1969-1970 fiscal year. Government Members down play this deficit financing by saying that what is past is past; let it be forgotten; we are looking to the future. Fair enough, except the kind of spending habit this Government has developed is hard to break. This habit has become particularly expensive for Canadians, in fact too expensive to bear. Canadians can no longer afford a Liberal Government.

Social programs are necessary, we all recognize that. In certain instances they must be approved. But Government has the responsibility of keeping a fair balance and maintaining it. If spending is up in one area, every effort should be made to find ways and means to reduce spending elsewhere. That effort is not present now nor has it been for the past several years, and Bill C-151 is just further evidence of that fact.

I want to take a few moments to put before the House some comments with respect to Bill C-151 in the context of my home riding of St. Catharines and with respect to the Niagara region generally. All too often Canadians tend to throw up their hands in despair and frustration when you mention sums such as $1 billion. We cannot afford that, people say. They tell us they do not know what it means.

I will refer to St. Catharines and the Niagara region and try to put some meaning to the billions of dollars that we are talking about today. St. Catharines, the garden city, has a population of 125,000 ordinary people. In just 11 days our area will be hosting the Fifteenth Annual Folk Arts Festival, which is one of the finest examples of multiculturalism at work anywhere in Canada. Assuming I had $14.7 billion to spend, I could give to each one of the 34 cultural groups participating in the Folk Arts Festival a cheque for $432 million. Or if I wanted to put an ad in the St. Catharines *Standard*, an ad that would be bound to get recognition—I do not know what else but it would certainly generate a good deal of interest—I could promise $115,000 to every man, woman and child from St. Catharines who showed up at the Queen's Festival Ball. I would have enough money left over to buy each person in attendance a tuxedo or evening gown.

However, let us examine placing this sum of money in the Niagara region. People like to talk about the Niagara region generally rather than one of the five constituencies within it. We in Niagara were recently informed following the last budget that $12.6 million was to be spent over the next two years on repair work and land improvement along the Welland Canal. That is an expenditure about $21 per person per year.

The request before us today calls for $1,167 times that $12.6 million. On a per capita basis it is equal to $49,000, not the $12.6 million that is being expended in accordance with the last budget announcement. An amount of $49,000 is what this borrowing Bill means per person in the whole of the Niagara region. Let us make no mistake about this: the people living in Niagara would have to contribute $49,000 each to raise enough money to meet this borrowing Bill. Conversely, the Government would have to spend $49,000 on every man, woman and child living in Niagara to go through the amount of $14.7 billion requested in this borrowing Bill.

There are some people who still argue that Government borrowing is not all bad. Well, wait until they are pressed to repay it. There might even be a taxpayer in St. Catharines who would believe it is all right to defer that repayment to the next generation or to the generation after that. But very few money lenders rely on repayment without interest or carrying charges. The good people of St. Catharines pay about $166 million in taxes every year now, which is an average of $3,330 per

taxpayer. Approximately $1,000 of that already goes toward paying carrying charges on our present public debt.

Assuming the Government will again use its majority to ram through this borrowing Bill, another $14.7 billion will be added to the national debt. At 10 per cent interest that will cost the taxpayers of the Niagara region an additional $1.5 billion a year to carry over the above what they are already being asked to bear.

The average taxpayer in St. Catharines can expect to see either his or her taxes go up by an additional $150 per person or see that $150 piled against the expense and the debt burden of future generations. Sooner or later this Government must realize that those bills and the carrying charges must be paid. Quite frankly, Mr. Speaker, I do not believe the constituents of St. Catharines look forward to either result.

• (1200)

I made reference earlier to the allocation of $12.6 million to the Niagara region under the Special Recovery Capital Projects Program announced in the budget of the Minister of Finance, but I want to speak for a moment about Government spending. Few if any Members raise objection to the expenditure of federal funds—and this is almost natural—in their ridings: "It is all right to spend money in my riding". But there is always a question as to whether or not it should be spent somewhere else. It is my argument that spending must be reduced and that the difficulties the Niagara region has experienced over the past several years must receive some attention. This might be consistent with the axiom that it is not all right anywhere else, but I want some more money back home. The difference lies in the system and the reasons behind the expenditure of dollars. The present Government has absolutely no system, no checks and no desire to curb unnecessary expenditures.

By way of contrast, the 1979 Progressive Conservative Government established spending guidelines and was able to maintain priority programs, provide new ones and still embark upon a systematic reduction of the deficit. If one Government can do it, surely other Governments could at least try. If the Government was truly serious about assisting the Niagara region, it would recognize that $12.6 million is barely a start. Steps would be taken immediately to put the shipbuilding and automotive industries on a solid footing, and the needed expansion of the capacity of the Welland Canal would be commenced. A program of industrial development to provide long-term jobs would be put in place. Small business, upon which the country was built, would be encouraged, not discouraged. The dollars required could come from a number of sources, including the advertising budget of the Government. Jobs are the best advertising a Government can buy.

To save in one area only to spend in another is the philosophy adopted by the Government. It is far easier to keep running to Parliament for more money than to do the tedious and tiresome chore of examining current spending or saying "no" once in a while.

One could talk about responsibility and the trust placed in Government to spend taxpayers' money wisely, but these have little meaning for a Government which is so desperately clinging to power. Every time the Gallup poll comes out, Canadians can expect another flurry of press releases announcing new Government projects costing millions or billions of dollars; new spending but no recovery program. It no longer works. Canadians are repulsed by blatant attempts to curry their favour with borrowed money. We all want to see clearly articulated programs, a clearly articulated approach to the recovery of our economy, not spending for spending's sake.

The Bill before us will provide the Government with an additional $14.7 billion to keep up its desperate spending program. It will give the Government a $4 billion slush fund upon which to launch the next general election, and it will cost the individual taxpayer an extra $150 per year in interest charges alone.

These are solid reasons why all Members should oppose this legislation and force the Government to budget responsibly. I most certainly intend to vote against Bill C-151 because I put the welfare and concerns of my constituents first.

The Acting Speaker (Mr. Corbin): Questions, comments? Debate.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, it is rather surprising today that there is not a Liberal Member in the House prepared to defend this Bill. I suppose it is not really surprising when one comes to think of it. I wonder whether you know, Mr. Speaker, how many borrowing Bills we have had in this session of Parliament. You might be able to recall some of them, but the total number is seven. This is the seventh borrowing Bill facing this session of Parliament, the seventh in just 37 months or only weeks over the three-year period. I wonder whether those who are present in the Chamber, those who are watching this debate on television or listening to it on the radio, know how much the Government has borrowed in the last three years. Would you like to guess, Mr. Speaker? No, you would not like to guess. Do the pages know? Do those in the galleries know? Do those out there in the country know?

Mr. Darling: The Minister of Finance (Mr. Lalonde) knows.

Mr. Munro (Esquimalt-Saanich): I wonder whether he knows. He may not even know. To put you into your misery, Mr. Speaker, I will tell you that it is $77.3 billion in just weeks more than three years. It is difficult to believe, is it not? The Government has sought the authority to borrow $77.3 billion in this Chamber, including today's Bill. Even if it is difficult to comprehend what $77.3 billion represents, I am certain you will agree, Mr. Speaker, that it is a great deal of money. That is $77.3 billion of borrowing over and above what is collected in taxes. If you look at it another way, it is over $25 billion per year or $2 billion per month.

I suggest it would be worth while to put on record the amount of the earlier borrowing authorities and the dates upon which the Bills were given Royal Assent. I will do that because

it is good for the record and salutary for those who read *Hansard* to know what happened. The first Bill, Bill C-30, was for $12 billion. It received Royal Assent on July 17, 1980, just three months after the election and this Government reassumed office.

The second one, Bill C-59, was for $14 billion. It received Royal Assent on April 8, 1981, which was nine months later.

The third, Bill C-111, was for $6.6 billion. On June 17, 1982 it received Royal Assent. That was 15 months later.

The fourth, Bill C-125, was for $7 billion. On August 14, 1982, only two months after the earlier Bill, it received Royal Assent.

The fifth, Bill C-128, was for $4 billion and received Royal Assent on November 8, three months later.

The sixth, Bill C-143, was for $19 billion and on March 30, or four months after the previous one, it received Royal Assent.

Now the seventh, Bill C-151, for $14.7 billion was introduced on May 3, only two months after the previous one was given Royal Assent.

A number of my colleagues and I, as well as others around the House, have tried to put an amount such as this within the range of human comprehension—so many thousands of dollars laid end to end, going around the earth so many times, or so many Rolls-Royces at such and such a cost per vehicle, bumper to bumper, going around the world so many times.

• (1210)

These comparisons are on the record in *Hansard* and need not be repeated here. The comparison I want to make is different. One of the comparisons relates to the Bill now before us, Bill C-151, seeking authority to borrow $14.7 billion. I want to compare it with this Government's budgetary expenditures.

First, the sum for which borrowing authority is being sought today, $14.7 billion, is larger by almost $5 billion than the budgetary expenditures presented by the Prime Minister (Mr. Trudeau) in his first Government in 1968. The Government is asking if it can borrow $5 billion more than it actually budgeted and spent in 1968. Budgetary expenditures then were $9.8 billion. This Government is asking for authority for one-third as much as it spent in 1968 with a budgetary deficit then of three-quarters of a billion dollars.

The second comparison I want to make is that budgetary expenditure by this Prime Minister's Government did not equal this borrowing authority until 1972. For the record, budgetary expenditures in 1972 were $14.8 billion, with a budgetary deficit of slightly over half a billion. That is just about the same as we are being asked to provide today.

The third comparison, and this is the corker, is that the total borrowing authority during this Parliament is about the same as the gross general expenditure in 1982. That is a staggering thought. This borrowing, of course, is in excess of general revenue from the taxes you pay, Mr. Speaker, I pay, and your company pays.

This Government has spent during its 13 years in office about $200 billion. During that time it has had the unmitigated gall to seek borrowing authority for one-third of that amount, $77.3 billion. The sum of $200 billion has been spent during this Prime Minister's successive Governments.

I know the Government will say this is an unusual amount of borrowing which has been made necessary by the high rate of unemployment and inflation. That is true, but only to a certain extent. The Government cannot avoid the substantiable charge that it has been involved in a number of extravagant activities that might have better waited for more propitious times; acquisition of service industries, for example, not to mention a number of very wasteful enterprises in the advocacy advertising line as well as a number of "investments" in operations of dubious viability.

A very large proportion of these borrowed funds are wanted—not so much needed, but wanted—for these operations, many of which, aside from being dubious financially, are blatantly political. I mention only the hundreds of millions of dollars during the past two or three days for a particular region of the country and also some announcements in this morning's paper to gather in the fishing vote. I would call that hog troughing. That is probably the best expression to describe it.

So much for the magnitude and the monstrosity of what we are being asked to approve in this Bill. I would now like to turn to another consideration flowing from it and, to get to that theme, let me take the House back to October of last year when the Minister of Finance (Mr. Lalonde) was introducing his modest $4 billion borrowing Bill. On that occasion he made a comment which for me opened up an entirely new and frightening prospect in the matter of this Government's attitude toward financing its operations. As reported at page 20080 of *Hansard* for October 27, 1982 the Minister said:

> In 1975, the Government pledged to hold federal spending to the trend rate of growth of GNP.

He then proceeded to boast about how faithful his Government had honoured that pledge, particularly, he went on, if you were to exclude the interest charges. Don't we all of us wish we could exclude interest charges on our individual debts? Wouldn't our housekeeping accounts look at lot better if we just ignored those interest charges in drawing up our balance sheet of income and outgoings, deciding on whether we can take a holiday or whether we have to sell off a piece of property we had hoped to hold for our retirement years. Wouldn't it be wonderful if only we could, and here is a Government that claims it can ignore its interest charges!

I find statements knocked off like that by a Minister in the middle of a prepared speech tell me volumes about what goes on inside the minds of this Government and its little helpers. "If only we could disregard the interest charges, our record would be fine". Whose wouldn't? Our children and our children's children would undoubtedly like to disregard the

debt load being built up for them today and during this Government's term of office.

I have a message for the Minister of Finance. He may not know what interest charges are. I would like to tell him. I will bet any money that his grandchildren will tell him as well. In my dictionary, interest charges are the cost of borrowing money this year to pay for last year's excess spending, perhaps even some of this year's excess spending.

Let us just bear that in mind and look at this Government's record again. It provided tables in the budget document entitled "The Fiscal Plan". At page 61, presumably "expenditures" are considered as total outlays including interest charges on the outstanding debt. I have selectively chosen a few expenditures. Here is what Table B.5 has to say. In 1968-69 total outlays represented 17.8 per cent of the GNP, in 1976-77 21.1 per cent of the GNP, and in 1982-83 they represented 23.1 per cent of the GNP. That is an increase of 5.3 per cent. The absolute figures for the same period are found in Table B.4 on the page opposite.

Table B.5, however, does carry through with the calculation which the Minister wanted to have, excluding debt charges. There the record is not nearly as favourable as the Minister would have us believe. The comparable figures in this case, that is excluding debt, are 15.4 per cent for 1968-69, 18.7 per cent for 1976-77 and 20.9 per cent for 1982-83, up 5.5 per cent. That is excluding the debt charges. What is he talking about? The Minister was not only talking through his hat but was misleading if he sought believers amongst his listeners. He should stop misleading the House. This comment may have sounded fine to some, but when the statistics are rolled out, they do not back up such misleading statements.

Another thought flows from the Minister's comments in November of last year about the pledge to keep down this Government's draw, that is its revenue take, to a more or less constant proportion of the GNP. I find such a statement is a sure-fire prescription for socialism. Why? Put in another way, it means that this Liberal Government believes it has an election-given right, and that is that it is entitled to sop up a cost-and-share of any increases in the nation's productive capacity. If that prescription is accepted, that entitlement apparently knows no limit. To what purposes that increased revenue will be put is a matter that will be determined, but only after the revenue has been secured. This logic is frightening: it suggests that the areas of governmental activity are boundless—provided an ever-increasing GNP can be assured.

• (1220)

This is where the logic of such socialistic rationale breaks down. Once the economy becomes aware that its increased production is to be drained off by a non-productive Government, enterprise and initiative wither. That is the danger I foresee of this Government, or any Government, adhering to the notion that it is entitled, by the voters' support, to a constant percentage of the nation's GNP. That commitment has to have limits placed upon it. It is a good measure for Government to use to find out how the economy is going and how its expeditures relate, but when those limits are reached, the Government's proportionate take of increased production must be reduced. Otherwise there will just be no increased production, no growth, no expanding GNP—except through inflation. That is the logic of that rationale.

When, furthermore, because of its unregulated appetite to embark on expensive governmentalizing ventures, a Government, as this one has done, embarks on projects for which it cannot pay, another phenomenon inevitably puts in an appearance—increasing public debt, the contest for funds available for borrowing, and the effect that that has on interest rates. This is the prospect before us as a result of this Bill and its predecessor.

Even the Government has asked the relevant questions at page 15 of its budget paper, "The Federal Deficit in Perspective", as follows:

> The large deficits and rising public debt levels ... raise serious questions related to debt financing. Can such large deficits be accommodated within Canada's financial markets without leading to strong competition for available funds, raising interest rates, and crowding out private sector investment?

The Government paper, without adducing any supportive evidence, answers these questions at page 16 in this way:

> Despite the high total government sector deficits foreseen this year and next ... there would seem to be relatively little danger that government deficits will begin to crowd out private sector activity ... The main reason for this is that private sector investment activity is likely to be very weak this year and to some extend next year.

Need we ask why? It is because the Government has sopped up more than its share of investment funds. Is that the way to recovery to which this so-called "budget of recovery" is pointing?

Here I would like to key in a few comments made on this matter in a paper by Mr. R. E. Harrison, Chairman and Chief Executive Officer of the Canadian Imperial Bank of Commerce. He was not very complimentary about the growing deficits digging into the total savings available in Canada for investment to the extent of about 82 per cent to meet the $40 billion requirement in 1983. This is what he said, and it is worth putting it on the record here:

> There is a very real question of how such large Government requirements will affect the psychology of the financial markets. One important determinant of rates is confidence—or lack of it—the financial market-place has in the commitment of authorities to resist inflation, and thus protect the value of the currency. Having just suffered through a bout of unprecedented high inflation, that confidence has yet to be restored.

Later in his letter he said that two decisions are required by governments to keep interest rates down: first, they must resist pressure to increase deficits; second, they must show a serious commitment to reduce their borrowing. Do we see any of this in this Bill? For me, the answer is no. That will also be my answer when it comes to the vote.

The Acting Speaker (Mr. Corbin): Questions, comments? Debate.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, here we are again, six weeks after the passage of the last supplementary borrowing Bill, back once more at the good old

public trough. That is seven times this session; four times last year, twice in the last six weeks—fiscal conduct that no rural bank manager could or would tolerate. Yet we, Parliament, can do absolutely nothing about it except wave our arms and point, and hope the press will pick up what we are saying and tell the voting public. For certain, as long as the benches of sheep opposite bleat on demand as their political masters require of them, no matter how just our concerns for the public purse, no matter how true our fears for the public welfare, it does not seem as if it matters very much. We may feel ourselves to be passengers on an out of control roller-coaster, but as long as loyalty to the Party opposite outweighs loyalty to the electorate, all we can do is sit back and enjoy the ride.

All this may sound like nothing more than melodrama, but let me point out that never before in our history has a Government which, six weeks before, had borrowed $19 billion come back for more. Never before in our history have we had a deficit of $30 billion and a Government which, for all its trying to put the best face on things, cannot forecast much less for the foreseeable future. Never before have we had double-digit unemployment coupled with such runaway Government spending that the administration is helpless to do anything about it. Never before have we had a Government that has produced a slogan like six and five, which it waves around like the sorcerer's apprentice waves his magic wand, at the same time as it is unable to curtail its own spending increase below 12 per cent for the current year. Never before have we had a Government which has saddled its electorate with a gross debt of $160 billion to $165 billion, compared to $31 billion when it took office. Never before have we had Government spending that amounted to 26 per cent of the Gross National Product.

Never before, in short, have we had an economy so completely out of control of the Government whose responsibility it is. Never before have we had a Government whose supporters must be held more liable for their continued support than ever they would for exercising their freedom of thought on the electorate's behalf.

This is not just another in a series of Government Bills; this is an acknowledgement of financial and fiscal defeat. This is an attempt to acquire enough voting authority to render the Government independent of this House and of its control until after the next election. It is an attempt to render us out of sight and out of mind.

I remember that when the last war bonds were maturing—in 1960 or thereabouts, I think—the late Mr. Diefenbaker was Prime Minister. The commentators were tut-tutting that the Government would have to roll the bonds over into a new issues; it just could not afford to cover the cost of redeeming them. I suppose the amount involved was a few million dollars, a sum the present Government would think nothing of blowing, just to save its face. After all, "what's a billion?"

Its outstanding unmatured loans and securities, which by the way stood at $21 billion when the Prime Minister (Mr. Trudeau) took office, amounted to some $115 billion as of the end of March. The cost of interest alone in fiscal year 1983-84 is forecast to be $17.6 billion. What it will actually turn out to be is anyone's guess. We have not had a Minister of Finance from the Party opposite whose estimates could be relied upon since before the Hon. John Turner, and that was about ten years ago. No nation should be expected to suffer for a decade or more not being able to trust what the Government is saying about its own finances. This must be the ultimate condemnation.

• (1230)

There is no national fiscal index that I know of which has not gone up during the Government's custodianship by less than 250 per cent. Unmatured loans and securities are up 458 per cent. The net national debt is up 640 per cent. The interest on the debt is up 1,121 per cent. Financial requirements are up 1,273 per cent. Spending on a national accounts basis is up 693 per cent. And to top it all, the deficit is up 6,261 per cent.

Hon. Members opposite may try to persuade themselves that figures like these do not mean very much because of the difference in the levels of interest rates between now and the beginning of the Trudeau agony, always accepting, of course, that no blame for that situation could possibly be attached to the Government in question. They will agree, however, I am sure, that those rates in 1979-80 were in the same range as they are now, and as the Government would have us believe they will be in over the next few years. Yet the interest costs it projects for 1986-87 will be two and a half times what they were during what people are calling "The blessed blue blip", and 16 times what they were before the present Prime Minister took office. And here we are back at the pump asking for another $14.7 billion. That is truly obscene!

I have already gone over all this ground before during debate on one of the half dozen other recent borrowing Bills. Running a Government on credit does not come free. First and most obvious is the cost of the interest payments. This year that is going to cost Canadian taxpayers $1,700 each. That amounts to 4.6 per cent of our entire Gross National Product.

Then there is what it does to our fiscal flexibility. In bad times Governments love to be Keynesian because Lord Keynes provided a great justification for spending when times were tough. The trouble is, when you have been a counter-Keynesian during the good times, bought votes like crazy and borrowed to pay for them, you do not have much room to manoeuvre when it comes time to stimulate. It is a bit like the biblical story of the wise virgins and the foolish virgins. And over there in the persons of the Prime Minister, the Deputy Prime Minister (Mr. MacEachen), the Minister of Finance (Mr. Lalonde), the President of the Treasury Board (Mr. Gray) and the Minister of State for Finance (Mr. Cosgrove), I see five very foolish virgins indeed. In 1968-69 4 per cent of Government spending went to service the debt. That figure now comes to 35 per cent, nine times as much.

To have got us into an incredible fix like this is to have been a very, very foolish virgin indeed. The horrifying thing is that the five I have named are among the most competent people in the Cabinet. Is it any wonder that the country is going to hell in a handbasket? I cannot bring myself to believe that there is

not greater talent than that on the back benches across the way, but what use is that to the country? The fact is that our nation has been run into the ground by the monumental incompetence of the Cabinet now in power. And may God help us all!

The presence of the Government in the money market in such a massive way squeezes the private sector, the productive sector, out of the market. There is only so much money available, and so much demand on the part of the Government naturally forces up prices. In a word, interest rates rise. The aforementioned Ministers cannot delegate the direct responsibility for rate setting to Mr. Bouey and he cannot hide the fact that it is his policies which ultimately set the rates.

What is the effect of the sight of the Government's fiscal floundering on public and business confidence? Let us not underestimate the importance of this factor. We have reached the point in the economic cycle at which public and business confidence are perhaps the most crucial requirements. What does the public see? It sees this Government wallowing around in a slough of debt, hanging its hopes, and those of the country, on a budget which looks more and more questionable as one studies it, one that is based not—may the Lord help us all—on fiscal responsibility, but on the premise that it will continue to live on credit for another year or so and then start to bring in the tax revenues to pay the bills—after the next election.

The public sees a Government that presses its six and five program on the rest of the country but makes an exception in the case of itself. It sees a Government that six weeks ago passed the largest borrowing Bill in our history and is now back to borrow more. It sees a group of back benchers who, by their rejection of any responsibility to their country and their electors, have opted instead to make it all possible by continuing blindly to support those on the front bench.

The name of the game is not good Government. It is not faithfulness to one's electorate and its interests. The name of the game is power, power for its own sake and, of course, for the lovely perks which it provides. It is power to be retained at all costs, costs to be borne by the people, of course, and benefits to the Liberal Party. "All power to the Liberals." What a slogan!

I believe we are all agreed that the missing ingredient in the present economic situation, the factor which is desperately needed if the recovery is to develop the stamina it needs, is confidence. The economic activities of this Government during its tenure of office, the economic events of the last decade or two, are such that confidence cannot be generated by the Party presently in power. Simply put, they have squandered their credibility, and if ever any proof of this is wanted, this borrowing Bill now before us provides it in spades.

I have cited many statistics during these remarks. However, figures of the size and sheer magnitude of these lose their power to shock. It is like the statistics of the Hiroshima bomb or the Black Death: they are too great to be compared.

Let me introduce one final statistic which I feel is germane. We all know that since the last election in 1980 the Government has been operating under a widely heralded policy of restraint. At least, it has been talking restraint and urging the private sector to follow its example as it squeezed back on public sector wages. Perhaps the theory is that people who are kept busy listening to exhortation do not have time to check the figures.

Just for the record, then, these are the figures. Since the last election Government spending has risen by 66 per cent. It has gone up by two-thirds. Some restraint! Just to put that in some sort of perspective, during the same period of time the Consumer Price Index went up by only 37 per cent and the Gross National Product by 33 per cent, or just half the rate of Government spending. And here it is asking for another $14.7 billion. For what? It has not said but we know. We all know. It is so it does not have to do so again before the next election.

It is inconceivable that this Bill should be presented to Parliament. I believe it would be much more appropriate if the Government decided to present it to the Canadian people. We certainly know what their position would be on this.

As has been pointed out by previous speakers, the Government is trying to build up a slush fund of an extra $2 billion to have in its kitty for any unforeseen things which may come up; and this is one other reason why all Hon. Members of my Party will be voting against this Bill.

• (1240)

Mr. Blais: Mr. Speaker, the hon. gentleman in his last remarks spoke about a slush fund and echoed some of the comments made by the Hon. Member for Esquimalt-Saanich (Mr. Munro). He will recall that Hon. Member indicated that in effect the expenditure of the amount being borrowed was motivated by political considerations.

Does the Hon. Member agree with those comments in view of the announcement yesterday in Saskatchewan of a more than $4 million investment in the largest livestock show in Saskatchewan? Does he agree with those comments in light of the announcement made yesterday in Alberta relating to the increase in the amounts invested for road building in Banff National Park? Does he agree in light of the announcement in his own riding of Parry Sound-Muskoka that the $20 million the federal Government is putting into the Coast Guard establishment in the town of Parry Sound itself is motivated by political consideration in view of the fact that that riding is represented by a Conservative Member? Yesterday in Timiskaming, if memory serves me, the announcement was made of the paving of the airport for a full 6,000 feet. Is that again motivated by political considerations?

Does the Hon. Member for Parry Sound-Muskoka (Mr. Darling) want to reflect on what he said and perhaps correct the Hon. Member for Esquimalt-Saanich as well?

The Acting Speaker (Mr. Corbin): Order. Before recognizing the Hon. Member to answer the question, the Chair must remind Hon. Members that the question is to be short and to

the point. It has been suggested many times before that 90 seconds would be a reasonable time for a short and brief question.

Mr. Darling: I appreciate the comments of the Hon. Minister of Supply and Services (Mr. Blais) regarding the many projects he has outlined. Those projects are included, I believe, in the Minister of Finance's budget which had some figures of $2.2 billion and then as high as $4 billion.

Mr. Blais: It was $2.4 billion.

Mr. Darling: Certainly that money has to be spent around there and I appreciate especially the publicity given to the proposed expenditure at the Department of Transport base in Parry Sound amounting to $5 million. But that $5 million is certainly not all being spent this year, as I wish it was. I was with the Minister of Supply and Services, I guess it was a couple of years ago, when he made this announcement. Expenditures are being made on a gradual basis and a lot of these projects he has mentioned are being done on a gradual basis. I have heard of many of the projects the Government is proposing and has undertaken. Some of them will not be finished for five or six years down the road.

We have heard for a number of years about the frigate program. When I first came here the Government was going to build those six frigates at a cost considerably less than it is now. Where are those six frigates now? They are still on the drawing board. That program comes through the Minister's Department so it is about time he got them going and got the frigates, as I say, divided around the country, two to be built in Nova Scotia, two in Quebec and two on the west coast. That will generate jobs but it is money already pledged; and I could go on and on about other similar projects.

Mr. Blais: Mr. Speaker, I would simply indicate that indeed I gave a wrong figure; it is not $4 million for the Agribition, it is $5.7 million. As to the hon. gentleman's comments, he knows full well that since the frigate program has been my responsibility, it has proceeded in accordance with the schedule set. In addition, the Hon. Member is also aware, is he not, of the two 800 class navy tenders that I had the pleasure to commission within his area. He fully recognizes that is public funding from federal coffers and he fully recognizes as well that 90 workers in Parry Sound depend on federal programs. Of course, he is very cognizant of that fact and I am very grateful for it.

Mr. Cosgrove: Mr. Speaker, in preparing its budget, and of course in coming to the deficit figures before us today, the Government took a lot of advice. I have before me a statement entitled "Ethical Reflections on the Economic Crisis from the Episcopal Commission for Social Affairs, Canadian Conference of Catholic Bishops". According to this statement, in recent years the Catholic Church has become increasingly concerned about the scourge of unemployment which plagues our society today and the corresponding struggles of workers in this country. The Bishops urge, Mr. Speaker, in developing strategies for economic recovery, that first priority must be given to the real victims of the current recession, namely the unemployed, the welfare poor, the working poor, the pensioners, native people, women and young people.

The Acting Speaker (Mr. Corbin): Order. I invite the Hon. Minister to relate his comments or remarks to those made earlier by the Hon. Member for Parry Sound-Muskoka (Mr. Darling). The Minister is now quoting at length from a document.

Mr. Cosgrove: With respect, Mr. Speaker, I was indicating that this was part of the advice we received, that priority of expenditures should be for the unemployed, specifically those people I have made reference to. Therefore my question to the Hon. Member, who has spent a lot of time admonishing the Government for spending money to assist these people, specifically the $4.8 billion which is the main part of the budget designed to assist these people, is this. How would he suggest that the Government pay for that program designed to assist these people? By way of a deficit or by way of raising taxes? First of all, does he agree with the Bishops that this is an area the Government should address? Secondly, does he believe the deficit should be increased to do it? If he does not, what other ways does he recommend? Does he recommend an increase in taxes?

Mr. Darling: Mr. Speaker, with all due respect to the Minister, certainly I agree with the statement made by the Bishops. Certainly I agree that there are many disadvantaged people, unemployed people and people on welfare whom the Government must help. No question about that. We know the Government has to borrow because it does not have the money.

The Bill before us is for $14 billion. I am no financial genius but the Government is not bankrupt at the present time. As of April 30, a good many of us have been paying our taxes, not requesting additional tax refunds, so the Government should be in a most liquid financial position at this particular time. If the Bill had been brought in for $10 billion, I do not think the Government or the Minister of Finance would have gotten anywhere near the criticism they have. According to the records, the Government has that $2 billion at the present time. God knows how much has been pouring in since April 30.

• (1250)

Our Party is saying that the Government is too greedy and is asking for too much. If it spends the $10 billion and returns to Parliament with legitimate reasons to borrow more, Parliament will certainly grant the authority to borrow more money to carry on with worthy projects. But it is asking for too much and it will simply have the money sitting in the bank and be paying interest on it. I know high finance. When you have a large amount in the bank you get some interest on it but you do not get as much as you have to pay the bank. The banks have a sweet deal going for themselves. It loans the Government $14 billion while the Government has perhaps $5 million sitting in the bank. It is the Government's money and they will make money on the deal. That is the point that I disagree with

and I am quite sure many of our Members on this side disagree with it also.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, in rising to speak to this latest in a series of borrowing authority Bills, I believe it is fair to point out once again that this is the seventh borrowing Bill that Parliament has seen in the last 37 months, amounting to a total borrowing authority request of $77.3 billion, including the Bill before us today. In an effort to put that amount into perspective, on the basis of 1,123 days, which is three years and a month, that total breaks down to $68,833,482 per day. That is almost one half a million dollars a day for every Liberal Member of Parliament on the other side of the House.

It was interesting to hear the Minister of State for Finance (Mr. Cosgrove) refer to the Catholic Bishops' statement a few moments ago when he said there should be some emphasis placed, in terms of spending and priorities, for the care and support of 1.5 million unemployed and others in poverty or left out of our society. If it were the case that a significant proportion of these moneys were being spent for that purpose, those of us with some soul could at least understand the priorities of the Government for borrowing money to keep people alive and in good health. However, some of these moneys have been spent in heartless ways while other sums have been put to unproductive and counterproductive uses.

The main thrust of my speech will deal with one area of spending, both on the part of the federal Government and the provincial Government of British Columbia, for a project generally referred to as northeast coal. It is an example of how billions of dollars can be poured down the drain and not only wasted but spent in such a way as to destroy jobs that already existed as a result of public and private investment in the southeastern corner of British Columbia. The unreliable predictions of both the federal Government opposite and the Social Credit or social conservative Government of British Columbia have led to the waste of billions of dollars in competing not only with private sector money but with their own money that went into the infrastructure to develop southeastern coal resources a number of years ago, to improve the railway transport lines for that coal and build the transport and shipping facilities at Roberts Bank from whence the coal is shipped overseas.

As a result of the current wasted expenditures, despite all the warnings from both the Japanese and the industry in this country, those governments are destroying jobs, investments and the equity of shareholders who understandably thought they had a good investment in the coking coal of southeastern British Columbia.

There is a recent article in the April 21, 1983 edition of the Vancouver *Sun*, written by H. M. Halderson, a Vancouver mining consultant who in 1980 produced a report for the council of mayors of southeastern British Columbia on the effects of northeast coal development on their communities. That article concludes "Has the Government" ... both federal and provincial ... "shown good judgment in its investment in northeast coal? Subsidy to one segment of an industry at the expense of another and job creation in one part of the province that contributes to unemployment in another is hardly wise use of tax dollars."

The article ends with the question: "Does spending a huge sum to create production in the northeast when southeast mines can produce at a fraction of the Government's cost represent the restraint in Government spending of which we hear so much?"

The answer to the question is obvious to anyone who reads the article or is aware of any of the facts of that entire northeast project. The answer is that it does not make sense. It is not an example of restraint. It is, rather, an example of a Government—both the Liberal Government here and the Social Credit Government there—intent on churning out money and throwing it away to their friends in the private sector while refusing extended benefits to over 1.5 million unemployed in the country. Not only do they waste the money, they directly cause the lay-offs of hundreds more employees who are working in the southeastern coal fields of British Columbia. It is an absolutely insane policy which can be likened to someone standing in the back of a train and shoveling those billions of dollars out by the bucketful. The money is not only being wasted; it is causing the destruction of existing jobs.

I, along with the other people in southeastern British Columbia, are amazed by these policies. When politicians get into trouble they build pyramids. They have been doing so for 5,000 years. At least the edifices built by the Pharoahs are still standing. The pyramids and bubbles built by the federal Government and the provincial Government in Victoria crumble to dust before they have even been erected. Their collapse brings down everyone else with them.

These senseless policies are beyond description and can only be counterproductive. But they have become typical of Governments which would rather build new empires where there is little population and few communities so that they can let out contracts to their friends at public expense, rather than use the money intelligently to service communities which already exist and provide facilities for the people who already live there. They ignore the existing needs of people and dole out billions of dollars of public money in contracts to their friends. Those Governments then get together in some act of conspiracy, because they take the attitude that you offer more money to those who have when you want to give them incentives. But the Liberal and Conservative idea of providing an incentive to those who do not have is to cut their wages so that they will have to work harder, or to cut off their UIC to give them more incentive to work for lower wages.

That is what they have done with northeast coal. It has not been sufficient to destroy the communities and jobs for the people in southeastern British Columbia. By tampering with the Labour Relations Board and its rulings, they have broken provisions in union agreements that allowed workers to refuse to work alongside non-union labour. The result has been that we now see, as shown on the CTV network approximately a week ago on a program on northeast coal development, hobo jungles in which hundreds of people were standing in the cold

around campfires. For every person being paid $7 an hour on the job, being charged astronomical rates for very poor housing conditions on those jobs, ten are in those hobo jungles waiting for their jobs.

The Acting Speaker (Mr. Corbin): Order. It being one o'clock p.m., I do now leave the chair until two o'clock p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADIAN HERITAGE

FUNDING OF ANGLOPHONE AND FRANCOPHONE COMMEMORATIVE EVENTS

Mr. Ron Stewart (Simcoe South): Madam Speaker, it is very laudatory of the pro unilingual Secretary of State (Mr. Joyal) to announce the federal Government's participation in the 1984 celebration of the four hundred and fiftieth anniversary of the French explorer, Jacques Cartier's voyage to America. I commend him for having the foresight to present a half million dollar cheque to Quebec organizers this year for celebrations next year. I understand the total federal contribution will be $1.6 million. I also applaud Canada Post' decision to issue, jointly with France, a commemorative stamp in 1984.

This year, not next year, marks the four hundredth anniversary of Sir Humphrey Gilbert's discovery of Newfoundland, a possession of the British Crown and the first British colony. What did Newfoundland receive from our unbiased Government? A total grant of $394,000, with the cheque not yet forthcoming for this year's event.

Two years ago my colleague from Hastings-Frontenac-Lennox and Addington requested a postage stamp commemorating in 1984 the heroic settlers known as the Empire Loyalists, but to no avail. The official terminology, as stated by the Minister's office, to be used in 200 years of development, because of opposition from Francophone groups. No joint U.S. Stamp and no announced funding—once again it is cut off all vestige of British heritage. If "Jack Carter" can get $1.6 million and a joint stamp with France, then we English-speaking, by population, deserve three times this amount for celebrations and our commemorative postal stamp.

Mr. Minister, fair is fair. What is good for the goose is good for the gander. Let us have equal treatment for all Canadians.

Some Hon. Members: Hear, hear!

[*Translation*]

SHIPBUILDING

BENEFITS FOR QUEBEC FROM FRIGATE CONSTRUCTION CONTRACT

Mr. Jacques Olivier (Longueuil): Madam Speaker, I would like to draw the attention of the House to a very important contract that is to be awarded within the next few months for the construction of frigates. The contract means a great deal to all Canadians and especially to the riding of Longueuil. If we assume that the offers that were submitted by the companies in Saint John and Longueuil are the same as far as the quality of the ships is concerned, it is my firm conviction that it is perfectly normal for Members of this House to make representations to the present Government to have this ship built in Quebec and in Longueuil. I feel it is perfectly fair and normal and reasonable that the very substantial number of Canadians living in the Province of Quebec should have a say in our navy and reflect its Canadian content, especially since some companies which made offers had to get their know-how from the United States.

* * *

[*English*]

CANADA POST CORPORATION

COMPETING WITH LOCAL NEWSPAPERS FOR ADVERTISING

Mr. Jack Shields (Athabasca): Madam Speaker, postmasters in northern Alberta and Saskatchewan are soliciting advertising from local businesses to be placed in flyers printed by Canada Post, and distributed by Canada Post as it delivers the mail. Obviously, when you begin with a Government subsidized corporation and add to it a free delivery system, you can undercut the advertising rates of small weekly newspapers which depend for their very survival on the same advertising dollar.

Canada Post is not only subsidized by the taxpayer, it is also paid hundreds of thousands of dollars each year by these very same newspapers in delivery costs. This is a gross intrusion on the lifeblood of the weekly newspapers, given the fact that with their very own money Canada Post is undercutting them.

The Postmasters who sell this advertising are guaranteed a very handsome salary from the Government. On the other hand, salesmen who work for these papers are often paid on a commission basis. Postmasters are literally stealing from these salesmen.

Editors of weekly newspapers are a dedicated bunch. They are not in it for the money; they are in it to provide a much needed service to their communities.

This is a totally unfair and inexcusable use of taxpayers' money. This callous move by the Canada Post Corporation may push many small weeklies that are struggling to survive the recession out of business. The Minister responsible for Canada Post and the Minister responsible for the media—

Madam Speaker: Order, please. The Hon. Member for Prince Albert (Mr. Hovdebo).

* * *

PORTS

EXPORT OF GRAIN THROUGH PORT OF CHURCHILL

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I rise to speak against the federal Government's action in offering to rebuild the capacity of the Port of Churchill at the same time it has cut off further dealings with Poland, the country which receives most of its grain through that port.

Last year we exported 1.6 million metric tonnes of wheat to Poland, our third largest export market. This year we will sell almost nothing because the Liberal cabinet has cut off further export credits.

Last year the Port of Churchill exported 572,000 metric tonnes of grain. This year it will export far less because the Liberal cabinet will not allow the leading purchaser of grain to move through Churchill. The Government offer to upgrade Churchill is meaningless as long as it restricts potential markets.

Thus I must ask whether this offer was made in good faith in the first place. Since any upgrading funds for Churchill were conspicuously left out of the Western Transportation Initiative, I believe we can call Senator Argue's offer for Churchill another public relations ploy "that is full of sound and fury and signifies nothing".

* * *

ABORTION

PROTECTION SOUGHT FOR LIVES OF UNBORN INFANTS

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, it is a continuing concern to me as a pro-life physician that the most vulnerable and voiceless in our society, the unborn child, is not given the fullest constitutional protection. The only protection afforded is the Criminal Code, Section 251, which makes abortion an indictible offence if not carried out in an accredited hospital, by qualified physicians, with consultation by three doctors, and only where the health or the life of the mother is endangered by continuing the pregnancy.

Even this protection is compromised by the interpretation attached to the word "health" of the mother. Should the definition of health be a medical or a legal one? Parliament did not define the word "health". The definition commonly used is the very broad one given by the World Health Organization, namely, "a state of complete physical, mental and social well-being, and not merely the absence of disease or infirmity".

Therapeutic abortion committees were never legally empowered to use this extremely wide definition or similar concepts of health, in interpreting Section 251 of the Criminal Code. A narrower concept of "health" is more appropriate. The law should only accept abortion as a medically indicated treatment when a majority of the members of a therapeutic abortion committee are of the personal, informed, and independent medical opinion that the life or physical or mental health of the mother is, or is likely to be, seriously and directly endangered by the continuation of the pregnancy itself. Furthermore, the committees should be held legally accountable for their decisions.

* * *

FISHERIES

ANNOUNCEMENTS MADE OUTSIDE PARLIAMENT BY MINISTERS

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, a little over a year ago when the Kirby Task Force was created to deal with the crisis in the Atlantic fisheries it was faced with at least three problems of major importance—what to do about the economic plight of inshore fishermen, how to restructure the offshore industry, and what to do about marketing. To date the Task Force has failed on all these major problems. Groundfish prices paid in most of Atlantic Canada have remained virtually unchanged since 1979 while the costs of fuel and gear have risen steeply.

According to Kirby, fishermen as a group are living below the poverty line. Are we to assume that the Government condones this condition? However, according to the press of May 10, the Minister of Fisheries and Oceans (Mr. De Bané) announced, in St. John's Newfoundland, federal plans to spend $140.7 million on new installations across Canada. This is $60 million less than will be spent in the National Capital region this year for a new Museum of Man and a new art gallery. Nova Scotia, Ontario, Quebec, and Newfoundland will share almost equally some $106 million, with $12 million going to New Brunswick, $8 million to Prince Edward Island, and $8 million to British Columbia.

In a separate announcement in Matane, Gaspé, it was stated that $71 million out of a total of $224.5 million is to be spent on fisheries over the next five years for development of the Gaspé region. I urge the Ministers involved in these announcements to recognize the rights of parliamentarians, and make statements in the House so that Members can ask questions—

Madam Speaker: Order.

Mr. Crouse: —about the priorities used by the Government—

Madam Speaker: Order.

Mr. Crouse: —when allocating funds for restructuring the fishing industry.

Madam Speaker: Order, please. Hon. Members must stop immediately. No one is entitled to more than 90 seconds.

Mr. Shields: I stopped.

S.O. 21

• (1410)

NUCLEAR ARMAMENTS

CALL FOR SUMMIT MEETING BETWEEN AMERICAN AND RUSSIAN LEADERS

Mr. Bill Yurko (Edmonton East): Madam Speaker, on March 16 I said the following in the House:

> This fear and anxiety of nuclear annihilation comes not from delivery systems but from nuclear warheads which have multiplied unchecked in an almost crazy, insane, mad progression which must be checked and reversed. The task is to do away with nuclear warheads and their deployment. Summit level meetings are vital and mandatory.

The recent announcement by General Secretary Andropov to base negotiations on warheads rather than just missiles is an encouraging development.

On November 17 and again on November 24, 1982, I moved motions in the House calling for unanimous support for a summit meeting within 18 months between President Reagan and General Secretary Andropov to strengthen nuclear detente and initiate the process for nuclear arms stabilization and eventual reduction. Twice the House would not give its unanimous consent. I hope it has changed its mind.

Since then Canadians were pleased to know that the Prime Minister (Mr. Trudeau) pleaded with President Reagan to hold a summit meeting. Everyone in the House should also plead and support unanimously the need for such a summit meeting. I hope the Government will put forth such a motion. I am prepared to circulate a petition for signature by all Hon. Members and Senators, supporting a summit meeting.

* * *

NUCLEAR ARMAMENTS

OPPOSITION TO CRUISE MISSILE TESTING

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, the Prime Minister (Mr. Trudeau), afraid to debate in the House of Commons the Cruise missile issue, has said in a planted letter to newspapers that Canadians who oppose Cruise missile tests are anti-American. Does the Prime Minister not know that the American people themselves are increasingly opposed to the continuation of the nuclear arms madness, that the House of Representatives has just passed, 278 to 149, a resolution calling for a mutual, verifiable nuclear freeze? Canadians who oppose the further escalation of the nuclear arms race and Canada's participation in it by testing the Cruise, do so in concert with the majority of Americans. Are the majority of Americans anti-American?

The Prime Minister says we must test nuclear weapons as payment for the American defence umbrella. Yet the Reagan strategy for a massive nuclear arms build-up, space based weapons, and winnable nuclear war, and the inevitable Soviet countering moves, is no umbrella. It is the shadowy Horsemen of the Apocalypse that Americans themselves are rejecting.

It is the Prime Minister, not Canadians, who is being hypocritical on this issue, saying that Cruise missile testing will not be agreed to until progress has been measured at the Geneva talks, when we all know that he has given assurances to the Reagan administration that testing will go ahead. Or is this planted letter an attempt to soften up Canadians for Canada's next leap in the nuclear arms race?

* * *

[*Translation*]

CANADA POST CORPORATION

REQUEST FOR ISSUANCE OF GILLES VILLENEUVE COMMEMORATIVE STAMP

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, today it is exactly one year and two days since the tragic death of Gilles Villeneuve, the Formula I automobile racer. He was a great Canadian and French Canadian who put his area, the Province of Quebec and Canada on the map in this field. Gilles Villeneuve was practically the first Canadian to become world famous in this sport. Much has been said since then, and this weekend, articles in the press commemorated this tragic event. Many people and organizations talked about honouring the memory of this famous figure who made a name for Canada abroad. I wonder, Madam Speaker, whether the Minister responsible for the Canada Post Corporation would be willing to issue a stamp commemorating Gilles Villeneuve as a great Canadian who became world famous and also helped to illustrate the values of French Canadians and gained recognition for automobile racing, a sport that did not have a large following here in Canada and that is now far better known, thanks to Gilles Villeneuve.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

PLIGHT OF COMMUNITIES DENIED ILAP DESIGNATION

Mr. Doug Lewis (Simcoe North): Madam Speaker, yesterday the Minister of Industry, Trade and Commerce (Mr. Lumley) admitted that the ILAP program was finished as far as new applications were concerned. The Midland-Penetanguishene ILAP Committee spent thousands of dollars and hundreds of hours in preparing its application for designation udner the Program. It has been waiting patiently for more than three months for a decision on its appliation, and the Minister has now decided that its application is worthless.

The people of the area need help because the unemployment rate is 33 per cent. They do not need more Liberal promises that another program is on the way which will solve all their problems. Stalling solves no problems; it creates problems. We on this side of the House urge the Liberal Government to show some concern for the communities of Canada such as Midland-Penetanguishene, and immediately move to bring in its industrial and regional expansion program.

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

CANADA LANDS (MIRABEL) LTD.—SALARIES OF EMPLOYEES

Mr. Scott Fennell (Ontario): Madam Speaker, my question is directed to the Minister of Public Works. It follows on a question by the Hon. Member for Joliette on April 26 when he asked the Minister to explain why there was an exemption from the six and five program to selected employees of Canada Lands (Mirabel) Ltd. As reported at page 24864 of *Hansard*, the Minister responded that he would check, "but I would be very surprised if that were true". Two days later, on April 28, Order in Council No. 1983-1013 was cancelled and was replaced by No. 1983-1247. The second Order in Council retained exactly what the first one had in place.

Apart from dealing with the reasoning behind the exemption, will the Minister also explain what is behind all this mysterious activity? Why was he not aware of the original Order in Council regarding the employees of Canada Lands Mirabel Ltd. and the six and five program? Why was the original Order revoked just two days after we asked about it and replaced with one with the same result?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, when the Hon. Member asked me the question, I said that I would check into the facts because I did not remember whether this item had come before me. In fact, when I checked, it had never been submitted to me. This was a reorganization of the personnel of La Société immobilière du Canada (Mirabel) Ltée which took place many months ago. Outside experts were called in, with the permission of Treasury Board, to review classifications of that personnel equivalent to the classification levels in the rest of the Public Service. The report was given to la Société which submitted it to Treasury Board. Treasury Board examined the issue and my colleague, the President of the Treasury Board, is in a position to answer.

My understanding is that the issue of classification and the issue of six and five are completely separate. It was felt that people who had positions similar to those in the Public Service should be given the normal salaries to which they were entitled.

Mr. Fennell: That is ridiculous. There are two sets of rules—one for public servants, and one for employees of Crown corporations and employees of private corporations like Maislin.

ROLE OF CHAIRMAN IN NEGOTIATING SALARIES

Mr. Scott Fennell (Ontario): Madam Speaker, obviously Mr. Goyer, the chairman of Canada Lands (Mirabel) Ltd., negotiated this Order in Council directly with Treasury Board. Would the Minister answer yes or no?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I have no knowledge of who approached Treasury Board. There is a normal procedure for Crown corporations when they deal with Treasury Board.

APPLICATION OF RESTRAINT PROGRAM

Mr. Scott Fennell (Ontario): Madam Speaker, my supplementary question is directed to the President of the Treasury Board. Obviously he knows about this Order in Council and the Minister of Public Works should have known about it. Could he enlighten the House why the employees of Canada Lands (Mirabel) Ltd. were exempted from the six and five program when all other public servants at Mirabel were left in the program?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, Section 16 of the Public Service Compensation Restraint Act indicates that the Governor in Council can exempt from coverage of the Act employees who enter into an agreement or who are covered by a compensation plan which is consistent with the six and five program. As the Minister of Public Works said, a compensation plan was put into effect which strictly followed the six and five program and, as a result, pursuant to a decision of Parliament, the Governor in Council applied Section 16.

My hon. friend is completely wrong when he says that the six and five program does not apply to the employees. The Act applies to them pursuant to Section 16. Their compensation plan is strictly within the six and five limits.

• (1420)

EXEMPTIONS UNDER STATUTE

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I have a supplementary question for the President of the Treasury Board. He just told us that because this Crown corporation, headed by Jean-Pierre Goyer, has negotiated an agreement with its employees which is in six and five, therefore the Public Service Restraint Act, in other words, the six and five program, would not apply to those Crown corporation employees. That is an absurdity on the surface of it. Will he tell this House how it is that this kind of exemption can be made from the fundamental promise by the Liberal Government that six and five applies to everyone in Government?

How is a Crown corporation allowed to be exempted without the Minister who is supposed to be responsible to this House knowing that? Can he also tell us how many other Crown corporations and how many other ways he has found to exempt these friends of the Government from the application of this law which the Government said was so fundamental and would be universally applied?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, if my hon. friend would engage his ear before engaging his mouth, he would have heard me say that the employees of this company are not exempted from the six and five program. The compensation plan applying to them is

strictly within the limits of the six and five program. Further, Section 16 of the Public Service Compensation Restraint Act states that the Governor in Council can take this kind of step where employees accept a collective agreement or where a compensation plan is applied to them consistent with the six and five principle.

This is not the first time the Section has been used. It was used at least twice previously, to my recollection, when employees working within the Public Service negotiated an agreement with Treasury Board as employer whereby they accepted the six and five compensation framework and made adjustments within it. Therefore, these steps were taken before at the request of employees of the Public Service, and I am glad the Hon. Member is willing to say that they are friends of the Government.

REASON FOR EXEMPTIONS

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the Minister should ensure that his brain is in gear before engaging his jaw. How can he suggest that exempting Crown corporations from the six and five law is the way in which employees of Crown corporations comply with the law? That is an absurdity on the surface of it.

This is the same Minister who could not explain how it was that senior executives in the Public Service avoided six and five by simply upgrading. We now have twice as many managers as we had previous to six and five, which was another way of avoiding it. The Minister has not explained to the House how many Crown corporations and how many other groups have been exempted. He still has not explained why. We know it is Section 16, but why are they exempted?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I am afraid my hon. friend is also unaware of my exchange with his colleague seated a few rows behind him on the subject, and the press release I issued explaining that we have not created more managers. There was the implementation of a new category of management, starting back in 1980, and in it are only those people who were managers previously. Therefore, it was not a device used in any way to create additional managers to whom the six and five program does not apply.

The second thing I want to say is that Section 16 of the Act passed by this Parliament said that the Act formally would not apply where there are agreements or compensation plans within the six and five framework. The employees of Canada Lands Corporation are not entitled to get more than six and five. That is the fact and exactly the case in so far as I am aware of it.

NUCLEAR ARMAMENTS

CRUISE MISSILE TESTING—POSITION OF PRIME MINISTER

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. An article which appeared in many newspapers today quotes the Prime Minister on the question of the Cruise missile. The Prime Minister indicated that in part the development of the Cruise can be justified as being necessitated for defence against the deployment of the Soviet SS-20. While the SS-20 ought never have to have been deployed, the relevant question being pursued by many people now is whether this action by the Soviet Union necessitates a further escalation in the West.

Considering that literally hundreds of thousands of North Americans, including many experts, have said that now is the time to break the vicious circle of nuclear armaments, why is the Prime Minister not supporting this disarmament movement but instead continues to support the testing of the Cruise?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I must first point out that there has been no request made of Canada to test the Cruise. There is, therefore, no support for the testing of the Cruise. It has not been asked of us and, therefore, we have not given an answer.

I just wish to correct the end of the question. The substance of the question is to ask why do we not support the peace movement now rather than say we should make sure that there is an answer within NATO against the SS-20. It seems to me there may be an honest disagreement there. To me it is not illogical to use the possibility of deploying the Cruise and the Pershing II to get the Soviets to withdraw all or some of their SS-20s. The argument, of course, rests on whether the SS-20s were necessary or whether they were just an escalation by the Soviets. If they are, as NATO holds, a needless escalation by the Soviets, the problem for the NATO force is how can we get the Soviets to de-escalate. There the proof of the pudding is in the results.

The two-track strategy adopted by NATO in 1979 has led Secretary Andropov twice to propose reductions of the SS-20, once in December and once just a week ago. Therefore it seems to me that we cannot condemn in advance any potential deployment by NATO of a European Euromissile if the result of it continues to be as it is now, a reduction in the number of these SS-20s.

VIEWS OF FORMER HEAD OF U.S. CENTRAL INTELLIGENCE AGENCY

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Prime Minister, who has followed the literature on this with some care, I understand, knows perfectly well that whenever there is an escalation it is always justified by either side in terms of being a step required to get the opponent to come to terms with regard to negotiations or to de-escalate on the other side. I see the Prime Minister nodding to that. In short, it is

the kind of argument in which there is no empirical evidence to support strongly one way or the other.

The Prime Minister is not an expert in this field, nor am I. The former head of the CIA wrote an article last week in opposition to the Cruise. He can hardly be called anti-American. He said:

> The Soviets are certainly not "superior" to the United States in any meaningful way today . . . The present American retaliation potential is absolute.

Considering that Mr. Colby says that in terms of the present weaponry, does this not cause the Prime Minister to question his own judgment? Does it not pose for him the necessity of Canada joining with the U.S. Congress in calling for a freeze at this time?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, there are several questions contained in that. The actions of the U.S. Congress, or indeed of Americans who are arguing against President Reagan's over-all nuclear policy, are one thing. I am not supporting President Reagan's over-all nuclear policy. It is not my purpose to do so. I have not been asked to do so. What I am supporting is NATO's two-track policy. That can be accepted even if we agree with some of the statements quoted by my hon. friend.

I have not seen that statement by the former director of the CIA, but some of the quotes would be acceptable to me in the sense that there is certainly power of overkill in the United States now and power of overkill in the Soviet Union now. In other words, either side is in a position to destroy not only the enemy but probably a large part of humanity as well.

• (1430)

I do not know, Madam Speaker, what kibitzing is coming from the NDP. If they want a rational answer they should listen to me.

CANADIAN ROLE IN SEEKING DISARMAMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Prime Minister has just said that the United States is in a position to wipe out the Soviet Union. Of course the Soviet Union is now in a position to wipe out the United States, and both are potentially in a position to wipe out mankind. If that is the case, I should like to know the logic of the two-track position. Why is it necessary to go ahead with the Cruise? Does it not make much more sense for Canada to act as a peaceful power, to take serious steps to bring about nuclear disarmament in the world, instead of contributing to its escalation in the opposite direction?

Right Hon. P. E. Trudeau (Prime Minister): Yes, it makes eminent good sense. I hope we are acting as a peaceful power and a power that is seeking the eventual reduction of nuclear arms. That does not contradict my previous assertion that both super powers can destroy each other. That is the rationale of the deterrence that each side holds and which has deterred nuclear war since both sides have had the nuclear power.

The Cruise, the Pershing II, and the SS-20s are a completely different argument. What NATO is attempting to do is answer a theatre nuclear arm, the SS-20. We are saying that in so far as the survival of the United States the survival of the Soviet Union are concerned, both have cause to fear each other and therefore they are unlikely to start fighting against each other. But what is to prevent the Soviet Union if it wishes to start a limited war in Europe with SS-20s? I do not know how limited it would be, but we know they have 300 or 400 SS-20s, each with three nuclear warheads which are capable of destroying all of western Europe. We know that as a fact.

How does NATO, which includes countries in Europe, counter that? It can only counter it by saying to the United States, "Well, if the Soviet Union attacks western Europe, you send off your big ones and destroy all of humanity."

Does it not make sense, Madam Speaker, in Europe to try to have a counter threat to the Soviet Union so that it will not use its SS-20s on western Europe, any more than it would use its ICBMs on the United States of America?

AGREEMENTS WITH SASKATCHEWAN ON USE OF TESTING RANGE

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, I have a brief question for the Prime Minister whose letter I read with interest, particularly where he made reference to hypocrites, and with respect to the statement made by the Hon. Member for New Westminster-Coquitlam and the questions of the Leader of the New Democratic Party. I am sure that the answer to the question is yes.

Do there exist in the Government of Canada four agreements: one of August, 1953; one of October, 1965; one of May, 1975, and one of April, 1981, signed originally by the Government of Canada with the Douglas NDP Government of the Province of Saskatchewan and latterly, in 1981, between the Government of Canada and the Government of Mr. Blakeney, the NDP Government of Saskatchewan, giving the Government of Canada exclusive use of the Primrose testing range in that Province, and making specific reference to missiles' testing, and again, ratified and reconfirmed in 1981 by the NDP Government of Mr. Blakeney, of Saskatchewan?

I think if the Government could table those four agreements, which I do not think affect national security, that would be of some assistance in sorting out the hypocrites and establishing the political stances of the political Parties on this question.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would not want the Hon. Member to make too much of a phrase in which I said that the anti-Americanism of some Canadians verges on hypocrisy, but I think the question of the Leader of the Opposition stands. He has referred to some facts which are well known. I could not vouch for the exact dates that he mentioned, but I think the case that he intended to make by his question to me stands, perhaps, for the NDP to consider.

Oral Questions

REQUEST THAT AGREEMENTS BE TABLED

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, I wonder if the Minister of National Defence would undertake to consider the request I have made with respect to the tabling of those four agreements. In that way we could all be fully familiar with the stance of the New Democratic Party and its obvious support of the testing of missiles under the NDP Government of the Province of Saskatchewan.

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I am ready to examine the proposition made by the Leader of the Opposition and will certainly look into it very carefully. If there is nothing confidential about them, they could be tabled. I am sure they would provide some light to the NDP.

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SUPPLY AND SERVICES

CONTRACT TO PURCHASE DE HAVILLAND AIRCRAFT FOR ICEBERG RECONNAISSANCE

Mr. Don Blenkarn (Mississauga South): Madam Speaker, in the absence of the Minister of the Environment my question is directed to the President of the Treasury Board who is supposed to be looking after the financial affairs of the country and the spending of money.

The Minister will know that yesterday the Minister of the Environment announced a sweetheart contract for de Havilland Canada for $37 million to fix up a Dash-7 which is really only worth $12 million. The program was announced on the basis of special recovery. This is a cost to Canada of $100,000 for every job created.

Is this part of the Government's Special Economic Recovery Program, or is it really a program to recover de Havilland the same as the Government is trying to recover Canadair with sweetheart contracts for aircraft that may or may not be required?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I will be pleased to take that question. The purchase of the Dash-7 is part of the Special Economic Recovery Program. I might indicate to the hon. gentleman, who comes from Toronto where de Havilland is located, that I would have expected him to be more favourably inclined toward an announcement like that.

The aircraft is being purchased for ice reconnaissance purposes. It is an application to which the plane has not been put before, but to which it can be very readily adapted.

I should like to draw to the attention of the Hon. Member for Scarborough East, who asked a question about this in committee last week, that we are going to be incorporating Canadian technology into the Dash-7, involving side-looking radar which, of course, is being developed in Canada, with 85 per cent Canadian content, as a result of the initiative of Canadians in this regard.

COMPARISON OF AIRCRAFT TYPES

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I should like to ask the Minister where he gets the idea that people will buy this aircraft as a surveillance aircraft when he knows that it is a short-range aircraft. Its ability to stay over an air target area is less than 60 per cent of the 1950 vintage Lougheed Electra that is presently being used. How does he expect people to spend money to buy an aircraft that cannot perform as well as one with 1950 technology?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I can assure the hon. gentleman that the purchase is being made after due and very serious consideration. I would hope that he would have sufficient pride in Canadian technology to give every consideration to initiatives being taken by the Government and by a Crown corporation of Canada to develop Canadian technology not only for domestic purposes but for international purposes.

I might indicate to the hon. gentleman that it happens that in Canada we have ice conditions in the Great Lakes region for close to three months of the year.

* * *

• (1440)

[*Translation*]

FISHERIES

GOVERNMENT'S INTENTIONS ON FINANCING OF INDUSTRY IN QUEBEC

Mr. Alexandre Cyr (Gaspé): My question is directed to the Hon. Minister of Fisheries and Oceans.

The fisheries industry in Quebec is in very bad shape, if we consider the fact that today, processing plants owned by the Pêcheurs Unis du Québec have not yet started their operations. I know the Hon. Minister has submitted a recovery program, that is, a financing program to the fishermen and plant employees, and also to the financial institutions, so that 2,500 fishermen and factory workers can go to work.

Can the Minister inform the House today whether he feels that the proposed plan will be accepted by all parties, so that factory workers and fishermen can be given the assurance that they will be able to go back to work within the next few weeks?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, the problem the Government has decided to examine is far more extensive than the case to which the Hon. Member for Gaspé (Mr. Cyr) is referring. In fact, we now have five companies in the Maritimes, including the Pêcheurs Unis du Québec, with a total of sixty factories, which are on the brink of bankruptcy.

In the event of a bankruptcy, there will be the usual sales of several million dollars worth of fish at fire sale prices, which

would depress prices for the 500 fish-processing plants on the Atlantic coast.

That is why the Canadian Government has suggested that if all creditors were prepared to join in a co-operative effort with the Federal Government, together we would be able to prevent a veritable bankruptcy epidemic.

At this very moment, every single creditor of these sixty processing plants, with 45,000 jobs that are on the line, have agreed to the plan, except for the Government of Quebec, which has seized certain assets. We must not forget that if one creditor starts seizing assets, all others will follow suit in order to recover their losses, and in that case, all the efforts of the Canadian Government would be—

Madam Speaker: Order, order!

* * *

[*English*]

RAILWAYS

CROWSNEST PASS RATE—VARIABLE RATES PROPOSAL—CONSEQUENCES FOR BRANCH LINES

Mr. Les Benjamin (Regina West): Madam Speaker, my question is directed to the Minister of Transport who made it plain at his press conference last week that variable rates would be in his legislation. I am sure the Minister is aware that Mr. Snavely, who did a lot of his consulting work, said that this will depopulate the Prairies, even though he agrees with the efforts of the Minister. Would the Minister tell us if he is going to continue to insist on installing the principle of variable rates, which will allow the railways to continue to abandon another 44 branch lines, or nearly 2,000 kilometres of railway in western Canada, which was their initial objective? Some of those lines are in the basic network.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, obviously my hon. friend wants the best of both worlds. He does not want to see the Bill, yet he wants to see what is in the Bill. I believe we are going to decide on that in a few minutes, and in the following days I will have ample opportunity to answer any questions on that particular subject.

Mr. Benjamin: Madam Speaker, we could not care less if we never saw the Bill.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Benjamin: If the Minister would agree to withdraw it, go back to the drawing board and accept our alternative proposal, he would have no problems in western Canada.

REQUEST THAT GOVERNMENT TAKE EQUITY SHARES IN RAILWAYS

Mr. Les Benjamin (Regina West): Madam Speaker, since statutory grain rates and rehabilitation of main railway lines in western Canada are two entirely separate issues, and since only about 15 per cent of track capacity will be used to haul grain, it is obvious, contrary to the mythology perpetuated by the Minister and others, that the railways will be rehabilitated to haul all commodities and people, not just grain. Does the Minister agree that he and the Government have a responsibility to protect the investment of the taxpayers of Canada for capital improvements on the railways, and obtain a return on that investment by way of dividends, by taking equity shares in the railways in return for the capital investment?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I can only repeat the answers I have already given. My hon. friend says he could not care less if he never saw the Bill. I was in the West on Friday. My hon. friend, the Minister of Agriculture, was there yesterday. Everyone we met said, before committing himself or herself one way or the other, "We want to see the Bill." This afternoon at a press conference I will have a chance to quote from different farm and other organizations in the West, way back to 1981, asking the Government to come up with a Bill on the Crowsnest rate. That has been said in the West for three years now, and I will demonstrate it by quoting from these people this afternoon. That is what we are doing.

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REGIONAL ECONOMIC EXPANSION

FISHERIES RELATED INDUSTRIES

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is directed to the Minister of Regional Economic Expansion. The Minister of Fisheries has announced plans to spend $140.7 million—$12.2 million of it in New Brunswick—"to give tools to fishermen to improve their profession." He has indicated some very interesting programs to achieve that purpose. In view of the serious structural problems which have been identified in the fishing industry in Atlantic Canada and in Quebec, will the Minister tell the House if his Department has accepted, as a special target, the development of fishing related industries in Atlantic Canada and Quebec, such as the manufacture of deck hardware, navigational aids, fishing equipment, and medicines and chemicals from ocean resources, these industries where the big bucks are really being made?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, first of all I would like to join with the honourable member in congratulating the Minister of Fisheries on the tremendous initiative which he has taken for the whole fisheries industry.

Some Hon. Members: Hear, hear!

Mr. Lumley: Second, Madam Speaker, I believe the Hon. Member has enunciated very clearly the opportunities which could arise as a result of the development of that indigenous resource. My colleague, the Minister of Fisheries, in his previous capacity as Minister of Regional Economic Expansion, has already indicated to me several opportunities he sees in the manufacturing and processing side of the industry and we will be working together in this regard.

SUPPORT SOUGHT FOR ENTREPRENEURS

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, I am pleased to hear the Minister mention the manufacturing and processing aspect of the industry. The Minister of Fisheries has just indicated that this aspect of the industry is in real trouble, on the verge of bankruptcy, and the Minister has indicated measures to make the fishing industry more efficient. I would like to know if the Minister of Industry will demonstrate some action in his Department in targeting for supplementary industries relating to the fishing industry, such as deck hardware and navigational aids, and industries which do not exist now in the Atlantic Provinces and in Quebec, and where there are really good paying jobs and a tremendous potential? Will the Minister activate his Department to move from being passive to being active in bringing together the entrepreneurs and the programs to help lift the fishing industry out of its doldrums and make the largest fishing potential in the world the most productive?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the Hon. Member raises some excellent ideas and I would be more than happy to work with him in maximizing our potential in this regard.

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[*Translation*]

SHIPBUILDING

FRIGATE CONSTRUCTION CONTRACT—MERIT OF SAINT JOHN PROPOSAL

Mr. Jacques Olivier (Longueuil): Madam Speaker, my question is directed to the Minister of National Defence. Several months ago, the Canadian Government asked two companies for an analysis of the construction of several frigates. One of the companies is Scan Marine, located in Longueuil, and the other company is located in Eastern Canada and supported by U.S. know-how through the Sperry Corporation. Can the Minister inform the House whether he can confirm what the Conservative critic, supported by the Member for Joliette, said, namely, that the best ship is the one proposed by the company in Saint John, and that the analysis is now complete and has been submitted to Cabinet? Can the Minister confirm to the House today that the best ship is the one proposed by Saint John, as maintained by the Progressive Conservative Party?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I feel that as Minister of National Defence, my main responsibility is to ensure that our Canadian forces get the best possible equipment. I think that our main consideration must be to provide the most effective equipment available to our armed forces who must be able to use it for our country's defence. As far as the frigate program is concerned, two proposals were made to the Department, one by Scan Marine and the other by Saint John Shipbuilding & Dry Dock Co. Both proposals have been assessed as objectively as possible and without a hint of partisanship on the part of the Department. We have tried to weigh the pros and cons of each proposal and were very careful to remain as objective as possible. This assessment is now nearing completion and will be submitted to the Cabinet Committee on Defence and subsequently to various agencies which will have to check the assessment. An appropriate decision will be made, as objectively as possible, considering the interest of all Canadians.

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• (1450)

[*English*]

CANADIAN HERITAGE

BICENTENNIAL OF UNITED EMPIRE LOYALISTS

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Madam Speaker, my question is for the Secretary of State. In light of the program of support for national celebrations marking landmark events in Canadian history, a program which has allocated $1.6 million to celebrate the four hundred and fiftieth anniversary of Jacque Cartier's landing in Canada, and $1.5 million to the Toronto International Festival as part of Toronto's sesquicentennial, would the Minister indicate, other than negotiations, what actual contributions, financial and otherwise, his Ministry has made to New Brunswick, Nova Scotia, Quebec or Ontario, to mark the bicentennial of the United Empire Loyalists' migration to Canada, in 1983 and 1984?

[*Translation*]

Hon. Serge Joyal (Secretary of State): Madam Speaker, I can inform the Hon. Member that several months ago, the Premier of Ontario wrote to the Prime Minister of Canada, informing him that Ontario intended to celebrate this occasion but did not intend to spend considerable sums of money, in view of the economic situation. We expressed our interest to the Government of Ontario and indicated our intention to make a contribution to the festivities. A few weeks ago, I had a meeting with the Minister of Agriculture of Ontario who has promised to send me a list, by the end of May, of projects the Government of Ontario would like to submit to the Canadian Government for joint financing.

[*English*]

CANADA POST CORPORATION

REQUEST FOR ISSUANCE OF UNITED EMPIRE LOYALISTS COMMEMORATIVE STAMP

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Madam Speaker, my supplementary is directed to the Minister responsible for Canada Post who recently announced the issuing of a postage stamp, jointly by Canada and France, for 1984, to commemorate the four hundred and fiftieth anniversary of Jacques Cartier's voyage to America. Has the Minister or his officials considered the issuing of a joint Canada-United States stamp commemorating the bicentennial of the migration of loyal Americans to Canada, for the 1984 stamp program?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, as you know, there is already one joint stamp issue being planned with the U.S. authorities. I am not ruling out the possibility that there could be another joint issue, and I think the Hon. Member's suggestion could be referred to the committee which advises the Minister on the selection of subjects for Canadian stamps.

* * *

[*English*]

AUTOMOTIVE INDUSTRY

CANADIAN CONTENT REQUIREMENT—MOVEMENT OF PLANT FROM HAMILTON

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Industry. Allen Industries were located in Hamilton. They have decided to move their plant to Richmond, Virginia. They make moulded insulation and they intend to sell by far the bulk of the moulded insulation they will make at that plant, to Ford, at Oakville. Will the Minister meet with Ford and Allen Industries and point out to them that, under the auto pact, there is indeed a requirement for some Canadian content, and that we are not going to tolerate this continuous moving away of plants from Ontario and other parts of Canada to the United States?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I thank the Hon. Member for giving me advance notice of the question. I would like to advise him that my officials, as well as my colleague, the Minister of Indian and Northern Affairs, are already on top of the situation, and a meeting with the company is planned within a week.

FIRESTONE TIRE AND RUBBER COMPANY

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I am disappointed to hear about the Minister of Indian Affairs because nothing he has ever touched has ever worked. In the process of meeting with Allen Industries might the Minister be able to report to me on the outcome of meetings with Firestone Tire and Rubber Company, another company which seems to be running into serious difficulties in Hamilton, to determine whether or not Firestone is ready to go ahead with its expansion and whether it is likely to get the money promised it by the Minister of Indian and Northern Affairs?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I know the Hon. Member is interested in this issue as are all Members from Hamilton, but again my colleague, the Minister of Indian and Northern Affairs, who has dedicated a substantial portion of his life to the economic betterment of the people of the Hamilton area, is on top of this matter. We are meeting with the Firestone people this afternoon. But I do know of the Hon. Member's interest in this regard, and I hope we will have a positive response for him this afternoon.

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MEDICAL CARE

MOOSE FACTORY HOSPITAL—RATIO OF NURSES TO PATIENTS

Mr. John A. MacDougall (Timiskaming): Madam Speaker, my question is directed to the Minister of National Health and Welfare. On April 22 the Minister wrote a letter to the James Bay Tribal Council regarding the Moose Factory Hospital ward closure, stating that the hospital would be able to operate with the ward closed. Since the closure of the ward the nurse-patient ratio has gone from one to four, to one to eight or nine. Can the Minister tell me if her Ministry is looking into adding additional staff to the hospital to bring it back to the ratio of one to four?

Hon. Monique Bégin (Minister of National Health and Welfare): Not to my knowledge, Madam Speaker. The objective I have in the Department is, of course, the health and well-being of people. The ratio might have changed the way the Hon. Member suggests. However, the beds have never been fully occupied in the past and we have adapted to that in deciding on the allocation of staff to the Moose Factory General Hospital. I am satisfied for the time being that the health of the people there is well looked after.

QUALITY OF SERVICE

Mr. John A. MacDougall (Timiskaming): Madam Speaker, in checking this morning with the Tribal Council I have been assured that the service since the closure of that ward has decreased. Can the Minister tell me if her officials are prepared to meet with the Council as soon as possible to make sure health care needs are met?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I can reiterate to the Hon. Member, as I did to the local community, that there has been no reduction in services provided by the Moose Factory Hospital

to the people of the James Bay area. Basically that is what counts. That is our objective, and it is well met.

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PENSIONS

SPLITTING OF CREDITS FOLLOWING MARRIAGE BREAKDOWN—LEGISLATIVE ACTION QUERY

Mr. Vince Dantzer (Okanagan North): Madam Speaker, my question is directed to the President of the Treasury Board who will know that in the Green Paper on pension reform, strongly endorsed by the Minister of Finance and the Minister of National Health and Welfare, there was a call for the splitting of pension credits on marriage breakdown. Does the Minister intend to change the Superannuation Act and the Diplomatic Service Act regarding that particular item?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, this kind of question and a number of others involving the Superannuation Act will be considered by the Government in the context of the debate on the Green Paper. As yet the Government has not taken any decision with respect to proposals in the Green Paper concerning the private pension system, and we feel our decisions with respect to any changes in the Public Service system should be in the context of our consideration of the larger issues.

Mr. Dantzer: Madam Speaker, the National Action Committee on the Status of Women and the National Council of Women are today appearing before the Pension Committee. I am sure those groups will be very sorry to hear that the Government is dragging its feet on this issue when it should be the leader.

PROTECTION SOUGHT FOR EX-SPOUSES OF ARMED FORCES PERSONNEL

Mr. Vince Dantzer (Okanagan North): Madam Speaker, my supplementary question is directed to the Minister of National Defence. It is my understanding that the Canadian Forces Superannuation Act does not include any provision for splitting of pension credits on marriage breakdown. The Minister will admit this is particularly important because members of the Armed Forces travel all over the world and it is very difficult for their spouses, who usually travel with them, to get employment during their careers. I would like to know what the Minister is doing to protect those spouses in the event of marriage breakdown.

• (1500)

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, all of these questions on superannuation are under study in our Department. I admit to the hon. gentleman that in the Armed Forces there are some exigencies that are not the same as with other public servants. I assume him that I will look into the matter and give the Hon. Member an adequate answer in written fashion.

BUSINESS OF THE HOUSE

LOST TIME DURING ALLOTTED DAY

Mr. Lewis: Madam Speaker, I rise on a point of order. Yesterday was an allotted day but as a result of the Government not having its Members in place, we were unable to vote. Consequently, on our allotted day we lost two and three-quarters hours of debating time which was being devoted to the very important mining industry in Canada.

I would ask the Government House Leader (Mr. Pinard), in arranging the House business for next week, if he would consider taking that loss of time into account and perhaps replacing it as soon as possible?

[*Translation*]

Mr. Pinard: Madam Speaker, I shall try to count the Government days lost as a result of a similar attitude on the part of the Opposition, and as soon as I have been able to make some comparisons, I will be in a position to give the Hon. Member a more knowledgeable answer.

* * *

[*English*]

POINT OF ORDER

MR. ANGUISH—QUESTION OF MR. NIELSEN DURING QUESTION PERIOD

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I rise on a point of order in relation to a question asked today in the House by the Leader of the Opposition (Mr. Nielsen). I believe he inadvertently misled the House in the preamble to his question. I would suggest that in relation to the question he asked about the Primrose air weapons range there are a couple of factors that bear on his statement.

Madam Speaker: Order. I am sure the Hon. Member knows that that is not a point of order. He is simply pursuing the Question Period. He may do that tomorrow since that is the time when it would be appropriate.

ROUTINE PROCEEDINGS

[*Translation*]

EXTERNAL AFFAIRS

MANITOBA INCIDENT—TABLING OF EXCHANGE OF DIPLOMATIC NOTES WITH UNITED STATES

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, further to the question asked yesterday by the Hon. Member for the Opposition, I am tabling an

exchange of diplomatic notes with the United States concerning the unfortunate incident that took place in Manitoba.

* * *

[*English*]

COLUMBIA RIVER TREATY

TABLING OF 1981-82 ANNUAL REPORT OF PERMANENT ENGINEERING BOARD

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, pursuant to Standing Order 46(2), I would like to table in both official languages the Annual Report of the Columbia River Treaty Permanent Engineering Board of the Governments of the United States and Canada for the period of October 1, 1981 to September 30, 1982.

* * *

[*Translation*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

Hon. Jean-Luc Pepin (Minister of Transport) moved that Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, be now read the first time and printed.

Madam Speaker: Is it the pleasure of the House to adopt this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Madam Speaker: Call in the Members.

The House divided on the motion (Mr. Pepin), which was agreed to on the following division:

(*Division No. 323*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Chénier
Collenette
Corbin
Corriveau
Cosgrove
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Dupras
Ethier
Evans
Ferguson
Fleming
Flis
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gingras
Gourd (Argenteuil-Papineau)
Gray
Guilbault
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Isabelle
Johnston
Joyal
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Lang
Laniel
Lapierre
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacGuigan
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McRae
Munro (Hamilton East)
Olivier
Ouellet
Parent
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Trudeau
Turner
Veillette
Watson
Weatherhead—112.

Introduction of Bills

NAYS

Messrs.

Althouse
Andre
Anguish
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Broadbent
Carney (Miss)
Clarke (Vancouver Quadra)
Cooper
Corbett
Crouse
Dantzer
Darling
Deans
de Jong
Domm
Elzinga
Epp
Fennell
Friesen
Fulton
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Heap
Hees
Hovdebo
Howie
Huntington
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
King
Knowles
Kristiansen
Kushner
Lawrence
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
MacDougall
MacKay
Mayer
Mazankowski
McCain
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McKenzie
McKinnon
McLean
Miller
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Sargeant
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wise
Wright
Young
Yurko—93.

● (1540)

Madam Speaker: The motion is carried.

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

Madam Speaker: When shall the said Bill be read the second time, at the next sitting of the House?

Some Hon. Members: Agreed.

[*Translation*]

Madam Speaker: The Hon. President of the Privy Council (Mr. Pinard), on a point of order.

Mr. Pinard: Yes, Madam Speaker. When you put the question, namely, when Bill C-155 would be read the second time, you gave the customary answer. I would like to make it clear to the House that we shall start consideration of the second reading stage of this Bill on Thursday morning at eleven o'clock.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following question will be answered today: No. 4,745.

[*Text*]

NUMBER OF INCOME TAX RETURNS IN VARIOUS CATEGORIES

Question No. 4,745—**Mr. Lewis:**

1. How many individual income tax returns were filed for the (a) 1979 (b) 1980 (c) 1981 taxation year by taxfilers in the net income category of (i) under $20,000 (ii) $20,000 to $29,999 (iii) $30,000 to $39,999 (iv) $40,000 to $49,999 (v) $50,000 and over?

2. For the same years and in the same net income categories, how many returns were (a) assessed as submitted by the taxfiler (b) revised by the Income Tax Department and assessed (c) prepared by someone other than the taxfiler?

Hon. Pierre Bussières (Minister of National Revenue): 1. No statistics are produced by "net" income category. The following are comparable statistics by "total" category, which is defined as net income from self-employment plus the total of all income from all other sources, as indicated on page one of the tax return.

Total Income Category	1979 Tax Year	1980 Tax Year	1981* Tax Year
under $20,000	12,059,247	11,346,417	10,796,727
20,000–29,999	1,842,067	2,269,389	2,584,292
30,000–39,999	474,724	674,784	1,008,650
40,000–49,999	143,694	227,638	340,396
50,000 and over	162,423	246,650	336,170
Total	14,682,155	14,764,878	15,066,235

* These are preliminary figures, representing approximately 97.5 per cent of the total number of returns expected for the 1981 taxation year.

Source: Taxation Statistics—1981 and 1982 editions
Preliminary Taxation Statistics—1983 edition

2. We do not produce figures by income range on changes or unchanged returns. The totals are as follows:

	1979 Tax Year	1980 Tax Year	1981* Tax Year
(a) Assessed as submitted	8,367,822	8,067,040	8,112,023
(b) Revised by the Income Tax Department	6,314,333	6,697,838	6,954,212

* These are preliminary figures, representing approximately 97.5 per cent of the total number of returns expected for the 1981 taxation year.

Source: Unpublished Statistics—"Counts and Amounts".

(c) Since the introduction of the T1 special return it has not been possible to produce statistics on the types of tax return preparers as the T1 Special does not provide a space for completion by the preparer.

[*English*]

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

[*Translation*]

Madam Speaker: The question mentioned by the parliamentary secretary has been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1983-84 (NO. 2)

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Cosgrove that Bill C-151, an Act to provide supplementary borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, prior to the recess I was pointing out that the Government has been borrowing money during this session of Parliament at the

rate of some $68,833,482 per day, an amount, over this Parliament, of $77.3 billion in extra borrowing. I should like to continue my remarks and point out how the Government has absolutely wasted at least $1.3 billion of that in concert with the Conservative-Social Credit Government of British Columbia on a boondoggle called northeast coal. That misinvestment, that misallocation of financial priorities has already made its devastating effect clear by the loss at this point of 460 permanent coal mining jobs in south-eastern British Columbia.

The Acting Speaker (Mr. Corbin): Order, please. The noise level in the House is too high. Would Hon. Members please hold their conversations outside.

Mr. Kristiansen: About a week and a half ago BCTV carried a program showing the effect of the Government's policies in terms of putting working people at each other's throats even today in northern British Columbia. It showed a disgusting scene of workers coming in from the Provinces of Alberta, Ontario and Quebec to northern British Columbia, taking jobs away from British Columbians with Alberta contracts because the Conservatives and Liberals in the Social Credit Government of British Columbia had manipulated the Labour Code to open those jobs to non-union people. Workers from outside the Province with outside contracts were stealing B.C. jobs at the cheap rate of $7 per hour. They had to rent tarpaper shacks for their families, not good construction camps, but tarpaper shacks, at $450 per month for families sometimes with four children.

One worker who was interviewed on the program said that with $7 per hour wages, at the rate he was being charged for rent he would be better off to go back to Alberta and draw Unemployment Insurance benefits. The TV reporter asked him why he did not quit, and he said that if he quit he would not get Unemployment Insurance, and besides, in the hobo jungle just down the road there were ten guys willing to battle and replace everyone who had a job. The cameras went down to the hobo jungle. Some of us never dreamed that in this part of the twentieth century we would see such pictures again. It was right out of "Grapes of Wrath".

That is the kind of stupid, insane policy that the Government is fostering by churning out $1.3 billion in public moneys along with its Conservative cohorts in the Socred Government of British Columbia. It is just shovelling it out by the carload in order to give contracts to their friends, even though, because of declining demand which was forecast and declining prices which were forecast, the federal Government and the provincial Government of B.C. had some airy-fairy figures drawn out of a never-never land on which they based the $1.3 billion subsidy to that development.

Already 460 people in southeastern British Columbia coalfields have been laid off because neither the price nor the demand are sufficient for the coal that we already produce with existing rail facilities and existing port facilities. This is a suicidal policy. It is an example of how that bunch over there has thrown away billions and billions of public money. When it comes to a choice between investing in and assisting established communities and groups of people versus building new pyramids somewhere in areas that do not have an existing population, those people over there and their allies in the provincial Government of British Columbia will always choose to build new empires and leave people in existing communities to rot. No one knows why.

The *Sun* in Vancouver of April 21 carried an article by a Mr. Halvorson, a Vancouver mining consultant, in which he said:

> The B.C. government, through that subsidy, created competition to an existing business, may cost people their jobs, and perhaps destroy the owners' investment.

So, by building with public money an alternative to the production and transport facilities we already have in the southeast, they are not only throwing away workers' jobs there but destroying the return on the private investment that already existed in southeastern British Columbia. They are doing that at the expense of the public purse. The article continues:

> In the northeast coal project the provincial government is subsidizing two new coal mines into production through massive investment in railways and other infrastructure. Those mines will sell coal into an oversupplied Japanese market in direct competition to mines that already exist in southeastern B.C. There is little doubt that serious job loss, and even mine closures, could occur in the southeast over the next two year period.

There is no doubt, Mr. Speaker. It has already started to happen even without the northeast project coming on stream. Meanwhile, the people in northeastern B.C. are not even getting the temporary advantages of decent jobs at decent pay.

The contractors of northeastern B.C. are not getting the temporary advantages either. Because of the meddling of the Labour Relations Board, jobs are going to contractors from outside the Province. What kind of insanity leads to that kind of policy?

This is not the only area in which the federal Government continues to wastefully churn out public money. British Columbia is not the only place. Every time the federal Government decides to give some minimal cost-of-living increases to pensioners across the country, what happens? We see provincial Governments not only pocketing those increases but dipping further into the pockets of ordinary pensioners, ripping them off to fatten their own coffers at federal Government expense. When are those people over there going to smarten up and tell some of those Tory and Socred Provinces that they cannot just steal public money, and they cannot steal out of the pockets of pensioners in order to make themselves look better on the books.

• (1550)

About a week and a half ago a Mr. and Mrs. Rhodes from my constituency, dropped into my office and showed me their last cheques. The federal Government in its Old Age Security payment had given them each an extra $2.34. That is a good policy. People should have payments to keep pace. However, at the very same time, their supplemental cheque from the provincial Government of British Columbia was cut by $3.00 a month each. The federal Government gave them four dollars and the Province took away six dollars. In some cases the

amount which the Province stole from those people was up to $50 a month per couple. The federal Goverment is allowing that to happen. What kind of agreement does it have with the Provinces? What kind of misplaced trust does it have in Tories and Socreds that it keeps on handing money over to them to stick in their own pockets?

About the only Government that I know of which has a worse financial record of getting deeper and deeper into debt at public expense than this Government in Ottawa, is the provincial Government in Victoria. Eight years ago it had an accumulated debt of some $4 billion which was spread over 100 years of Governments of all political stripes. That has more than trebled in just the last eight years. It is a record which almost makes the miserable record of the federal Government look good. That is the kind of wastage we are seeing at public expense continually.

Surely it is time, Mr. Speaker, for some new system of priorities. If the Government is going to go into debt, let it go into debt to create work and not simply to put people on welfare for years and years, not simply to pass on contracts to its friends, which is the only motivation we can think of for the northeast coal subsidy because it is going to devastate existing communities. We just cannot picture any other motivation. If Government wants to borrow, if it wants to use its existing financial capacity to build new industries, it must work out arrangements with some of our trading partners and, if we are going to sell resources and commit resources on a long-term basis, we must get something in return. We must have assurance that some of the facilities which will service these industries will be built in this country, with this country's labour and with this country's trained people. That would be a valid expenditure. It is time, Mr. Speaker, to put an end to the Government's just shovelling money out of the public bucket into its friends' pockets. Unfortunately, that is all that we have seen happening over the last number of years.

The Acting Speaker (Mr. Corbin): Questions, comments? Debate.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome this opportunity to speak on Bill C-151. This Bill seeks authority to borrow an additional $14.7 billion. To date, the Government has come to Parliament seven times in this session to seek more borrowing authority. In fact, the projected financial requirements of the Government between 1983-84 and 1986-87 total some $93 billion. This would indicate that Parliament is in for a steady stream of large borrowing Bills over the next few years. There are at least four distinct economic costs to continuing deficit financing of this magnitude. First, there is the ever-growing interest burden. This year interest on the national debt cost an estimated $17.6 billion, or the equivalent of $1,700 per taxpayer.

The second cost is the loss of fiscal flexibility. In the past the Government had the option of undertaking costly and significant fiscal measures to spur recovery. Today, Mr. Speaker, there is virtually no room remaining in which to manoeuvre.

The third cost is that the productive private sector when endeavouring to borrow is crowded out, and this is causing interest rates to rise. In the 1982 calendar year, federal Government borrowing accounted for 51 per cent of the net new security issues placed in Canada. If there was less federal Government borrowing, there would certainly be less demand for money and interest rates would be lower.

The fourth cost, Mr. Speaker, is one of confidence. The investment community does not trust a Government which continues to live so far beyond its means. They do not want to hold a currency which continues to be debased by excessive Government borrowing. As a consequence, our dollar is at a low ebb, thus driving up the cost of living in Canada. As the Government attempts to support the dollar, our job-creating capital has gone elsewhere.

By way of comparison between today's expenditures and those of 1968-69, when the present Prime Minister (Mr. Trudeau) took office, I wish to place on the record the total spending for that year as taken from the book entitled, "How Your Tax Dollar is Spent" as it was reported by the then President of the Treasury Board, the Hon. C. M. Drury. It is an amazing little document. I have kept copies of it in my files, Mr. Speaker. In this report, the total listed for all functions of Government in 1968-69 amounted to $10,767 million. That is truly amazing. We were then a nation of some 20 million people. We have grown slowly in population to 25 million, but spending on a public accounts basis has grown for this year to a total of $90 billion, an increase of some 555 per cent. The reasons behind this fiasco are well documented. For example, the Auditor General of Canada, Mr. Dye, comments as follows in his Report:

> The commitment for $1.7 billion to Petro-Canada by the department, without commensurate responsibility, raises serious concerns.

In an appendix to his report, Mr. Dye also noted other deficiencies: inadequate management controls in overpayments totalling $285.3 million under four major energy programs by the Department of Energy, Mines and Resources; the Department of Public Works failed to recover expenditures from Canada Post Corporation of $61 million; during fiscal 1981, the Unemployment Insurance Commission is estimated to have made overpayments of $178 million, and the list goes on, page after page.

We are speaking today about a vast expenditure of money. Some of it undoubtedly will be well spent. Unfortunately, however, I fear that a large percentage of the amount listed in the Bill before the House will be wasted or spent frivolously on so-called make-work projects. These projects do not necessarily improve the infrastructure of Canada, nor do they give meaningful or long-term employment to our people.

I believe it is way past the time when we should be giving recognition to some salient facts, and plan accordingly for some meaningful Canadian development. For example, Canada is one of the major trading nations of the world. Everyone seems to know that, Mr. Speaker, but the Government. Canada is also a major deep sea shipping nation, but not

everyone is aware of that particular fact. Here we are, a major deep sea trading nation, and yet we do not have a Canadian merchant marine. We have relied for years on being able to buy the shipping services we need in the marketplace. We are paying out more than $3 billion annually to foreign shipping lines for their services, while our unemployment rolls exceed 1.5 million people at a cost of hundreds of millions of dollars. This simply does not make any sense, Mr. Speaker, at least not to me. That is a lot of service, and the practice of buying it abroad derives directly from the current Canadian marine policy of depending on the world market to provide bottoms for carrying Canadian goods overseas. It is a policy which has satisfied our needs up to this point, but whether or not it will prove adequate for our future needs is open to question.

• (1600)

I say this, Sir, because our present policy is cast in doubt by a number of developments in the world of international shipping. Neither does it seem at all prudent at this moment to depend on the international shipping world to provide for Canadian concerns in our northern areas. Nor should we assume that the marine policies we depend on today will enable us tomorrow adequately to cope with problems arising from development of our varied and invaluable offshore resources. We have been able to rely on the free market for deep sea shipping because of a world-wide surplus of vessels has made it possible until now to buy shipping services at very good rates. However, economic, technological and political developments may soon reduce the size of the free market fleet on which we depend. Growth in the world economy, slow though it may be at the moment, will gradually reduce the available surplus of shipping capacity. Furthermore, much of the surplus capacity swinging at anchor today, as we say in Atlantic Canada, while shipowners wait for the market to sort itself out, may never sail again. They may never sail again! They may be so outmoded in terms of fuel efficiency and pollution control by the time world markets strengthen again that they will have become obsolete. This is the danger we face. The world surplus in shipping capacity is, in this respect, more apparent than it is real.

In addition, political developments may reduce the size of the free-market fleet on which current Canadian marine policy depends for its effectiveness. We could find before the end of this decade that Canada cannot as readily obtain, as it does today, ships to carry at competitive rates Nova Scotia's apples to Britain, or New Brunswick timber or lumber to Scotland, or Prince Edward Island's potatoes to Venezuela. The issue, Sir, is a bottom-line issue, it is a pocketbook issue.

I say to you, Sir, and through you to the Government, that anything which impairs the ability of a trading nation to sell its goods has potentially grave implications for the health of its national economy. In such a context the limitations of current national marine policy are readily perceived. These limitations also become obvious the moment the problem of exerting effective and necessary control over Arctic and offshore development is addressed.

We will likely see large-scale commercial shipping invade the Arctic before the end of this decade, Mr. Speaker, since Canada has proven hydrocarbon reserves in the high North. I was in Frobisher Bay, for example, only last year and I was informed that drilling operations at that time were being carried out in Davis Strait. However, Canada's position in its Arctic waters is that it has sovereign control. Now, Sir, in theory this means ships moving in the region, in particular the Northwest Passage, will be subject to Canadian regulation and control. United States interests, however, reject the notion of Canadian sovereignty over the Passage and they claim it as an international waterway in which all shipping should have access. But the reality of the situation is that we simply do not have adequate means to assert our authority over the North.

Unfortunately, our current national marine policy is not directed toward encouraging development in Canada of the marine technologies which would allow us to exploit fully our opportunities in the North or cope with the problems of sovereignty there, any more than it is geared to deal with the opportunities and problems associated with our offshore resource development. Our offshore resources afford us opportunities which extend well beyond catching fish, well beyond pumping oil. We have a chance to develop here and now in Canada world class technical and ocean engineering skills. We have a moment in time in which to begin building technologies and services which ultimately we can export as readily as we export anything else that we make in this country. But the time to sieze that moment, Sir, is now. We cannot fritter away this time while offshore resource development is in its infancy. The time to seize that moment is now not later when other patterns of satisfying those needs have established themselves.

Beyond all that, we need to develop such skills and technologies at home in order to safeguard our interests in actually harvesting offshore resources. The issue is too vital, I submit, to be left to others. No one else will care as much as we do about whether or not Canadian fish and Canadian oil are safely exploited, Sir, in the same waters and at the same time. We need to develop the means to control our own offshore expansion. No one should for a moment imagine that either offshore development or the controls and technologies associated with it can mature in a context other than one established in larger measure by a national marine policy.

It is not hard today, when you start talking about this matter of a national marine policy, to find yourself dealing with an amazing array of issues. The shipbuilders, the ship repairers, ship suppliers, marine unions, all legitimately have something to say on this particular subject. Up to this point we have had a marine policy in this country which has served the nation if not the industry very well. But circumstances, Sir, are changing. There are forces loose in the world of international shipping which may affect the way in which we shall conduct international trade. There are problems associated with Arctic and offshore resource development which require, at least in part, a marine oriented technological response from this nation. In short, we need desperately a national marine policy which takes into consideration these new realities. It must not,

I say, Sir, be a regional or a parochial policy. International trade and resource development are national issues—national pocketbook issues, I might say.

Now, the Canadian Shipbuilding and Ship Repairing Association reports that in December of last year employment reached a ten-year low of 8,500 people, a drop of some 5,700 people or 40 per cent of their work force. In one area alone, namely the Atlantic trawler fleet, there is a need for ship replacement over the next ten years which will mean over $3 billion worth of shipbuilding work. Much of this will be lost to Canadian industry unless there is a change in the present policy which encourages domestic fishing operators to buy offshore. Not a single fishing vessel was ordered from Canadian yards in 1982. However, five were imported for a total of 27 trawlers brought in since 1979.

Our ability, Sir, to compete in world markets, our ability to control and protect our resources, impinges directly on the economic well-being of the nation as a whole. National marine policies which touch on such issues are as important to the people of Alberta or the people of Saskatchewan as they are to the people of Shelburne, Nova Scotia, or Liverpool, or Bridgewater or Lunenburg or Halifax. I say, Sir, that the national interest must come first. We must not confuse, for example, the laudable desire to build ships in Canada or create a fleet carrying the Canadian flag with the need first to get our goods to market in the most cost effective and efficient manner possible.

• (1610)

The objective in shipping, and I speak here with some experience, is to move cargo and not just to sail ships. The creation of a Canadian technology that would help support and control northern and offshore resource development presumes by definition the manufacture of made at home solutions to our problems. Perhaps what we should do in this area, in the short term at least, is to make it financially attractive for Canadians who now own vessels flying foreign flags to register those ships at home.

A national marine policy must be pragmatic, flexible and designed to encourage a range of responses to what I perceive is a wide range of challenges. There is no doubt in my mind that we are equal to the task of creating a policy which constitutes an optimum response to the marine problems which, I submit, now confront us.

I realize that the creation of such a policy will require that the task become something more of a national interest than I perceive it to be at present. But the fact that the time we have in which to act on these problems is rapidly growing short may provide the necessary sense of urgency.

Meanwhile, I am personally comforted by the fact that twice before in its history, this country that we all love so well, this Canada of ours, has been a major seafaring power and, in my opinion, there is absolutely no reason why we cannot become one for the third time.

The Acting Speaker (Mr. Corbin): Questions and comments? Debate.

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Madam Speaker, I welcome this opportunity to rise and speak on Bill C-151, an Act to provide supplementary borrowing authority. However, I find it irresponsible that the Government finds it necessary, after the introduction of a budget, to ask for a $4 billion padding to an already out of control deficit.

This particular Bill is one in a long line of borrowing Bills. In this session of Parliament we have witnessed Bills C-30, C-59, C-111, C-125, C-128, C-143, and now we have Bill C-151.

In its April budget, the Government had the opportunity to indicate its fiscal requirements. Now it has chosen to seek more money after the fact, for some purpose it will not reveal to Parliament, a cushion of $2 billion for this year and a $2 billion pork barrel for the future.

One thing is certain with this Government, for every $3 that it spends it must borrow $1. Government Members state that one must borrow to stimulate. There is no stimulation in this borrowing, only regression.

In an atmosphere of mistrust, one must examine where some of the funds now being requested will go. It is clear from the Government's action that the employment situation and the future employment prospects will remain dismal for at least two million unemployed in this country for at least the next foreseeable few years. At precisely a time when recovery should be encouraged, a series of regressive tax measures are scheduled to pay for the enormous deficit that this Goverment has inflicted on Canadians. We will spend the first 18 months of economic recovery going back to square one.

One of the principal aspects of the Goverment's special recovery program is the so-called Special Recovery Projects of the Minister of Finance (Mr. Lalonde) which are to be funded at $2.2 billion over the next four years. Only $1.5 billion of this represents new spending, of which $460 million is expected to be spent in the 1983-84 fiscal year. No project in this program can be under way until at least October of 1983. The impact upon the unemployed in Canada will therefore be delayed at least that long.

Unlike most Canadians, the Liberals do not understand that they have to pay as they go. Heavy borrowing and Government projections place a majority of tax increases in place for sometime after the next federal election. It is a deliberate attempt to stifle an incoming Government and to reduce the range of options it will be able to undertake to put this country back on the road to recovery. Instead of real job creation and deficit control, the Government is increasing net future tax increases totalling $5.7 billion over the next four years and deficits totalling more than $102 billion between now and 1986.

In their analysis of the Government's economic position, economists say that it will "have a negative impact on consumer spending by next year, reducing chances for the strong consumer-led recovery the Government is counting on".

On a fiscal year basis, the new tax measures give consumers a $75 million gain this year but take back $365 million and $1.3 billion respectively in the following three years. Canadians needed an across the board decrease in federal sales tax or a shifting forward of next year's anticipated income tax refunds to aid consumers and help the recovery through consumer spending.

The Government has repeatedly demonstrated that it is incompetent, untrustworthy and bankrupt of ideas to effectively govern this nation. It has undermined confidence in the future of Canada and broken down the spirit of co-operation and entrepreneurship that has built this country. The Government has betrayed historic liberalism in favour of a Government-dominated and socialistic controlled society, giving themselves the right to intervene in every facet of society.

The Government has misled Canadians on oil prices, interest rates, job creation, megaprojects, property rights and tax reform, only to mention a few. This so-called Liberal Party has been in power so long that it has lost touch with democracy while muzzling Parliament, changing the law through regulations and Orders in Council and hiding behind Crown corporations and partisan faceless bureaucrats.

The Government's record speaks for itself. There are over two million unemployed and investment has been driven out of the country. Over $10 billion left the country in 1981 because Canadians moved their money to a more receptive investment climate. This money could have created at least 400,000 new jobs in the private sector.

Economic performance in Canada has been dismal. Canada's over-all economic performance now ranks fortieth behind such countries as Equador, Taiwan, Burma, Cyprus, Panama and Algeria. The OECD ranks Canada twenty-fourth and last among all the major industrialized nations in the world. What is the Liberal answer to this? It appoints Donald Macdonald at $800 to $900 per day plus expenses to produce a report at least two years after his appointment.

In November, 1981, the then Minister of Finance predicted an $11 billion deficit. It is now over $30 billion and climbing. The Auditor General says that major Government Departments are sloppy money managers, that there is no direction in personnel management, that 70 per cent of Government contracts are issued without tender, and that there is little or no accountability for millions of dollars poured into Crown corporations.

It would be fair to assume that what is expected of the taxpayer of Canada in the realm of accountability should also be expected of those who govern, particularly at the federal Cabinet level. But of course this is not the case as this Bill C-151 and the previous borrowing Bill C-143 indicate.

.Bill C-143 was the largest borrowing Bill, for $19 billion, in the history of Canada. Only a month later we are asked for an additional $14.7 billion in borrowing authority. Of that, $4 billion will be used, without doubt, to buy votes and pork barrel just before the next election.

Accountability is the cornerstone of the fiscal system of this country. The standard of accountability expected of those who deal with the disposition of taxes raised is far less onerous and in fact downright sloppy. The annual Report of the Auditor General of Canada is replete with page after page of instances in which the Auditor General is not permitted to delve into the affairs of federal Government Crown corporations.

According to the Auditor General, accountability has been limited, particularly as far as Parliament is concerned. Parliament is becoming further isolated from an increasing portion of Government activities. The growing practice of using Crown corporations to conduct a widening range of Government activities has so strained the capability of the existing accountability framework that Parliament may not be able to exercise its fundamental responsibilities for overseeing receipts and expenditures of public funds. The existing legislative framework for creating, monitoring and, where necessary, changing this abuse should be addressed by the House.

• (1620)

Nothing is being done to address waste such as has been reported by the Auditor General. Inadequate management controls in overpayments totalling $285.3 million have occurred under four major energy programs by the Department of Energy, Mines and Resources. The Department of Public Works failed to recover expenditures from Canada Post Corporation of $61 million. During fiscal 1981 the Unemployment Insurance Commission is estimated to have paid out overpayments of $178 million, and the list goes on page after page.

The accountability for public funds borrowed or otherwise has tended to decrease, and the degree of parliamentary scrutiny to which Crown Corporations are subjected varies from sporadic to virtually none. The information Parliament gets from the political appointments to these Crown Corporations with respect to activities of Crown Corporations is in most cases totally unsatisfactory. A clear authority and mandate for spending borrowed money, especially if it goes to Crown Corporations, should be spelled out and accountability to Parliament made mandatory.

The recent federal budget has a critical flaw in that it has been made to appear as offering something to everyone, but in point of fact it mortgages our future without any real current gain in consumer spending. Consumer demand is a key element in any recovery. The latest budget of the federal Government raises personal income taxes by a further $3.6 billion while at the same time increasing our national debt.

Unlike Prime Minister Thatcher or President Reagan, our Prime Minister (Mr. Trudeau) intends to cut the deficit by increasing spending as well as taxes. The share of Gross National Product now taken by Governments in Canada has already hit 40 per cent and is still rising.

We cannot afford to throw money around at a time when every third dollar spent is not covered by revenue but has to be

borrowed. You cannot increase investment unless consumption accelerates. If this does not happen, consumer demand will likely stagnate, which will be coupled with increased taxes along with high profile public works programs.

The only light at the end of the tunnel in this country is the fact that the international economy shows signs of improvement. If we had a Government which could complement this recovery with positive private sector confidence in this country we would indeed see a significant turnaround in the near future. Every time the Government borrows large amounts of money, the private sector must meet Government sector financing head on. The result is increased pressure on inflation and higher interest rates.

Bill C-151 and all the other borrowing Bills for which this Government has come to Parliament this session is an exercise in fiscal insolvency. Based on the financial requirements of $26.7 billion and existing borrowing authority of $16 billion, Bill C-151 should be requesting from Parliament $10.7 billion, not $14.7 billion.

The $2 billion cushion for this year is horrendous. However, the second $2 billion that is being requested from the people of Canada as a debt for their children and their children's children can exist indefinitely. I believe it is a conscious effort on the part of the Government to deal with figures of such magnitude as to dwarf the ability of the average Canadian to understand the financial ruin of his or her country.

Is this Bill, one in a steady stream, one that Canadians are to expect as this Government buys time as well as tries to buy votes as it grasps for power?

The extra funds that are being requested in Bill C-151 do not respect any attempt to live within one's means. This should be particularly true for a Government if any example is to be made. The slush funds that this Government keeps to pay off the Donald Macdonalds and the Alistair Gillespies of this country must stop.

The change that is coming will benefit all Canadians. I hope it comes before this current gang makes a bigger mess out of our economy and our country than it has already created.

The Acting Speaker (Mr. Corbin): Are there any questions, or comments? Debate. The Hon. Member for Simcoe South (Mr. Stewart).

Mr. Ron Stewart (Simcoe South): Madam Speaker, I stand once again to register my deep disgust with this Government over its fiscal ineptitude, its horrendous mismanagement of funds and especially its flagrant disdain of the serious and growing debt it is imposing on the nation. Trusting this Government financially is like sending Jesse James to the bank with your bank deposit. For the seventh time in this session of Parliament, the longest session in history and still to be concluded, this Government is coming to seek permission to borrow more money. It approaches this House only three weeks after bringing in a budget which added $31 billion to our existing gross national debt of a staggering $134 billion.

With this Bill it wants to increase that burden by an additional $14.7 billion. Of this amount, $2 billion does not have to be used this year; it may be carried forward into the future. The Government thus has a cushion of $2 billion for this year plus another cushion of $2 billion to be used in any year. Maybe it will be used for advertising. The federal Government is now the largest advertiser in the land, and perhaps the money will be used for the next election campaign to tell Canadians how good the Liberal Government has been.

I do not think any Canadian really wants to trust this Government with any more money than is necessary. Approval of this Bill would bring our gross national debt into the $180 billion range and this figure will likely soon reach the $200 billion mark. It is a legacy of debt to our children. It is disgraceful and it is disastrous for the country.

The projected financial requirements of this Government for the next four fiscal years total $93 billion. There is every reason to assume that the Government will be repeatedly back before the House over the next few years asking for permission to borrow even more money. Canadians' only hope in all this is that a general federal election will be called soon so that this Government can be turfed out and an end put to this greedy and irresponsible grab of taxpayers' dollars.

The debt created by this Government and being added to by this Government is becoming, if it has not already become, a permanent fixture in our lives. Not a very pleasant reality, I am sure.

A noted economist was reported as saying that even an economy with full employment could not wipe out Canada's debt load. Imagine that even with full employment! It is unreasonable to assume that the deficit we now bear is cyclical and will vanish when things get better. This is just not the case. Yet when introducing his budget last month, the Minister of Finance (Mr. Lalonde) had the gall to claim that adding to our over-all debt would eventually reduce it. I do not know how he does his mathematics. Does he really think Canadians are that stupid or that gullible? The only thing I feel sad about is that not more of a clamour is being put up by the Canadian public.

The Prime Minister (Mr. Trudeau) is the great man who gave us the just society. Now we have just a society. He gave us "the land is strong". We know the land is strong otherwise we would not have been able to stagger under the burden that we have had. It is the Government that is weak. The same Prime Minister who years ago boasted he had wrestled inflation to the ground now has a Finance Minister who claims he can beat the deficit into submission. That is tough talk, but that is all it is, talk. Talking will not eliminate the deficit, and that must be done before this country can prosper. Increasing the tax burden on Canadians will not eliminate the deficit. Further spending will not eliminate it. Only a cut in spending and proper fiscal management will do so, coupled with immediate action to halt unnecessary spending. That will put the brakes on the runaway deficit and it will allow the Government to gain control of the situation, if it is willing to bring in the measures to do it. A prime measure, indeed an absolute

must, would be the strict adherence to the historic and traditional necessity of accountability.

This Government is not spending its own money and it is not borrowing money in its own name. It is spending the money of the Canadian taxpayer and it is borrowing money which will be paid back by the Canadian taxpayer. Surely the Canadian taxpayer has the right to demand accountability from those who take these actions on their behalf.

Accountability means responsibility. We hear so much of human rights, but how many times do we hear about human responsibility and the responsibility to the Canadian people of that Cabinet across the way? When you use something that belongs to someone else, you are responsible for how it is used. When you do something in someone else's name, you have the responsibility to do it right. If you fail on one or both counts you must consider yourself responsible. You must consider yourself accountable. It is very simple, it is traditional, it is honourable and it is a concept that should be followed in this House, but which heretofore has not been. It is a concept of which the Government is either unaware or absolutely dismisses. This lack of accountability on the part of Government takes many forms. We have Ministers avoiding responsibility for their own actions and those of their Departments—such as the unresigned, the unrepentent leaker across the way. We have Ministers who avoid the responsibility of Parliament by announcing Government policy in public forums, such as the letter of the Prime Minister in the press today and his three stilted television appearances. We have Ministers who either participate in or condone the questionable dealings of former colleagues vis-à-vis Gillespie. We have a Government which avoids its responsibility to Parliament and to Canadians by an abusive use of Orders in Council to create everything from Crown corporations to positions of patronage, to odious and objectionable legislation, and even to internment camps. This deliberate avoidance of accountability is costly to Canadian taxpayers as well as being an affront to Parliament, to ourselves who represent the people and to the people themselves.

• (1630)

Many strong and reasoned objections have been raised regarding the Government's seemingly endless creation of Crown corporations. In his recent Report the Auditor General raised the alarm regarding the dangers inherent and evident in the existence of these agencies of Government. He said—and rightly so—that Crown corporations are "sub-Government" and that they should and must be accountable to Parliament and to the shareholders, which of course is the Canadian public.

It is common knowledge that the nation's actual deficit is far higher than the figures I have just stated. The debts being incurred by Crown corporations are not included in the Government total and they are not audited. In many instances tax dollars are being poured into these corporations with scant regard for the manner in which the funds are being spent. The actions of management are not subject to public or parliamentary scrutiny, and only inadvertently do we learn of the magnitude of the waste involved or of the gross ineptness of operations. I refer, for example, to CIDA and its top-heavy management, the debt load of Haiti of $22 million of taxpayers' money and the project being scrapped. There is no accountability and there have been fraudulent payments specifically pinpointed as being fraudulent, such as one for over $100,000. No one is accountable, and there have been no firings.

The Government's handling of the Crown-owned aircraft company, Canadair, is the most recent example of the inefficiency and waste of Government intervention and why it needs to borrow more money. The Government, without consulting Parliament, has given the company more than $1.5 billion, and the Prime Minister has said that Canadair will likely be asking for more money later this year. The final bill to the taxpayer for the development of the Challenger executive jet may reach the staggering sum of $2.3 billion, for an aircraft fitted with Lycoming helicopter engines.

Adding to the problem, the Government recently put Canadair under the management and control of yet another Crown corporation—the Canada Development Investment Corporation. It sounds wonderful! CDIC is not accountable to Parliament, so there can be little public confidence in entrusting this Corporation to handle the problems of another. The very creation of CDIC and the manner in which it is being run gives clear indication to any Canadian willing to think about it of the fundamental and costly error Government makes when it enters the private marketplace. Formed initially to get the Government out of the Canada Development Corporation, over which it tried to but could not gain control, CDIC was handed responsibility for Ottawa's interest in half a dozen firms. Naturally the corporation exists by virtue of 17 Orders in Council, not by the authority of Parliament. Sell it and reduce the deficit; that is what really counts, not borrowing money.

There has been debate over whether the Corporation was created to permit Government to gain control and power over the private sector or to provide more positions of patronage. It is my feeling that both motives apply. The chairman of CDIC is none other than Maurice Strong, a long-time Liberal and friend of the Prime Minister. The company president is Joel Bell, the architect of the Government's short-lived competitions policy, of the Foreign Investment Review Agency, that millstone around our necks, and the national energy policy. Lots of luck at the gas pumps! Joel Bell was also the man who devised the formula for a tax on consumers to pay for Petro-Canada's purchase of Petrofina. That tax is continuing even though it has been paid. This year Canadians will probably pay $800 million at the pumps, which they should not be paying, to bail out Dome Petroleum. The two men running the Corporation report to Senator Jacob Austin, formally the Prime Minister's principal secretary and directly connected with Canada's involvement in the uranium cartel—another sweetheart! All three of them are dedicated interventionists. Given what we have seen from their past accomplishments, we can be sure their attitudes have not changed.

In addition to Canadair, another Crown corporation now under the umbrella of CDIC is the de Havilland Aircraft company. It too is financially strapped and has been offered a pledge of financial support using Canadian tax dollars. Just this week the Government announced that it will be purchasing a number of Dash-7 aircraft produced by de Havilland for use as water bombers. Of course there is the budget scam known as a job-creation program for the purchase of water bombers, but it all depends upon whether the Province matches the federal Government. It seems that the only reliable customer for this Crown corporation is the Crown itself.

Earlier the Canadian military purchased a few of the Dash-7s for use as executive transport in Europe. The planes were purchased by the Department of National Defence as a replacement for the Cosmopolitan aircraft. The age of the plane to be replaced necessitated a new model, but the underlying reason for the purchase of the Dash-7s was that Canada wanted to sell them to overseas nations and we had to be seen as supporting our own product. Now we know that the $12 million Dash-7 is to be converted, to the tune of $37 million, supposedly to monitor ice. Ice could be monitored a lot cheaper than by spending $37 million on a $12 million aircraft. Canadair and de Havilland are two sinkholes now owned by Canadians who are expected to pump even more money into the gaping maws of each. As I have mentioned, the three men who now control the direction of CDIC played a large role in the creation of Petro-Canada. Petro-Canada is another perfect example of the serious problems which result when the Government intervenes in the private sector, problems which ultimately translate into debt.

Last year the Government imposed a tax upon the consumption of oil and natural gas to finance the purchase of Petrofina by Petro-Canada. As I stated, it should be over at the pumps, but Canadians are still paying that tax. Now it has decided to extend that tax to give the Crown corporation revenue to finance projects in the energy field. Grandly advertising itself as a genuine Canadian feat the corporation tells Canadians, "It's ours". According to a recent Gallup poll, Canadians do not share or accept the proud claim of possession. Some 60 per cent of those polled said they made absolutely no effort to buy their gasoline from Petro-Canada stations, and 45 per cent thought the corporation should be sold, so do I. Canadians fully realize the only thing that is ours is the debt being incurred by Petro-Canada.

Tax dollars are being used by an arm of this Crown corporation—it is a new one, another goody called Petro-Canada International—to assist developing nations to find their own sources of oil and gas. Last year the budget for Petro-Canada International was $21 million. That amount is to more than double this year to $55 million, and the person in control of it answers only to the Minister, not to the House.

Canada will spend almost $80 million in two years to help nations like Tanzania, Senegal, Thailand and Sri Lanka supposedly to become energy self-sufficient, with no assurance of achieving that. Because Petro-Canada is a Crown corporation, not accountable to Parliament or to the taxpayer, the Government does not have to bother justifying anything. How can the Government justify taking tax money from Canadians to aid others when Canada itself is nowhere near self-sufficient in energy? The megaprojects are all cancelled, and the Beaufort Sea project is gone. It cannot even justify the millions and billions it spends on other foreign aid in the form of what it terms soft loans. The Auditor General also raised this issue at the time he presented his very interesting Report. He said that the $4 billion in interest free loans given to developing nations should really be classified as gifts and should be recognized as such for purposes of accounting. Is it any wonder we have to borrow even more billions of dollars? They have been frittered away. By keeping these gifts or grants on the books as loans, the Government is concealing funds which should properly be listed as debts.

I think it is significant that whatever area of Government we examine—and it does not matter where one looks, be it the Report of the Auditor General or the financial situation of the country—the common denominator is not deficit, it is debt. It is deep, dark, dirty, dreaded debt. We have official debts. We have Crown corporation debts. We have debts disguised as loans and letters of comfort. I would suggest that the Government write a letter of comfort to the Canadians who are underwriting these debts. The greatest comfort Canadians could have would be to receive a letter from the Government in the form of a writ announcing the calling of a federal general election. That would truly be a letter of comfort to Canadians.

The Government is before us asking for permission to plunge the nation even deeper into debt. The deficit being incurred by the Government in the name of all Canadians clearly reveals its incompetence to handle its affairs. A major part of the problem is that the Government, through Crown corporations, either establishes companies in competition with those in the private marketplace or tries desperately to salvage companies which cannot compete successfully in the marketplace.

• (1640)

I would now like to touch on the bilingual program in Canada. All of us support the Official Languages Act, but it is being twisted, warped and no longer has merit in the marketplace or in Government offices. Linguistics now take preference over merit. The total cost of the bilingual program, which is absolutely non-productive spending, in 1981-82 was $433,597,000. The projected cost for 1982-83 is $453,222,000.

Maybe we could take a minute to see if this is being done equitably and fairly and whether the money is being well spent. Maybe we should examine a speech by the Secretary of State (Mr. Joyal) to the Federation Acadienne de la Nouvelle-Écosse on November 13, 1982. At page 2 he said:

—because everything we undertake and everything we are doing to make Canada a French state is part of a venture I have shared for many years—

On the same page he states:

—making Canada a French country both inside and outside Quebec—

If we look at the spending he is talking about, this half a billion dollars. We find that he said this at page 3:

—financial support will be required to fund the cases, to fund the actions that will force the courts to rule on what "where numbers warrant" means and what an educational institution is, because, you know you and I have a long memory now.

A little later on he states this with regard to financing:

Francophone rights cannot be bought, sold, subtracted, divided or multiplied in terms of dollars and cents in the budgets of a troubled economy, and that will apply, I promise you, for as long as I am Secretary of State for Canada. If I have to cut back some programs—and I've already done so—there is one area in which I have no intention of using the scissors: the advancement of Francophone rights in Canada.

On page 8 we read this:

Accordingly, the first thing I did when I joined the Secretary of State Department was to tell the bureaucrats to prepare a development program for French universities, or rather French universities across Canada, in light of the resources and economic characteristics of each region.

Obviously we are going to spend more money. I now refer to *Hansard* for March 2, 1981 page 7773 where the Hon. Member for Vaudreuil (Mr. Herbert) asked Question No. 1,934 as follows:

What is the budget for the current fiscal year of the Official Language Minority Groups Directorate of the Department of the Secretary of State and what is the (a) percentage (b) per capita allocation of this sum to each official language group?

The answer was:

The budget of the Official Language Minority Groups Directorate for fiscal year 1980-81 is $15 million.

The answer stated that the allocation of the budget was as follows: Francophones outside Quebec, $14,073,800 or 94 per cent, Anglophones in Quebec, $926,200 or 6 per cent. I do not call that fair. We all want and have rights in this country. That does not smack of rights to me.

The *Financial Post* is now carrying stories about what is happening in this country. You must be bilingual to have a job at the Fredericton airport. This applies even to those who have worked there for 15 years. I quote from the article:

None of the eight women who staff car-rental booths at the airport speaks French. To satisfy the new policy, all must either learn, or be replaced.

"I think it's stupid" says an angry Judy Martinson.

She claims that in 12 years staffing the airport's Avis booth, she has never had problems with a customer because of language.

This is to be implemented at Yarmouth, Nova Scotia, Wabush, Newfoundland, Timmins, Sault Ste. Marie, Sudbury and North Bay in Ontario. There will be a tremendous backlash if we do not start treating Canadians all equally.

I pointed out in the House today that $454,000, almost half a million dollars, is being allocated to the celebration of Jacques Cartier's discovery of North America. We all laud that. We applaud it. We want to do that. The total cost is $1.6 million. But when we are talking about Gilbert, the first colonizer of Newfoundland, this year we can only come up with some $394,000. Does that smack of equal rights and is the money being spent properly? There is a litany of horror here that does not support the merit system, only by merit of linguistics.

My colleague, the Hon. Member for Carleton-Charlotte (Mr. McCain) in a recent speech decried the fact that he voted for this legislation. He too, as are all of us, is not opposed to the Official Languages Act, but terribly opposed to the way it is being negated. At the conclusion of his speech he said:

I must, Mr. Speaker, say to this House, to my constituents and to Canadians, that I have been betrayed in the bilingual program. I supported it. I have to ask that it revert to what it was. Canadians have been betrayed and their resources mismanaged.

That is one aspect of this. We know economically that everything smacks of mismanagement. I conclude by saying that as English-speaking Canadians, we demand fair treatment—not special treatment, just fair. We demand that the merit system remain in place. We demand that the deficit be cut and that linguistics not be given preference in the job market.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Kootenay East-Revelstoke (Mr. Parker)—Energy—Government coal pricing policy. (b) Request that coal acreage be returned to British Columbia; the Hon. Member for Halton (Mr. Jelinek)—Trade—Request that trade offices be established in Taiwan. (b) Possible sale of Candu nuclear reactor to Taiwan; the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Medical care—Scheduled imposition of user fees in Alberta. (b) Inquiry respecting introduction of legislation.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1983-84 (NO. 2)

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Cosgrove that Bill C-151, An Act to provide supplementary borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, on April 21 I, as the Member of Parliament for Vancouver East,

sponsored a community meeting on unemployment which may be of considerable interest to the Members of the House and certainly, I hope, to the Government. About 150 people turned out. There was quite a mixture of unemployed people, people from different ethnic groups in my riding, representatives of Canada Employment and a number of resource persons. We were pleased that Bishop De Roo of Victoria, who is involved in the Canadian Conference of Catholic Bishops and their statement on "Ethical Reflections on the Economic Crisis", opened this session.

There was very profound discussion. Also, we had six workshops, I would like to state some of the findings of these workshops which were made up of ordinary people. People who are unemployed and very depressed came up with some very positive suggestions from which we may all learn. Also, in the householder, which was mailed to every constituent, we included a questionnaire. Replies are beginning to flood back. I will be glad to make this available if anyone is interested. The replies to some of these questionnaires show feelings that we never see in Parliament. We have statistics, generalizations and reports. We think we know our own riding, but it really hits you when you hear from individual people. For example, an unemployed copywriter feels isolated, depressed, rejected and worthless even though he has considerable skill.

Mr. Deputy Speaker: Order. The Chair has a little problem with relevance at this point. I know a borrowing authority Bill gives a fairly wide scope. Perhaps the Hon. Member could relate her remarks to the subject of the Bill.

Mrs. Mitchell: I certainly will relate it. I assumed it was implied in the topic. Much of the money to be borrowed under Bill C-151, $14 billion, will be used for job-creation programs. I wish a lot more of it was being so used. The unemployment situation in Canada is truly disastrous.

• (1650)

I want to go back to those very interesting recommendations which I hope will be of interest to the Government because they deal with that very thing and show how the money could be used much more effectively. Some of the human resources that do not cost much are being wasted. They could be mobilized for more self-help and positive programs.

I will mention some examples of people caught in this situation, just to bring matters down to earth. Most of us cannot even comprehend $14 billion, but my examples show real life.

There was an apartment manager and former landscaper who is now on welfare. They only help he feels he is getting from the employment office is that he has been put on a waiting list there. An unemployed secretary is losing confidence but has all kinds of good suggestions for things that could be done. A young man of Chinese extraction, aged 22 is an accountant. He has a part-time job now, after looking for a job for eight months and wasting 200 resumés in the process. A child-care worker with a university education cannot get work. There is a yardsman where crews have been reduced and he feels that the unions have not cared enough. An unemployed timekeeper with lots of experience is on welfare. A trucker aged 53 has lost his recall rights through the union but he has ideas on employment of younger people. A single mechanic aged 25 lives in a dump and says he has lost his goals, and that to survive he begs, borrows or steals. An immigrant whose son is not working feels that we need more manufacturing and better co-operation between labour and management.

I could go on and on giving examples but there is not enough time, Mr. Speaker. I wanted to bring to the attention of the House something that is related to a Bill and the kinds of things that the money should be spent on.

In Vancouver East, unemployment has increased 125 per cent over the past year. Workers who had expectations of a good life for themselves and their families actually suffer culture shock. I find that it is almost worse for people who have been comfortable with savings and a home and who are not the chronic unemployed on welfare. They experience culture shock as they lose cars and homes and in many cases families as a direct result of unemployment. Young people told me that they cannot get into the system. They are told in grandiose terms that they are the hope of the future, the pride of tomorrow, yet they feel hopeless, disenfranchised and discouraged. They cannot get training or jobs and so cannot gain experience. Older people face extreme pressures as children in their twenties and thirties return home to become dependent on their parents.

We held this meeting in the Native Indian centre. Native people, with 75 per cent unemployment, suffer the greatest hardship. Immigrants find that their skills are not being used they cannot get welfare because they are immigrants. Often their sponsors are unemployed as well. Families are under considerable stress and are breaking up. Poverty is worse than ever and crime is increasing. This is what we were told by people working with the unemployed and by the victims of unemployment. As I said, the group came up with a number of recommendations in six workshops. They had some survival tips.

First of all, they want more information regarding Canada employment job-creation programs. The respondents to the questionnaire said over and over again that they do not know what Government programs are available.

Job-creation programs should not be restricted to those on Unemployment Insurance. This is discriminatory. Many young people and women who have not been able to get into the work force and on Unemployment Insurance feel that the jobs are going to the lucky ones, those who at least have Unemployment Insurance benefits. Welfare rates should be increased considerably. There were a number of recommendations that will be passed on to the provincial Governments. There should be free bus passes so that unemployed persons can go to look for work or training.

It was felt that much could be done in community job creation. The money that is available at present for many short-term, stop-gap job-creation programs might be better

used in co-operation with the community to create community enterprises that would offer more permanent jobs. That would be a better investment for some of this $14 billion in the Bill. Government grants and programs should respond more to the people. Again, the bureaucrats and the Government lay this on from Ottawa and take a long time to set it up, so much money is spent on the bureaucracy when there could be a more creative way of working with the communities and using their ideas. Action is needed to minimize bureaucratic red tape and to improve Government services. It was felt that we should re-examine the whole question of obsolescence and expand training programs.

There were a lot of complaints about training programs, Mr. Speaker. The Minister says that the new Training Act will be beneficial and more programs will be available. But people in the community find that there is a five-year wait for many training programs.

The Government should introduce long-term employment programs instead of band-aid programs. There should be more offices for part-time and casual employers. In Vancouver there is one office that is quite separate and is inaccessible to a lot of people. It was suggested that there offices should be part of every employment office so that more part-time and casual jobs would be readily available.

There should be job creation for native people who face the greatest unemployment, and this should be given higher priority bu all levels of Government. There should also be affirmative action. There should be more funds available for reforestation jobs and there should be an increase in the amount of Government land available for public housing programs. More environmental cleanup and pollution control in the rivers and lakes as well as the other areas is required. Native counsellors are needed to replace non-natives to work with native people in employment offices.

The workshop on technological change and training had some very good suggestions. It felt there must be more education of the public about technological change. There is great fear and misconception abroad. This requires long-term planning toward human beings. I should like to stress that, Mr. Speaker. We are talking about incentives for high-tech training, and a lot of the money provided by the Bill will likely go toward tech-change incentives. Yet we are not planning for human beings. We cannot stop technological change; we need it but we can also invest in human beings and retraining for alternate kinds of jobs, for shorter work hours. More attention should be paid to a guaranteed income.

People should begin to prepare for several career changes throughout their lives. Education programs must be changed. It was pointed out repeatedly that our institutions are out of date and are not really training people for the future. A fundamental restructuring of education is needed. High school students are being misinformed. They are being offered training programs in traditional careers which are no longer relevant.

Employed and unemployed people must work co-operatively. Unions must be just as concerned with the unemployed as they are with union members and people who have never been in a union.

The Unemployment Insurance Act should be changed. It is based on the assumption that people are cheaters. There is a negative, punitive quality in our Unemployment Insurance Act. Applications for Unemployment Insurance should be simplified.

Wages for Government programs are too low. There should be a minimum wage standard and better co-operation between federal and provincial Governments to make sure that we do not exploit people who are victims of unemployment.

We had assumed that the youth would go into other workshop groups, but they said we have forgotten them and left them out just as everyone else does. Of course, a group was formed especially for them. They felt that unemployed youth and students should not be treated differently in the Summer Canada Program, for example, which excludes youth who are not students, that this was a kind of elitist approach. Young people who have been out of school and out on the streets all winter still cannot get summer jobs. Therefore, they felt there should be general job-creation programs to open up opportunities for all youth. Youth should have a voice. There should be an advisory committee of youth, and youth must organize and lobby and be heard. Out of this meeting, I am glad to see that they agreed to form such a group.

• (1700)

Private industry should do more to help young people to get jobs and experience, even those who are training in colleges. The co-operative kind of training which is being done in some colleges, where there is training on the job, is extremely important. Even if it does not pay, many young people would be willing to do this in order to gain the experience which will qualify them when a job does becomes available. These young people have said that the educational system must be more relevant and honest so that young people will not be so disillusioned. Career courses are trite. Higher education should respond more rapidly and realistically to the needs of youth.

We had a workshop on workers' co-operatives, which I spoke to in the past at some length and which I will not mention today.

We feel that job-creation funds should be made available to small business, and perhaps people on Unemployment Insurance, during a developmental stage, should be allowed to work both in small businesses and in community co-operatives, if it is training people and creating permanent jobs.

Finally, Mr. Speaker, we, in our community—and I would suggest other Hon. Members might be interested—have a continuing group which will be concerned about unemployment. We have also a workers' co-operative group which formed out of this experience. I will personally be meeting with the Minister of Employment (Mr. Axworthy) and his officials, to try to work co-operatively in a non-partisan way to deal with these recommendations on behalf of unemployed people in my riding, who are very typical of Canadians generally.

Mr. Bill Domm (Peterborough): Mr. Speaker, I am going to spend the 20 minutes at my disposal by taking advantage of this opportunity to tell the House some of the horrendous nightmare stories which have occurred because we have an uncaring Government which refuses to take into consideration the wishes of the majority of its constituents on priority matters pertaining to the spending of our dollars. I am going to deal particularly with the subject of the Metric Commission. The Metric Commission to some Hon. Members in the House might be perceived to be the kind of commission which is doing a service for the Canadian people. In reality what it is doing is creating one of the greatest cost drains to the consumers in Canada. At the same time it is causing the Government of Canada to require huge sums of money—and I am not talking about thousands or millions but about billions of dollars—which are being consumed by the Government of Canada, through the suggestions of the Metric Commission, to bring about this forced "march to metric".

It would not be so bad, Mr. Speaker, if we had a Government which would instruct, request or demand of our Metric Commission that it show some cost justification for a forced "march to metric". What we have is a situation where we have to go south of the border to the United States in order to obtain a study which was taken there so we would have some idea of just what it is costing to ge metric in Canada. I can report to this House that in the United States, the General Accounting Office of the United States Government commissioned a study to find out what it would cost if the American people went metric against their will. The final conclusions of the GAO are that the major reasons why the American industry and businesses backed away from going metric is that it would cost between $60 billion and $100 billion. This is what it would cost in the United States if it were to bring about a mandatory "march to metric".

In Canada there was also a report, and an update, on the move to metric during the short time of the Conservative Government in 1979. The big stumbling block concerning metrication in the U.S. was the inability to determine costs and benefits which were cost justified. A report prepared by the Conservative Government in 1979 stated that, based on the limited cost data available to the Comptroller General of Canada, the cost would be somewhere around $100 billion in the United States. So we not only have it confirmed by the General Accounting Office in the United States, but it is reported in our own records in the House of Commons.

Having said that, I wonder what is the reason that we have such an interested group of metric commissioners spending at will hundreds of millions of dollars to bring about this "march to metric". After four years I finally obtained a list of the metric commissioners; where they came from, what they did, how much they get and why they are there. We have a litany of Liberal involvement in Party politics sitting as 20 paid commissioners on the Metric Commission. What do these 20 commissioners receive in remuneration for their work on the Metric Commission, which is paid for by borrowed tax dollars by this Canadian Government? They receive $250 a day plus all their expenses. We have Liberal campaign managers. We have Liberal fund raisers. We have Liberal candidates to feed it in provincial elections. Not all of these people, but most of them, constitute active Liberal involvement in Liberal activities across this nation.

We are to believe, as Members of Parliament, that we are going metric because industry wants it, because the construction industry wants it, the industrial sector wants it and the grocers want it. That is simply not true, Mr. Speaker, and I say this with all due respect to those who are in the House of Commons. The grocers did not want it. They passed a resolution at their meeting before the Order in Council was passed that they did not wish to spend the money on going metric in the retail food sector of Canada. The Government could have saved $32 million a year if it had listened to the retail sector, particularly the grocery sector, who specifically held press conferences and attended meetings of Government officials and said it did not wish to go metric.

What about the people? What do the people think about a $32 million Metric Commission budget? That is $3 million in salaries, $2 million in propaganda, advertising. What do the people of Canada think? We could refer to surveys carried out by independent groups. We could go to Dominion Store which surveyed not less than 68 per cent of its store retail purchasers who did not wish to go metric. We could go to the Canadian Federation of Retail Grocers, 85 per cent of whom were surveyed. We could go to CKO, National News, Radio which commissioned an independent consultant in Toronto to carry out a survey. What was the result of that? Even the school children, even the young people in the age group of 18 to 25 do not wish to go metric. And we have a Metric Commission laced with dollars by this Government, this uncaring Government. We have a Metric Commission laced with taxpayers' dollars which is spending hundreds of millions of dollars a year.

We thought in 1974, when we set up this Metric Commission at an annual budget of $44,000, that that would be ample in order to assist the various sectors in this country to go metric. That $44,000 annual budget in 1973-74 has grown to a $32 million annual budget with a $3,200,000 annual payroll for the Metric Commission in its ivory tower here in Ottawa. We saw an Order in Council passed by the Liberal Government in 1971 which said there shall be up to 15 commissioners, people with their snouts in the trough, the pork barrel group of Liberal workers, at a daily rate of $250 plus expenses. Orders in Council have since been passed requiring more metric commissioners; there are over 20 of them now. Why, they have the editor emeritus of the Lethbridge *Herald*, a Liberal, whose job it is to shadow me across the country writing letters to the editor. This same Cleo Mowers, metric commissioner, editor emeritus of the Lethbridge *Herald*, while a commissioner, was paid by the Toronto *Globe and Mail* to write an article on the editorial page of the *Globe and Mail* on the reasons why we should go metric.

• (1710)

Mr. Lapierre: Hear, hear!

Mr. Domm: I hear a "hear, hear". Who said that? A Liberal! Let me tell you, you are paying a metric commissioner with taxpayer dollars to advance the policies of the Liberal Government.

Mr. Lapierre: Sure.

Mr. Domm: He has no business as a commissioner being paid to write articles by the publisher of the *Globe and Mail.* That is a conflict of interest. And when I, as a lowly Member of Parliament write a letter to the *Globe and Mail* asking for equal space to give the Opposition view, they turned the letter down because it did not meet their criteria. That is selective journalism, it is dangerous and you support it, and you have no business as a Member of Parliament condoning such an inexcusable action.

Mr. de Corneille: Mr. Speaker, the Hon. Member is addressing another Member directly, and I believe he should be speaking through the Chair.

Mr. Deputy Speaker: I am sure the Hon. Member for Peterborough (Mr. Domm) will take note of the comment.

Mr. Domm: I said: "The Hon. Member opposite had no business", and that is perfectly parliamentary, to the best of my knowledge.

Mr. LeBlanc: Your knowledge is limited.

Mr. Deputy Speaker: The Hon. Member has made his point. I think *Hansard* will disclose what took place.

Mr. Taylor: Your conscience is hurting, that is your trouble.

Mr. Domm: Let me show this House of Commons how inexcusable the Metric Commission budget is. Can you imagine a Metric Commission in Canada today letting a contract for $89,000 to a consultant in Unionville to rewrite the football rule book in order that we can change Canadian football to metric? That is $89,000. If that is not enough, can you imagine the letting of contracts to fitness organizations under the guise that the organizations are bringing about body measurement in metric? They spent $50,000 to spread that propaganda across the nation. Can you imagine Metric Commissioners spending $2,000 to have their pictures taken, framed and hung in the Metric Commission offices? They would do well to hang those pictures in some other area after they have deceased. What kind of restraint program is it where you allow that kind of money to be spent without any concern for the Canadian consumer?

Let us listen to what the President of a major grocery store chain, Loblaws, has to say. Let us listen to what Dave Nichol said as he paid for a radio commercial. He said:

> I'd like to give you all the details—

He is referring to one of the products:

> —but one of the problems of doing a radio commercial for a supermarket is that the Government in some areas of Ontario insists that with a number of products you have to give the details of your specials in grams or kilograms, but in my opinion, people also want to hear about ounces and pounds, so it takes you 60 seconds to cover just a few specials.

Is that consideration for the retail sector, to double its advertising cost in order that the Government can control the media in the move to metric? Why is it that in a Government which says all the retailers, carpet dealers, service stations and grocery stores must go metric, the Minister of Indian Affairs and Northern Development (Mr. Munro) has let a contract for housing to be built in the Yukon Territories and there is not a metric measurement in the blueprints? How does the Government justify pumping gasoline by the gallon at the Canadian Armed Forces base in Trenton? How does the Government justify weighing parcels at small retail store post office operations, and saying it is all right to weigh parcels in pounds, you do not need a metric weigh scale, but when you go to the front of this same store which is selling groceries, it is illegal to have an Imperial weigh scale? How does the Government justify that? How does the Government justify letting a contract for the CF 18A, the largest contract ever let by any Government in Canada, and it is built totally in Imperial measurement? How does this Government justify letting a contract to Madam Benoit and Bruno Gerussi for $110,000 so they can travel across Canada cooking up metric soufflés? There is the release and they are proud of it. The Metric Commission thinks that is just topnotch. Here we have a Metric Commission which lets out a contract for $150,000 for consultant fees to work on different modules of the metric study. Imagine, consultants, all listed here, paid $150,000 to help them ram it down the throats of Canadians!

How does this Government justify a policy which allows the Department of Consumer and Corporate Affairs to insert a pamphlet entitled "The Metric Way" to be inserted in the Family Allowance and Old Age Pension cheques when it is laced with untruths? Why is the Minister of Consumer and Corporate Affairs (Mr. Ouellet) not protecting the Canadian people against false advertising when in this brochure it says that the world is going metric and Canada cannot afford to hold back, and that includes the United States? Well, I will remind the Minister that the U.S. threw out the Metric Board, changed all the gasoline pumps at Shell, Amoco and Chevron back to gallons, and there is hardly a retail outlet anywhere in the U.S.A. where you can buy meat in grams.

Between the United States and Great Britain we do 86 per cent of our exporting in Imperial measurement. Members across the way look as though they doubted this. You are going to use wheat and say we take bushels, and since we are going to convert to metric tonnes we will sell to Russia in metric. Good Lord, Mr. Speaker, we have sold to Russia in metric any time they wanted our metric tonne, and we could sell them in metric if they wished and in Imperial by choice, not metric by force.

What about the Chairman of the Metric Commission, this gentleman who makes $275 a day plus expenses? That is Mr. D. R. B. McArthur who has an office on the third floor of 255 Argyle Avenue. He has rented space from a private firm and has large sofas, a VTR TV machine for transcribing television

shows. However, it is almost never used by McArthur who spends most of his time in Edmonton and is barely known by Commission staff—this in spite of the fact the Commission order calls for a full time chairman. That is the kind of costs that we object to in the move to metric.

• (1720)

Former Executive Director, P. C. Boire, once spent $7,000 of the taxpayers' money on the printing, distribution and mailing of a speech. Where did he make the speech? He made it to the American National Metric Council in Washington. That was $7,000 to print the speech which he made in Washington. I have all the correspondence and memos to substantiate this.

What about the $12,000 plus, not including staff salaries and overtime, for the production of a promotional calendar? I have here a calendar to commemorate 100 years of Canadian football. Mr. William Robinson, the Executive Director of the Canadian Amateur Football Assocation, said, "It is a good promotional vehicle for us. It did not cost us anything. But as a taxpayer, I could see the money being better spent." He not only said it, he said it on CP and over the air. The Metric Commissioners had the gall, in this football calendar that cost $12,000, to say that they had the suport of the Canadian Amateur Football Association. That is nonsense. We are being misled every time we turn around. If there is any doubt about that, ask the head of the Canadian Amateur Football Association.

What about the $300,000 that has been awarded to Warwick-Bradshaw, Liberal supporters, for contracts ostensibly for advice on the retail scale program? The costs of the retail scale program is a nightmare. We have scale companies voting us into metric. They are sitting on the Commission. They have voted us into metric and have had more votes at some of their meetings than have the people in the retail food sector. Imagine Toledo weigh scale companies from Japan and Germany having their company representatives sitting on the Metric Commission. They say "Yes, we want to go metric." They voted us into metric.

Finally, we cannot leave the subject without saying that the present Government has already announced the abolition of the Metric Commission. It will phase out over the remaining year and a half. That is just in time for the next federal election. At least in the five-year fight to get rid of this Metric Commission, which drains the Canadian taxpayers of $32 million a year and has spent $2 billion indirectly through the industrial and construction sectors for which only the consumer and sometimes the taxpayers who are not consumers can pay, we can save the country probably $6 billion to $10 billion, if we took the time to eliminate the Metric Commission.

Mr. Lewycky: Mr. Speaker, is the Hon. Member aware that the person who produced a paper to bring us into voluntary metric, and we now have compulsory metric, is the same Minister who is now introducing the Crow rate changes in the House of Commons?

Mr. Domm: Mr. Speaker, I welcome the opportunity to respond to the question. I would point out to the Hon. Member that it was the Conservative Government which abolished the Order in Council forcing metric on the retail food sector. The Hon. Member for Capilano (Mr. Huntington), who is in the House now, was the Minister responsible at the time.

I might add that we have been accused of bringing in metric to the carpet industry. But I would remind Members on the Government side that while March 17, 1979, was the date on which the Order in Council affecting the floor covering industry was Gazetted, which was after the federal election, the Cabinet of the Conservative Government was not sworn in until June. It was the Cabinet of the Liberal Government that Gazetted the Order in Council on floor-coverings on March 17, 1979.

As far as metric and the cost to Canadian taxpayers is concerned, it was the Conservative Government which took action to reduce the consumer demands for dollars in order to pay for the insatiable appetite of this giant cookie monster, the Government and the Metric Commission, that have had their hands in the jar ever since the Commission was appointed at a cost of $44,000 annually and now costs $32 million annually.

Mr. Flis: Mr. Speaker, would the Hon. Member who just spoke explain to the House how he justifies the fact that the Conservative Government of Ontario sent a dictum to all the schools in Ontario as far back as 1971 ordering all schools in the Province of Ontario from that day forward to teach the metric system? We now have students who have been raised on the metric system from Grade 1 to Grade 13. I would like to hear his views on what he would suggest to the provincial Government. Will he demetricate all these students who have spent 13 years learning the metric system? This is a policy of the Conservative Ontario Government.

I cannot understand why the Hon. Member is so quick to abolish metric when he knows that world trade is going metric and that whatever country goes metric will get the future markets in developing countries, such as those in the Middle East and the Pacific Rim.

I am fascinated by the fact that every time the Hon. Member rises to speak, it does not seem to matter what subject is before the House, he turns it around and speaks about one thing, namely metric. He is almost paranoid about it. Surely his constituents elected him to represent them on other topics than only metric. I fail to understand it and I would like to hear how he justifies the difference between the provincial Conservative position on the metric system and the federal Conservative Party's position on metric?

Mr. Domm: I welcome the opportunity to answer the three questions as briefly as I can. The Hon. Member's first question concerned education in the schools. We have been educating students in schools on metric since 1871. I find nothing wrong with that at all. I believe it is a great attribute to be able to speak French and English, and I do not see anything wrong with being able to use both metric and Imperial. I am only saddened that our schools are not teaching both. I think

schools would be remiss in the responsibility to students in this nation if they dropped Imperial from their curriculum. I, as well as the Minister of Education for Ontario, have urged that a study be undertaken, which is now being done to justify the dropping of the Imperial measurement.

As far as the whole world going metric is concerned, it has been doing so since 1871. We are not against metric, but we are against bringing it in mandatorily at a time when it cannot be cost jusfified in sectors that do not want it.

With respect to the third question about my constituents, I do not know whether the Hon. Member polls his constituents but I polled mine. I challenge the Hon. Member to poll his constituents and ask if they support mandatory metric or if they would like a voluntary process of its implementation.

I polled my constituents last month and the results which came in this week show that 76.5 per cent, on a return of 5,300 ballots, are opposed to mandatory metric. I also asked if they would support a court case if 37 Members of Parliament were to go to court to fight the mandatory aspect or whether Members of Parliament should lie low and let the Orders in Council take effect. Of that number 73.4 per cent support the 37 MPs going to court. I only wish André Ouellet would do what he said—

Mr. Deputy Speaker: The Hon. Member is referring to the Minister by name.

Mr. Domm: I am sorry. I only wish the Minister of Consumer and Corporate Affairs would do what he said he would do in December of 1982 when he went on national television and called a press conference to say that if the 37 MPs opened a service station he would prosecute. Why will he not take the 37 MPs to court so that we can defend the right to choose versus the Government's right not to choose? Why will he not take us to court? He knows that we will not cut the seals. He cannot deport us as landed immigrants. He cannot do any of those things that he can do to Jack Halpert. Why will he not prosecute the 37 MPs? I wish he would.

• (1730)

Mr. Ron Huntington (Capilano): Mr. Speaker, I must say that I always enjoy the vigour and the spirit of my hon. colleague, the Hon. Member for Peterborough (Mr. Domm) on this subject. I admire very much the crusade he is carrying in Canada against the mandatory imposition of the metric measurement system. He is to be commended, and he certainly has the support of his colleagues, at least on this side of the House.

We are dealing with yet another borrowing Bill, Bill C-151. The Government is back once more to the House asking for another $14.7 billion, at least $4 billion of which is not really needed. It is not in the Government spending plans or its budget, and the Government cannot justify it in this further request for taxpayers' money.

Of the $4 billion that is surplus in this seventh request to this session of Parliament, $2 billion is a little cushion, a little pad, $2 billion which the Government wants to tuck under the mattress to carry over into the next fiscal year beginning April 1, 1984.

What we have seen in the budget is a program of immediate spending with the idea of assisting some consumer spending, the idea of giving a lift to the spending and the cash flow of the country whereby the Government can say its policies and its six and five program and all of these things are working. We hear time and time again from one Minister after the other and even from some bank presidents in Canada that things are good, that we are through the recession, that we will come out of it and there are bright days ahead. With the spending programs of the recent budget, the Hon. Minister of Finance (Mr. Lalonde) assures there is a bubble. Yes, there is a bubble coming as a result of the policies in the United States. Our great market to the south has its inflation under control, its interest rates are down and normally there is in Canada a nine-month lag following corrective measures or erroneous measures that take place in the U.S.A.

As I said, we are into the seventh borrowing Bill. I might remind Hon. Members that these borrowing Bills are in addition to Section 38 of the Financial Administration Act which gives the Government automatic power to borrow to retire maturing instruments or debt already in the system. Unless you get a memorandum from the Department of Finance and understand fully what this total borrowing is in order to handle maturing debt plus the interventionist programs of this interventionist Government, we really have difficulty in keeping a handle on just what is going on.

Bill C-151 is one more example of the cry of some of us that the whole process of supply and expenditure in the Canadian Government is out of control. The whole federal system is out of control. Both the federal and provincial systems in this country are out of control as a result of this idea that all answers to all problems of the population can be solved by the Government.

It seems that we have been conditioned to expect that Government will take care of all our problems and we no longer have a sense of self reliance among ourselves as a people. We are used to so much rhetoric on recovery and on the subject matter of Government programs, what they will do here and what they will do there that year after year we get program after program. If you go back and take a good, hard look, you find they are the same old programs on which the Government has not spent money that are being recycled with new words and being brought forward with new headlines to keep the people under some kind of opiate and under the illusion that this place is doing something constructive.

We now hear from the Minister of Finance and other Ministers in this Government that the recession is over, that we have this bubble of recovery. We heard that things are going to be good. We have had notice that even things like tax-free savings for equity in a home can be used to purchase furniture and consumer goods if spent within the next immediate period of time. All of these things are stimulants, but do we see the consumer really buying these measures and this

rhetoric that all is well and that all will start moving again? Yes, I see out on the West Coast some recovery in housing sales. Prices have dropped about one third. Interest rates are down, and there is some stimulus and some movement there. If recovery is really on the way, Mr. Speaker, it is my opinion that we will not have a sustainable recovery in this country until we start to see capital goods move and until we start to see business and organizations within our economy that add to the value of goods starting to buy new plants, new equipment and replacing equipment which can no longer add to or improve productivity. Until we start to see a solid movement in capital goods, it is my opinion that we will not see a sustainable recovery.

Most people from the business community in Canada are quite pleased with the budget. It appears that the apparent continuing intervention and the apparent continuing attack on the disposable income of Canadian business and Canadian people has been arrested with the most recent budget of this Government. The Minister of Finance has certainly arrested the great concern we had as a result of the series of three previous budgets.

If the Government really means what it says in this budget, if the Government is withdrawing its interventionist attack on the business community, and if it really wants a sustained forward adjustment in the Canadian community, we will have to stop placing the blame for our dilemma on the cold winds of economic recession that blow from the north, that blow from Europe and that blow from the United States. For many years now we in Canada have been sowing the seeds of our own cyclical economic troubles.

I can remember a couple of years ago having the privilege of being invited as a Canadian delegate to a conference in Ditchley, England on the impact of lower rates of economic growth on western nations. I was shocked to find myself taking the minority position of one at a world conference table saying that the western world had to get used to lower rates of growth if we were to adjust to the future ahead because the Third World was rising and demanding its fair share of limited world resources and limited world energy. To stimulate consumerism is okay for the short-term effect. That is what the budget is doing. But you will notice, Mr. Speaker, that the budget and the spending required in Bill C-151 is short-term spending and short-term stimulation, with the cost of this immediate policy of this Government being postponed to 1985-1986.

What we are dealing with in this Parliament today is very short-term. The Government is not addressing long-term correction which will involve fundamental and basic attitudinal and anticipated change right across Canada. We hear the Right Hon. Prime Minister (Mr. Trudeau) speak in these terms. He fascinates me when he speaks in these terms. But in my opinion he keeps blowing it by coming up with half truths or contradictory actions following a fundamental truth that he is addressing. As a result, he has thrown the country into confusion. He has thrown people like myself into confusion and his credibility is wanting in terms of long-term correction. His Government is involved in short-term, immediate political correction in preparation for an election down the road. Whoever wins that election will have the job of paying for these immediate short-term policies.

• (1740)

Consumers are not buying. As I mentioned, there is some movement in housing on the West Coast, but basically consumers are sitting on their savings and reducing their debt. Until there is stability in the system, until we get away from the short-term cyclical interest rate, until we do some planning into the future as individuals, as corporations and as a nation, I suggest the measures in place today are very short-term indeed. Now we find banks pushing money. They are advertising and saying, "Come borrow, come buy", just after going through a couple of years of seizing, bankrupting and forcing people into soft and hard receiverships.

Every Canadian is involved in the recession. All expectations across the land, the expectations with which we have grown to live over the last two decades, have to be questioned, until we get those expectations back down to practical, realistic levels, until we start adjusting our attitudes to include a little compassion for the person who does not have a job. We have to get such persons back into the work force. We, the organized and the privileged, have to give a little and share a little in order to spread the economic adjustment we have to face over the next years. Until we get into this mode of thinking and accept the fact that our expectation levels have to come down and to be adjusted, what will we accomplish? We must get back to work and stop spending Government money. We must stop Government interventionist programs for losers and protectionism. The sooner we reduce our expectation levels and accept the fact that we have to move into a world of free trade the better. We must stop backing losers and start encouraging winners. Until we do that, the nation will not move ahead. It will not happen. All this spending effort—the budgets and the borrowing—will always be wasted until our basic anticipation levels and attitudes as a people and a nation change. That is the challenge ahead of us, and recovery will only come when this change takes place. I would personally like us to stop playing games with political rhetoric. All Parties in the House should start to address the fundamental need for change in our great country.

We can talk all we want about the magic of high technology ahead, that everything will be resolved with high-tech. If we drive our cars through Silicon Valley in California, we see that every parking lot in front of every high-tech factory is absolutely jammed with cars. If we continue to drive through the automobile assembly and manufacturing area of Oakland, we see grass growing through the blacktop parking lots and there are no cars. That is the magnitude of change which is taking place in the world.

We politicians in the House are not addressing this matter because we are too interested in short-term political gain and in short-term support of losers. It will come with change in attitude and it will come when we stop talking and dreaming about an industrial strategy which no one in the House can

define. It is just great for the socialists to yack about an industrial strategy, but the country needs an industrial environment. When we have an industrial environment which once again gets Government out of the boardrooms, off the backs of entrepreneurs, inventors and risk takers, and allows these people to activate that exciting thought and work process, we will start to move ahead.

My appeal in this debate on Bill C-151 is that the Government should keep moving back from its 15 years of growing intervention in the marketplace. Once again it should stabilize and spread the decision-making base across the country. Once again it should create an environment which attracts the brains of the world to Canada as it once did. If Canada did not have a good research and development environment in the private sector at one time, the Cowplands and the Mitchells would not be in Canada doing what they are doing for the country and for the world today in the area of high-tech. The spin-off in high-tech is unbelievable, even with what we have in the country. But it will take a change in attitude on the part of all of us, particularly on the part of politicians, if it is to come about.

I do not want to compete with the Minister of Agriculture (Mr. Whelan) who is engaged in conversation. I can hardly hear myself as a result. Mr. Speaker, would you call for a little order?

Mr. Deputy Speaker: Order, please.

Mr. Huntington: Thank you, Mr. Speaker. As I said, the supply and expenditure process of Government is out of control. If I may, I would like to return to that and say that if we are to give credibility to the House and to the Government, as Members of Parliament we will have to address this issue. As politicians we have gone through decades of politics of competition, being big spenders and promising programs. As a result, we have created a modern monolithic Government which is really in the control of bureaucrats. It is not in the control of Government Members, although they are responsible for the continuation of it and the deliberation of policy. If we are to address this, we in the House of Commons must learn a technique with which to build a system of calling both the Government and the bureaucrats to account. We must ensure that the criteria against which programs are delivered and against which spending is made are in fact enforced and adhered to as the functions go on.

The reason I raise this is that I could not believe what was developing the other day out of an examination of the Department of Regional Economic Expansion in the Standing Committee on Public Accounts under paragraph 15.9. This was the paragraph in which the Auditor General drew to our attention that $2.7 million of taxpayers' money had been delivered to an organization in the Province of Quebec. The money had been deposited in the Mercantile Bank and, as soon as the bank had the money three days later, it bankrupted the company.

When the tax resource has been delivered under the criterion of being of significant benefit to Canada and for the creation of permanent payrolls, when the administrators of programs such as that are careless enough to deliver that magnitude of assistance—and it lasts three days—when the beneficiaries are the shareholders of a company which went bankrupt because its bank indebtedness had been reduced, and when the beneficiary is a bank, I suggest it is just the tip of the iceberg in a behavioural and an accountability problem that Hon. Members on all sides of the House are not addressing. Credibility and respect for this institution will not return until we as Members of Parliament organize ourselves in a proper committee structure and until we demand the research resource we require to use the information available to us to create a method of disclosure which will eventually bring the behavioural problems in the system to account. The challenge is ours. Admittedly we are big spenders; we do not want to bring about a condition of accountability and control over the Government.

• (1750)

I am saying to you, Sir, and to my colleagues in this House that until we start to change our attitudes and demand of the system some credibility and accountability, this out of control spending process will continue. The system is going to collapse under it. That is why I appreciate the opportunity I have been given to offer a few comments on this seventh borrowing Bill in this session of the thirty-second Parliament.

Mr. Deputy Speaker: Are Hon. Members rising to ask questions?

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, you and I are beginning to be old debating partners because for the seventh time I am standing here as part of my duty to my constituents, a duty which I gladly accept and which they reinforce every time I speak to them, to oppose this outrageous borrowing Bill of the Liberal Government of Canada. This Government was elected on promises to reduce Government in people's lives, but since 1980 it has increased the role of Government dramatically. It has increased the debt being foisted on to our young people and which will affect them for the rest of their days. Indeed, it will affect our grandchildren.

There have been 15 PC Members and five NDP Members who have spoken to this Bill. From the Government side, there has been only one Minister and two Members. Are they responding to their constituents? I go into their ridings and talk to the people. They no more want to have their children and grandchildren being run into debt than the people in my riding. Obviously Liberal backbenchers are getting the same message, that this has to stop. Are they rising in this House to object? They are not. Indeed, they will once again stand and vote more deficit and debt for this nation.

Let us look at the statistics. The Government said it needed $26.7 billion in financial requirements this year. It already has $16 billion. On principle, one might say they need $10.7 billion. That should be the maximum amount of this Bill. When you look beyond that, you find it has $5 billion in the bank. That is the cash it now has. In fact, what it really needs in this borrowing Bill is $5.7 billion.

Why is the Government coming to this House for $14.7 billion? Why are Liberal backbenchers not objecting to a Cabinet taking $14.7 billion in competition with our own people who need that money to put into plants, equipment and job creation? Creating jobs increases revenues to the Consolidated Revenue Fund. It reduces the welfare rolls and Unemployment Insurance. The Government should not be competing in the marketplace for $14.7 billion, but it is.

There are several possibilities. One is that the accounts that have been put before the House are incorrect. Possibly the revenue flow into the Consolidated Revenue Fund is down dramatically. We have heard from accountants that tax forms being filled out this year do not show the same type of income tax due and payable as in years before.

I have talked to some of my constituents. Because interest rates and costs have gone up so dramatically, there is no profit left in the system. Of course, there are fewer people working now than even a few months ago Therefore, revenues are down. If the Government needs $14.7 billion because revenues will be down, why does it not share that with this House? Each of us, whether on the Government side or Opposition side, has the long-time ancient historic responsibility, which is the number one reason why we are here, to control the financial purse strings of the Crown, and now the Cabinet of some 36 kings and queens.

The other possibility is that it is simply an election slush fund. That may well be it. Another possibility is that there is a deliberate strategy to maximize the deficits. In some of the programs that have been announced recently several hundreds of millions of dollars will be spread out over several years. The Government is fixing this into law. That may well be a Liberal Party strategy to bind any future Government that may not be Liberal—it certainly will not be Liberal—to any meaningful programs.

If that is so, that is the most abominable, dastardly thing they can do. It is trying to control the people of this country beyond the grave. Within this last year it should not have put policies in place that will go four or five years into the future, binding the then Government.

Some people have suggested it may be part of the continuing strategy to impoverish segments of our society so that they are controlled by Government. At one time our senior citizens had a lot of freedom. They worked, put a little money aside and had a nest-egg for their retirement. They were free. They did not need the old age pension. The Old Age Security was nice, but they were free to do other things.

When a Government has these deficits, rates of inflation and high interest rates, it leads to a collapse. Inflation destroys the nest-egg of these retired people. Members are getting more and more people coming into their offices who feel that they are just a ward of the Government, that without their Old Age Security cheque, they could not buy groceries. Are these people free? Is that the kind of country we want for our senior citizens?

There is a plan to switch university students to a voucher system. At present, students can decide whether to study philosophy, history, religion or whatever. They make the decision. They can go to the Canada Student Loan Board and they are entitled to their money. The minute you switch to a voucher system, which is something this Government is actively considering, then the Government can decide to give a grant to someone studying economics but maybe not to someone studying history. That will be Government control over a historic freedom in our society.

We saw this in the oil industry. Prior to the National Energy Program, someone could set up an oil company. He could hire five geologists and drill where he thought there might be oil. He could deduct the cost of that against any revenue from that well. The National Energy Program changed that totally. Now he has to go to Ottawa and establish whether he is "Canadian" or not. If so, he will get a better grant than an entrepreneur from another country. Second, if he wants to drill in Alberta, he may get a 40 per cent grant. The bureaucrats may say that if you go farther and drill on the other side of an imaginary line, your grant will be up to 80 per cent.

That has fundamentally changed the nature of the oil industry from one where people were drilling and competing for oil exports. They now drill federal dry wells on federal lands. That is a waste of money. As a result, the conventional crude in Alberta, which started at 16 billion barrels, went down to 4 billion barrels, is dropping dramatically and will soon be gone. It is not being replaced. I wonder if I might call it six o'clock, Mr. Speaker?

Mr. Deputy Speaker: Is that agreed?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

ENERGY—GOVERNMENT COAL PRICING POLICY. (B) REQUEST THAT COAL ACREAGE BE RETURNED TO BRITISH COLUMBIA

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, on March 15, 1983, I asked the Minister of Energy, Mines and Resources (Mr. Chrétien) to explain what the Government was going to do with the 50,000 acres in coal blocks in southeastern British Columbia now that the Crowsnest rate legislation was being brought in. The price of coal blocks was frozen at $2 per ton for domestic use under the terms of the Crowsnest Agreement. While I agree that it should be free, the Canadian Constitution grants control and ownership of resources to the Provinces.

• (1800)

I asked the Minister of Energy, Mines and Resources to guarantee that the 50,000 acres of land would be returned to the Province of British Columbia. If the Agreement is broken the Province of British Columbia should have the lands turned back to it for development, according to its time schedule. Approaches have been made to the federal Government by various coal companies to develop the property.

What concerns me is that under the terms of the Crowsnest Agreement B.C. Rail will receive up to $635 million per year for the next three years for upgrading of the railway system while its subsidy coal company is applying to the federal Government for the development of these coalfields. I think that is wrong. The Province of British Columbia should have the opportunity of deciding how and when these fields should be developed, not the federal Government.

One of the reasons people in the west feel left out is that agreements such as the Crowsnest Agreement are likely to be broken or changed without their consent. Land should be turned back to whoever owned it when agreements were made between the Provinces and the railways.

I ask the Minister to make a commitment here and now that, if there are to be changes to the Crowsnest agreement, this 50,000 acres with a coal reserve estimated in the neighbourhood of $450 billion will be turned back to the Province. The Minister has stated clearly that the federal Government is the rightful owner of the property and that it would look into the situation if the problem arises. I think that is the attitude that has created the resentment which exists in the West.

I would urge the Minister to consider my comment and look at the very serious problems that will be created for the development of energy in the Province of British Columbia as a result. If Newfoundland has the right to offshore drilling, if Alberta has the right to energy and to set gas prices, surely the Province of British Columbia should have that property turned back to the rightful owner.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I think it would be worthwhile to take a moment to review the history of the Dominion coal blocks. The Government of Canada holds the mineral and surface rights on two tracts of land totalling 50,000 acres, in the Crowsnest Pass coalfield of the Kootenay district in B.C. The Government holds these rights under the Crowsnest Pass Act of 1897. Under this legislation the Canadian Pacific Railway Company was required to carry certain products—including coal and grain—at fixed rates and to grant certain running rights on its railway lines subject to control of the Governor in Council. The Act also conveyed to the federal Government a portion up to the extent of 50,000 acres of any coal-bearing lands granted to the CPR as a subsidy for the construction of the railway by the B.C. Government.

While the Crowsnest Pass Act deals primarily with matters related to railway transportation, particularly those related to the movement of grain, the coal lands are dealt with in subclause 1(i) which stipulates that coal be sold at $2.00 or less per ton.

• (1805)

As the Minister of Transport (Mr. Pepin) stated in response to a question raised in the House on March 15, the reason the Government is introducing companion legislation to its Western Grains Transportation Initiatives is to remove the constraints on the exploitation of the Dominion coal blocks, mainly, repealing the Clause limiting the selling price of coal to $2 per tonne.

Historically, Mr. Speaker, there has been some debate between the Government of Canada and the Province of British Columbia as to who controls the coal rights in the Dominion coal blocks. This has hampered development of these resources. From the late 1960s to 1971, licences to explore this coal were granted by the federal Government to four mining companies. The Department of Energy, Mines and Resources did not renew these non-exclusive exploration licences in 1971 because of the aforementioned restrictive subclause 1 in the Crowsnest Pass Agreement, and the uncertainty about when such a restriction would be removed. The federal Government's energy policy is aimed at utilizing a rational mix of all the available domestic sources of energy.

In this context, the Government will be increasing its reliance on Canadian coal. Coal reserves in the Dominion coal blocks are considerable. They have been tested for quality and have been determined to be of good metallurgical grade. No serious development of these resources can commence until legal problems are resolved.

This brings us back to the amendments to the original 1897 legislation. The Government is hopeful that Transport Canada's Western Grain Transportation Initiatives legislation is passed through Parliament without any complications or delay, thereby facilitating the Government's expedient resolution of problems impeding, Mr. Speaker, the development of coal in the Dominion coal blocks.

TRADE—REQUEST THAT TRADE OFFICES BE ESTABLISHED IN TAIWAN. (B) POSSIBLE SALE OF CANDU NUCLEAR REACTOR TO TAIWAN

Mr. Otto Jelinek (Halton): Mr. Speaker, the issue I am raising today is based on my questions to the Prime Minister (Mr. Trudeau) last week, on May 4, regarding two associated matters; namely, the potential sale of at least one Candu Reactor to Taiwan now, thereby creating some 25,000 jobs in Canada, and second, the need for us to join the rest of the modern world of international trade and commerce and establish a permanent, but non-diplomatic trade office in Taiwan in order to promote Canadian trade with that country.

Let me say at the outset, Mr. Speaker, that I was pleased that the Prime Minister did not reject these proposals outright, and in fact said, "If the Hon. Member wants to suggest that I take a trip to Taiwan, I will entertain the suggestion." I do suggest, Mr. Speaker, that the Prime Minister visit Taiwan to

see for himself one of the fastest growing economies in the world today. He would also see the tremendous trade potential which Canada and Canadians are missing simply because we do not have any presence whatsoever in that country to promote trade. Yet, and I want to emphasize this, every other non-communist industrialized nation in the world has some form of a trade office in Taiwan, and they are taking advantage of that tremendous growth and potential in international trade in that country. Yet they do it without jeopardizing their diplomatic relations with the People's Republic of China. There is no question about it. Sweden was the last western country to open an office in Taiwan just this January. It has not lost one cent of trade with China. It has not jeopardized its diplomatic relations with Red China and it has increased its sales with Taiwan considerably, as have all of the other nations which are based there. Canada and Italy are the only two countries outside the non-communist industrialized world which are not represented there.

Why do I and others advocate such a move? The answer is very simple, Mr. Speaker. It is because international trade creates jobs in Canada. Canadians are today faced with the highest unemployment level in the history of this country and we are missing the boat in international trade, in Taiwan and elsewhere.

Mr. Lapierre: No.

Mr. Jelinek: The parliamentary secretary says, "no". He is going to read some prepared text, but he does not know what he is talking about. After my seven minutes I will give him a chance.

The United States Department of Commerce, for example, states that for every $1 billion American dollars in exported goods 24,000 indirect and direct jobs are created. Statistics Canada says that for every $1 billion of exported goods and services, 26,123 man-years of direct and indirect employment are created. Because Taiwan is one of the fastest growing economies in the world we must join the rest of the world in promoting Canadian trade abroad.

• (1810)

I was pleased to see that the Prime Minister appeared to be positive in his response, particularly from the quote that I just gave. Following my questions in the House and private meetings with Liberal Members, many of whom are on the Canada-Taiwan Parliamentary Friendship Committee, as well as in a conversation I had with the Minister of Energy, Mines and Resources (Mr. Chrétien), I was assured the Government would be looking toward improving trade relations with Taiwan for the benefit of Canada and Canadians.

It is urgent for Canadian businessmen and Canadians to have two things in Taiwan: a permanent trade office like other countries; and better and more viable travel arrangements, in other words, visa offices where visas are processed. Right now a Canadian businessman has to go to the U.S. in order to obtain a visa to go to Taiwan to do business and sell Canada. The situation is the same for Taiwanese businessmen who want to come to Canada and buy Canadian, and they do. I am assured they want to buy Candu reactors. We already have one there. The Parliamentary Secretary may not know that, but it is an experimental one being run by the U.S.

Taiwan also needs our high technology because it has one of the fastest growing economies in the world. It is turning from labour intensive industry to high-tech industry. It needs our communications, our transportation equipment and our agricultural know-how, not to mention our raw materials such as coal, sulphur, pulp and paper, potash and so on.

I am delighted that the Prime Minister seemed to be positive. I am delighted that the Minister of Energy was positive in suggesting that such an idea of selling Candus and expanding our trade relations with Taiwan should be pursued. I know the Parliamentary Secretary is now going to read some prepared text about which he knows absolutely nothing, so I will give him the opportunity to do that, and pursue the matter with the Prime Minister and Minister of Energy at a later date.

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, my colleague, the Hon. Member for Saint-Denis (Mr. Prud'homme), was just telling me to be nice to the Hon. Member opposite. His last remarks did not motivate me to be nice to him.

Mr. Blaikie: Turn the other cheek.

Mr. Lapierre: I think the suggestions he has made are interesting. The Prime Minister (Mr. Trudeau) is interested in any suggestions made by any Member of this House. But the Hon. Member has to realize that the issue is not as simple as getting a free lunch. He should know that if the market was so great and the possibilities were so high, the private sector would have already established a trade office in Taiwan. Other organizations have done this. I refer to the Australian Chamber of Commerce, the Anglo-Taiwan Trade Committee, the German Federation of Trade and Industry and similar organizations from other European countries.

Mr. Jelinek: All supported by their Governments.

Mr. Lapierre: If the Canadian private sector is contemplating doing that, be sure the Government will give it serious consideration. We do not see any obstacle to the establishment in Taiwan of branch of a Canadian organization comparable to these others.

When the Hon. Member talks about selling the Candu, he makes it very simplistic, but it is not like selling a pair of shoes. It has a political dimension which cannot be ignored. The Canadian Government has a policy rooted in serious concerns about nuclear non-proliferation. There is no obvious mechanism for Taiwan's formal compliance with our non-proliferation requirements, namely, the signature of the NPT or an equivalent binding commitment to non-proliferation, or NPT-type full scope safeguards under an agreement with the IAEA, or bilateral agreement with Canada providing for fallbacks,

prior consent rights, physical protection and other provisions. Taiwan is not a member of the International Atomic Energy Agency and we cannot, having no diplomatic relations, sign a bilateral safeguards agreement with it. Naturally, it would be desirable if we could resolve such difficulties and sell a superior Canadian product like the Candu, but we must do so with full attention to the political situation and our non-proliferation concerns.

• (1815)

The Hon. Member was giving figures about jobs that are created in Canada by trade. I would like to remind him that if we use his calculations, 31,347 jobs are created by our exports to China. The Hon. Member should know that and take it into consideration. We have many links with that country. We are open to his suggestions, but he must realize that there is no simple answer.

MEDICAL CARE—SCHEDULED IMPOSITION OF USER FEES IN ALBERTA. (B) INQUIRY RESPECTING INTRODUCTION OF LEGISLATION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I am happy to have this opportunity to follow up on a number of questions I have been asking the Minister of National Health and Welfare (Miss Bégin) during the last while concerning her announced intentions last year to bring in a new health act which would consolidate all the existing health care legislation in Canada and at the same time clarify national health care standards in Canada and the five basic principles of medicare.

I am concerned that we have not yet seen the Canada health Act. It apparently is still in the drafting process which has continued now for some time. As a result of this inaction or delay on the part of the federal Government things are proceeding at a pace which constitutes an ever increasing threat to the existence of medicare. I have said before on a number of occasions that it is not any one action by any one Province which can be said to lead to the end of medicare, but the combination of all things that have happened over recent years and months, in particular, which have contributed to a scenario in which we can see ourselves finding medicare, as we have known it and as Canadians have wanted it, being lost.

I urge upon the Minister of National Health and Welfare the concern that what she does or does not do in the near future will be extremely crucial to the future of medicare in this country. She cannot continue only with what has often been acceptable rhetoric and the arguments with which she has come to be identified. I recall as far back as before the 1979 election when she was Minister of National Health and Welfare and came to the rhetorical defence of medicare. I also recall when she was in the Opposition attending a conference on the crisis in medicare at that time.

Since then we have had the health services report which recommended that action be taken with regard to extra billing by physicians. We have also had the special Parliamentary Task Force on Federal-Provincial Fiscal Arrangements which took place a year after the Hall Report and which made recommendations concerning extra billing, and in a number of other areas regarding medicare and the maintenance of national standards. It will be two years this September since that special Parliamentary Task Force on Federal-Provincial Fiscal Arrangements made its report.

Alberta introduced a new regime of user fees, this spring. New Brunswick recently announced that it would be bringing in certain user fees for certain hospital services. Last fall we saw the Progressive Conservative Ontario Government initiate a system whereby hospitals are allowed to be run by American multinationals for a share of the profits they can generate by running those hospitals. We believe that to be in violation of the spirit of non-profit administration, one of the five basic principles of medicare.

I could continue with other instances in which the spirit and, indeed, even the letter of medicare are being violated by Provinces. We still have no concrete action on the part of the federal Government regarding a Canada Health Act. I understand how difficult it will be for the federal Government to bring in a Canada Health Act that will address all of these issue in a comprehensive and competent way, but I want the Government to do that, and I want the Government to do something soon in that direction. That is why I have urged the Minister to put a proposal before this House.

• (1820)

The Minister does not seem to have any luck with the Provinces. She has not met with provincial representatives for almost a year now. I do not think we can wait until we finally get around to having another meeting between the Minister of National Health and Welfare and the provincial Ministers of Health. I think what the Minister should do is put her proposal for a Canada Health Act before this House, table it as a white paper, or in whatever form she desires, and let Members of Parliament and the Canadian public respond to it. It will be a good document if it is the kind of proposal around which people can rally, and through which they can put pressure on their respective provincial Governments to come to the bargaining table here in Ottawa and bargain in the interests of medicare, and not just in the narrow fiscal or ideological interests of Progressive Conservative provincial Governments.

In closing, I might add that the federal Government also has a responsibility to act in the interests of medicare, not just in its own fiscal self-interest. It must put some money back on the table. The federal Government has to remedy some of the fiscal injustices it has done to the Provinces in the last year so that it can come to the table and bargain hard and bargain well for the future of medicare.

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, we are all aware that Canada's health care system and its health care insurance plans are facing extremely difficult economic times. It is precisely at such times that important programs come under the most stress and risk. We are also all aware of the sources

of stress to the health care system. The demands for new health programs, new technology, growth in existing programs, upgrading of existing facilities and equipment, increasing wages and fees are some of these pressures. Perhaps all of them could be solved with a huge increase in revenues to the program, but we all know that this is not an available solution. Where would this money come from? From governments? From the consumers? From both?

It is clear that all sources of revenue are stretched to the limit. However, a wide range of revenue sources is being seriously considered in these times, as we see in the recent budget plans of Alberta and New Brunswick, in spite of long standing federal legislation on medicare.

Unfortunately, program legislation drafted 25 years ago under different fiscal arrangements is simply not well suited to meet the expectations of the public in the 1980s, particularly in light of our economic conditions. Nor does our legislation provide sufficient clarity for the provinces to know just what conditions are still necessary, as a minimum, to qualify for the very substantial contributions to medicare provided by the federal taxpayers.

It was with these stresses and risks in mind, as described by Mr. Justice Emmett Hall in his 1980 report "Canada's National-Provincial Health Program for the 1980's, and by the all party federal Parliamentary Task Force on Federal-Provincial Fiscal Arrangements in its August, 1981 report, that the Minister met with the provincial health Ministers in May, 1982 to propose the new Canada Health Act.

The Ministers of Health agreed at the meeting that open and co-operative discussions should proceed quickly at both the ministerial and official levels, to complete discussions as soon as possible on a new Canada Health Act to replace the existing Hospital Insurance and Diagnostic Services Act and the Medical Care Act. The Minister was very pleased that a basic commitment to high quality care and to the principles of universality, portability, comprehensiveness and accessibility of medicare was stressed by all.

The development of new legislation through federal-provincial consultation is a process which should itself facilitate the maintenance of conditions in the 1980s and beyond, because it seeks to arrive at a clear understanding of what Parliament intends to require of a Province in order that transfer funds will be provided for the health insurance program and of what the Provinces are committed to with regard to the medicare program.

I strongly assure the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) that work is progressing systematically and thoroughly on the new Canada Health Act and that as soon as it is appropriate the Minister will be meeting with the provincial health Ministers to complete the consultation process before introducing the new act to Parliament. This is a very important program to Canadians and it is essential that the time be taken to develop the act properly.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at two o'clock in the afternoon.

At 6.26 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, May 11, 1983

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADIAN BROADCASTING CORPORATION

REPORTING OF PRIME MINISTER'S VIEWS ON CRUISE MISSILE TESTING

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, earlier this week the Prime Minister (Mr. Trudeau) issued an open letter to all Canadians concerning the testing of the Cruise missile in Canada. While many of the comments I have seen have perverted the Prime Minister's letter, at least some of the print media published, along with their rather fallacious stories, the text of the Prime Minister's letter. That is not the case, however, with the comments made on the CBC "National News" last evening. Those comments were a total perversion of what the Prime Minister had to say. I think the Canadian public and Members of this House have a right to expect better than that from the Canadian Broadcasting Corporation.

I would hope, Madam Speaker, that the newscaster in future would read such documents before he makes fallacious, vicious and perverted comments about them. I hope we will see the estimates for the CBC separated from the general Government estimates in this House so we can vote on them separately and some of us can express to the CBC with our votes what we think of its perversion of truth.

Some Hon. Members: Hear, hear!

* * *

RAILWAYS

CROWSNEST PASS RATE—EFFECT OF PROPOSED CHANGES ON LIVESTOCK INDUSTRY

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, some 86 years ago the historic Crow rate was struck at one half cent per ton per mile to export grain from the Prairies. For some 70 years grain producers, the livestock industry, railway companies, and secondary processors all made money. However, during the last 16 years, primarily as a result of inflation, the Crow rate has caused an enormous distortion between the grain industry on one hand, and the livestock industry and secondary processors on the other. The Minister of Transport (Mr. Pepin) appointed Mr. Clay Gilson who, with 12 commodity groups and approximately 60 or 70 people, came up with a phased solution which was balanced between the legitimate interests of the competing groups.

Then, Madam Speaker, politics became involved, which resulted in the Pepin compromise of last February. Then raw, ugly politics entered into it, which resulted in Bill C-155. That Bill is totally unacceptable to the livestock industry and is not in the long-term best interests of the nation. I call upon my colleagues opposite and in the NDP to make sure we do not write off that livestock industry because, if we do that to western Canada, we are going to cut off a lot of tax revenue for this part of the country.

* * *

WESTERN GRAIN TRANSPORTATION ACT

THE PARABLE OF THE FARMER AND THE PLUM TREE

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I would like to spend a little bit of time recounting a story, to make my point.

Some years ago a constituent of mine took over a farm after learning to become an experienced farm manager at university. He applied the most efficient methods known to man at that time, and ran the farm with a great deal of success. His first crop was a very good one at the lowest cost per unit produced for years.

At the end of the harvest he went walking around the farm to check out other things he could do to make the operation more efficient. He came across a little plum orchard that his father, and his sister who was a plant geneticist, had set up.

He noted that of the dozen trees in that orchard only nine had fruit on them. So, being very efficiency minded, he immediately went in with a tractor and pulled out the three that were not producing fruit. Since then there has been no fruit growing in that orchard. He killed the orchard because he pulled out the male trees.

I think this is what the Minister of Transport (Mr. Pepin) is doing when he introduces a new Crow rate. He is looking at the hole, not the doughnut. He has missed the point entirely, and I urge him to change his mind.

S.O. 21

NUCLEAR ARMAMENTS

CATHOLIC CHURCHMEN'S VIEWS

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, one issue which has been receiving the attention of Conferences of Catholic Bishops globally is the moral implications of the controversial use of nuclear deterrence as a means of defence and as a means of promoting eventual arms reduction and peace. But the average practising Catholic is confused by the number of statements issued by Catholic leaders on the subject of nuclear arms.

A quick survey of decisions reached indicates that in Italy no directive or guidelines were issued by the Italian Conference of Bishops. In West Germany, Catholic Bishops published a pastoral letter condemning the arms race but upholding the right to use the threat of nuclear retaliation as a deterrent to war. They also condemned the expansionist aims of totalitarian states. The Roman Catholic Bishops of the United States, who have the support of the Canadian Bishops, condemned first strike use of nuclear weapons and condemned the targeting of nuclear weapons against civilian targets. They accept as moral the deployment of nuclear weapons as a deterrent, but not as a purpose in itself—only as a step toward progressive disarmament.

Pope John Paul II, in his message to the Second United Nations Special Session on Disarmament on June 11, 1982, said, "In current conditions, deterrence based on balance, certainly not as an end in itself but as a step towards progressive disarmament, may still be judged morally acceptable". He went on, "I reaffirm my confidence in the power of true negotiations to arrive at just and equitable solutions. Such negotiations demand patience and diligence and must—

Madam Speaker: Order, please.

* * *

• (1410)

NATIONAL REVENUE

TAXABLE BENEFITS—TREATMENT OF ROAD WORKERS AND COMPANY EXECUTIVES

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I want to bring to the attention of the House another paradox involving taxable benefits under the Income Tax Act.

For some time in Nova Scotia, National Revenue has been questioning road foremen and other classes of employees of the provincial Department of Transportation in a dispute over the use of vehicles and rates of pay affecting taxable benefits, involving these employees.

On the other hand I have reason to believe that Massey-Ferguson, the beneficiary of many millions of dollars of taxpayers' money for loan guarantees, which the Government had to pay, rewarded certain of its executives for their success in negotiating benefits for their company from the Government. The rewards apparently consisted, in some instances, of trips abroad for these people and their families, in lieu of bonuses. Has Massey-Ferguson been audited in this respect? Have any of these executives been audited, or indeed, have any of the executives included these benefits as part of their taxable incomes?

If not, we have two standards—a very strict one affecting many workers in Nova Scotia who are relatively low income people, while this company, which may be closer to an Edsel than a Chrysler success story, although I hope not, may be playing fast and loose with the tax system. I would appreciate it if the Minister would check into this situation.

* * *

NATIONAL DEFENCE

TESTING OF CHEMICAL

Mr. Jim Fulton (Skeena): Madam Speaker, as most Canadians are now aware, the Liberal-Conservative coalition of the right is in support of testing the Cruise missile and other nuclear technologies on Canadian soil.

Just as insidious is the recent decision by the Liberals to test H-16 at McGill University in Montreal, this year. This chemical is undergoing tests on dogs, rats, and pigs and, according to National Defence officials, it "would be used by our troops in the event that they are subjected to chemical attack".

The Geneva Convention, of which Canada is a signatory, is an international agreement prohibiting the practice of chemical warfare. Canadians would be naive to assume that the H-16 tests which are now under way at McGill University are being conducted solely for defence. Clearly, this synthetic replacement for atropine is being designed to respond to certain nerve gases and chemicals for use in warfare; most likely against civilian populations.

Perhaps the Prime Minister (Mr. Trudeau) would explain to Canadians just what Canada's role is in the field of chemical and biological warfare, and explain to the House what situations he foresees where Canadian troops will be in contact with chemicals requiring H-16 as an antidote. Perhaps the Prime Minister would also explain the $204,000 order for chemical air burst dispensers in February, or the $109,000 in March for chemical simulators, while he is at it.

* * *

SHIPBUILDING

GOVERNMENT PROGRAMS—DISAPPEARANCE OF JOBS

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, with the skill of Houdini, the Government has dazzled Canadian shipbuilders with promises of wonderful and amazing things to come. The shipbuilding policy announced last January was heralded by the Government as a program to save the Canadian shipbuilding industry. The Government has failed to produce even the slightest evidence it seriously intends to implement new policies that will be meaningful.

Two weeks ago the Government announced the Canadian Coast Guard Fleet Acquisition Program to modernize the aging Coast Guard fleet at a cost of $630 million over the next four years. It will be late June before any contracts are awarded, and Christmas before any work begins. In the meantime more jobs will have vanished from the Saint John shipyards and other shipyards across the nation.

The Canadian Patrol Frigate Program has been a mystical illusion. Shipbuilders have repeatedly urged the Government to move up the starting date of the Program. Delays in implementing the frigate program mean a needless loss of jobs.

Programs are being pulled from hats like rabbits, while jobs are disappearing quicker than you can say abracadabra. In 1981 some 1,627 people were employed at the Saint John shipyard; by Christmas the shipyard is expected to be a graveyard if the Government's programs fail to materalize.

Canadian shipbuilders are saying, "Quit the hocus-pocus and the shell games. Implement a new shipbuilding policy, spread the Coast guard work fairly throughout the country, and accelerate the frigate program." Shipbuilders want jobs—not another performance of the Government's magic show.

* * *

VOLUNTARY ORGANIZATIONS

CALL FOR INTRODUCTION OF TAX CREDIT

Mr. Gordon Taylor (Bow River): Madam Speaker, the Minister of Finance (Mr. Lalonde) betrayed the national voluntary organizations.

The Minister of Finance consulted with the voluntary organizations before his budget, and then betrayed them in his budget. The national volunteers requested that a 50 per cent cent tax credit replace the standard $100 deduction for charitable donations, but the Minister did not comply. He removed the $100 standard deduction only, thus hurting the thousands of people who donate to Poppy Day and Daffodil Day, where no receipts are given; hurting the thousands of hard-working volunteers who do work that the Government would otherwise have to do.

The removal of the standard deduction increases the administrative costs and mailing costs. In fact, Canada Post is about the only winner. It perpetrates the inequities in the tax treatment of charitable donations and fails to provide a stimulus needed by voluntary organizations. It is a slap in the face to the national voluntary organizations.

• (1415)

I urge the Minister to introduce the tax credit now or, at the very least, keep the $100 standard deduction until the entire proposal made by the voluntary organizations can be accepted.

ORAL QUESTION PERIOD

[*Translation*]

HOUSING

GOVERNMENT COMMITMENT UNDER $3,000 GRANT PROGRAM

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister responsible for Housing. The Minister will recall that on October 27 of last year, the Minister of Finance announced that the $3,000 grant provided under the Home Ownership Stimulation Plan would be extended with respect to new homes until the end of April, 1983. In the circumstances, and considering the increasing concern of many Canadians who want to take advantage of this very attractive program, could the Minister give the House the assurance today that he will take steps to have his Government meet its commitment and ensure that all applications that meet program criteria and were sent in before or on April 30th will be considered and that applicants will receive a positive answer?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, last October the Minister of Finance did in fact announce that $100 million had been earmarked for a program that would be administered according to the budget it was given, which was the $100 million. It was expected that this amount would be sufficient in normal circumstances, even if the housing sector should become very active, and that the $100 million would last until the end of April. This year, following representations by Members on all sides of the House, I asked the Minister of Finance to allocate a supplementary amount of $30 million, especially to help Canadians in remote areas where, because of heavy frost, it would be impossible to do any excavation during the month of April. It is a fact that the confidence shown by Canadians in the housing sector at the present time has resulted in an avalanche of applications since April 15, which were sent to the office of the Canada Mortgage and Housing Corporation. We accepted applications until last Friday. They have been filed by order of priority, and site inspections which are required by law are now being carried out. I do not know exactly what the situation is at the present time. I have the impression that we are over the $130 million mark, but as soon as I have a clear picture of the situation, I shall be advising and consulting my colleague, the Minister of Finance. What I would like to say to the Hon. Member is—

Madam Speaker: Order, please. The Hon. Member for Joliette may ask a supplementary question.

Mr. La Salle: Madam Speaker, I am sure this will give the Minister a chance to finish his answer. The Minister knows perfectly well that his Government had committed itself until the end of April. I could even mention the next stage, when the Minister of Finance went so far as to tantalize Canadians with

a grant that might be extended until the end of May. However, I would rather get back to the first commitment. I think the Minister is aware of the commitment made by his Government and of the fact that he must treat applicants with respect, and I would like to put my question to the Minister again. Could the Minister confirm today that his Government will approve applications made in answer to this first commitment up to April 30, and I fail to see how the Government could renege on this first commitment to extend the program until April 30?

Mr. LeBlanc: Madam Speaker, we have to find out, and that is what we are doing now, how many applications came in before the end of April and how many of these are legitimate applications which represent an obligation on our part. As soon as I have a clear picture of the situation, I shall be able to answer the Hon. Member's question. All I want to say now is that I will do everything in my power so that Canadians who sent in bona fide applications before the end of April, will not be disappointed.

• (1420)

Mr. La Salle: Madam Speaker, perhaps I could ask the Minister of Finance, if he were in the House, how he could commit himself again until the end of May without a proper assessment? The Minister has proved this today, but I think the Minister will understand the point I am trying to make today. Thousands of Canadians are waiting and are concerned because they have acted lawfully, and I would like to know whether the Minister could at least promise that he will make an announcement this week to reassure Canadians who sent in applications before April 30th and whether he intends to consult the Minister of Finance later on.

Mr. LeBlanc: Madam Speaker, I must repeat, and I hope the Hon. Member listened to my answer, that the Minister has allocated $100 million. We thought this amount would be sufficient until the month of April. That may still be the case. In fact, that is what we are trying to find out. But I cannot and I would not want to raise false hopes among Canadians who are listening to us today, nor do I want them to panic. I want to say this to all Canadians, further to the Hon. Member's question: We shall consider all applications. Some are perfectly legitimate, and we shall try to be as flexible as possible, expecially where remote rural areas and northern regions are concerned.

[*English*]

TREATMENT OF APPLICATIONS—POSSIBLE LOSS OF PURCHASE DEPOSITS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is supplementary and it is for the Minister of Public Works also. In his answer to the question from my colleague he said CMHC cut off all applications on May 6. Will the Minister make a commitment today that all the applications that came in before May 6 will, in fact, be honoured? Some of these people have given notice to quit their apartments and have purchased homes. They are now in a spot where they are caught between the devil and the deep blue sea. If they do not get that $3,000 grant they will lose the deposit they put down on the purchase of a home. Will the Minister make that commitment today to those people?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I have explained at some length. Three questions were asked on this issue. Those applications made before April 30 were being examined, the number of applications and the possible overrun were being examined. If I am not able to give an honest answer to the Hon. Member for Joliette—and I do not want to cause panic—obviously I am not going to be in a position to answer the Hon. Member's question about May 6. I might say to him that he is using some scare words. The fact is that anyone who gives notice in an apartment before an application is processed and accepted, is really not looking at his or her business very carefully.

REQUEST FOR MINISTERIAL COMMITMENT

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, the Minister of Finance in his statement of April 19 said he was going to put $30 million into a program to carry on until probably the end of May. In fact, the Minister of Finance was throwing in $30 million to make up a deficit in a program that he knew full well at that time would not go beyond April 30.

The Minister of Public Works has caused considerable concern among a number of people. The Minister shakes his head but he should start to answer his telephone calls from his constituents, as I have calls from people in my area who signed on April 21. Thirty-nine homes have not been approved and likely will not be approved, according to the information being sent out by CMHC. Will the Minister make some kind of commitment? The Minister of Finance can find $200 million to bail himself out of trouble. Surely the Minister of Public Works can find a few million dollars to finish off this program and keep the commitment made to the people of Canada.

Some Hon. Members: Hear, hear!

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I have said, and I repeat, that I will make every effort to accommodate and to meet the needs of those who made legitimate bona fide applications before the end of the month of April. I might say the advice given to the Minister of Finance for the $30 million extension was the best information that we had a CMHC. In fact we took the highest figure for the months of April and May, and we even improved on that number. Those were our predictions.

Mr. Jarvis: And they were wrong.

Mr. LeBlanc: They are the best that the corporation, which has a lot of expertise, could come up with.

Some Hon. Members: Oh, oh!

Mr. LeBlanc: The fact is that the housing industry, following the initiatives taken by my predecessor, is in a booming condition. Canadians are buying houses and are now building houses as we have not seen for some time and that is causing the problem. But surely it is also a reason for rejoicing in this House.

Some Hon. Members: Hear, hear!

* * *

MEDICAL CARE

ALBERTA PROPOSAL TO INTRODUCE USER FEES—GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, earlier this week I was asking the Prime Minister about the progress of the Canada Health Act, to no avail. Since then we have learned that the Minister of National Health and Welfare intends to meet with the Minister of Health in Alberta to discuss the user fees which that Province intends to implement as of October 1. The Minister is reported to have said that she would not consider any punitive action against Alberta until October 1. Will the Minister tell us whether we can expect to see any positive action between now and then, in the form of a concrete Canada Health Act proposal that would address the problem of user fees? Hopefully the Act would be good enough for Canadians to rally around in the defence of medicare; this would help the Alberta Government change its mind, and also counter the hysterical, paranoid, and blatantly false advertising of the Ontario Medical Association and other opponents of medicare.

• (1425)

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I have often said that there is no point in bringing in a new Canada Health Act which would not effectively be stronger in detail than the one we now have. The Hon. Member keeps putting the two issues together. Under the present Act a very serious and unfortunate situation has developed in one of our wealthiest Provinces, the Province of Alberta, with user fees apparently being introduced. They have not been introduced. They have only been promised, if I can call it a promise, by the provincial Government, as of October 1.

My interest, the interest of Canadians, and I think the interest of the Hon. Member and all of us in the House—and I hope the interest of the Conservative Party, but nobody knows—is to ensure that these user fees never see the light of day. Is that good English?

Some Hon. Members: Hear, hear!

Miss Bégin: That is what we want. We are trying not to have any disruption of services but to talk with the Province. Of course we are talking with the people of Alberta who are the first ones to be hit by that most unfortunate situation which seems to be creating a chain reaction in other Provinces like New Brunswick, with the announcement of its budget last Friday. Therefore I have requested the New Brunswick Minister to send me information to ensure that they are not going overboard either.

REQUEST FOR LEGISLATION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, that is precisely the point. That is the reason we need to bring in a Canada Health Act to address those problems. If we do not, the Minister will be left in a situation where she can only act within the confines of the existing legislation, which leaves her only an all or nothing proposition. Either she withdraws all the money from Alberta or she is unable to do anything about what is happening in that Province. This is precisely why I am suggesting she bring in a Canada Health Act which addresses these problems; that people can discuss and support, if it deserves it, and which will help the Alberta Government to see that the federal Government does not intend to leave itself in an all or nothing situation, that it intends to have more flexibility and be able to do something about it.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, a concrete situation, not a potentially dangerous one, has developed in one of our Provinces, possibly the second one. I forgot to mention the very unfortunate rise of OHIP premiums last week.

Why do we speak of all these problems which are introducing financial surcharges in the system today, when nobody ever established that there was money missing in the system? We will deal with the situation which has developed, not with the potential situation of the future Canada Health Act, to ensure we know how to strengthen the existing legislation in the best practical way.

POSSIBILITY OF UNILATERAL FEDERAL ACTION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, that is precisely the point. While the Minister makes up her mind what she will do about medicare, which she has been doing ever since the SOS Conference on Medicare in the fall of 1979, things get worse and worse. Alberta is the stalking-horse for other provinces that want to do the same thing.

Madam Speaker: Order, please. Will the Hon. Member ask a question, not make a speech?

Mr. Blaikie: Madam Speaker, my question to the Minister is this. Given the lack of likelihood that she will obtain agreement from eight of the ten Provinces on an Act which would really clarify and strengthen the principles of medicare, has the Minister considered acting unilaterally in bringing in a Canada Health Act? If she has, what options has she considered in that regard?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, we want to avoid as much as possible—and I think every Canadian understands that—any

disruption of services. I do not know what the provincial Minister will do to the services. He does not have to cause any disruption but he may; anybody can other than us, the federal players. I have that responsibility in the name of Canadians. That is the answer to one part of the Hon. Member's question.

As to the preceding part of his question, I imagine this Government did something right since Canada, with New Zealand, is the only country in the western world that has a complete, free, working medicare system, and I will say the best in the world.

Some Hon. Members: Hear, hear!

Miss Bégin: I say that without any hesitation.

• (1430)

I have often told the Hon. Member that I regret it is not a black-and-white case. It is more complex. It is one of the most complex institutions in this country. We will strengthen it. We did not fall into Reagonomics. We still have full medicare almost everywhere in the country. We did not cap it. It is one of the few programs this Government decided to keep fully indexed. It received 12 per cent last year and 10 per cent this year. Where is that money?

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PENSIONS

REQUEST FOR CLARIFICATION OF CANADA PENSION PLAN

Mrs. Suzanne Beauchamp-Niquet (Roberval): My question is directed to the Minister of National Health and Welfare (Miss Bégin). The Minister has received notice of my question.

Yesterday, the Government of Ontario announced that it intended to withdraw its veto against allowing women who are raising their children at home to be eligible for the Canada Pension Plan, and I would now like to know whether the Minister could inform the House when this provision will become effective and whether benefits will be retroactive.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I am very happy, and I am sure all Canadian women are, about the fact that the Government of Ontario, which had prevented the Government from acting on this point, withdrew its veto yesterday in its budget and thus opened the way for women who take, I think it is up to seven years off to raise a child and in doing so temporarily leave the labour market, to take advantage of a measure that will prevent any loss of benefits under the Canada Pension Plan.

[*English*]

The measure will require a special Order in Council from the Province of Ontario. I hope to have that in the month of May. In turn, the federal Government will sign an Order in Council. The measure should be retroactive to 1966 for all mothers who, in effect, stayed home to raise their children. I realize that many will be penalized because they did not know they would be able to benefit from the clause and had to make different working arrangements.

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SHIPBUILDING

GOVERNMENT POLICY—REVITALIZATION OF MERCHANT MARINE FLEET

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is directed to the Prime Minister. The shipworkers of the nation welcomed the frigate program which was announced sometime ago. However, there is now grave concern that it will end up being nothing more than a scrap on the bottom of the political pork barrel. With the regard to the long-awaited shipbuilding policy that was recently announced, the most exciting thing that has happened has been the $1.7 million announcement of the conversion of an old ship to a cement carrier in Ontario. We have some of the finest shipbuilding facilities in the world in eastern and western Canada. Our shipyard workers are second to none in the world. They are first-class. What we need in this country is a policy with substance.

Madam Speaker: What we need in this House at this time is a question.

Some Hon. Members: Hear, hear!

Mr. Corbett: Madam Speaker, I am delighted to have the opportunity to direct this question to the Prime Minister. I hope that he will favour us with an answer. Does the Prime Minister agree that what we need in this country is a shipbuilding policy of substance, one that will prove to be beneficial over a long period to the shipyard workers and aspiring shipyard workers in this country? Does the Prime Minister agree that we should revitalize the merchant marine in this country? If not, is he prepared to instigate a feasibility study to investigate the potential?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not think we need a feasibility study. The Government's objectives in the shipbuilding area are the same as those of the Hon. Member. We have long recognized, well before the Hon. Member was elected, that the Saint John shipyards are some of the best in the land. We have that in mind.

Madam Speaker: The Hon. Member for Richmond-South Delta.

CANADIAN SOVEREIGNTY

PACIFIC OCEAN MINERAL RIGHTS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, in the absence of the Secretary of State for External Affairs and the Minister of State for Mines, I will direct my question to the Prime Minister. In a notice printed in the U.S. *Federal Register* last December 8, the United States Government appears to lay claim to valuable polymetallic sulphide deposits along the Juan de Fuca ridge which lies off the west coast of Vancouver Island and partially within Canada's 200-mile economic zone. Subsequent diplomatic exchanges have occurred between Canada and the United States on this matter. Will the Prime Minister assure Canadians that the U.S. has no intention to claim or mine valuable strategic minerals lying within our 200-mile economic zone or in any areas lying north of the Juan de Fuca Trench?

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I would reassure the Hon. Member that we are monitoring the situation very closely. There is no danger that mining will occur within the 200-mile limit. The activities that have been announced would be within international boundaries.

INQUIRY RESPECTING POSSIBLE CANADA-UNITED STATES CO-OPERATION

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I would hope the Prime Minister might answer my supplementary question, because it leads to a very important policy question. As the U.S. Government does not recognize the Law of the Sea Treaty, American mining companies could conceivably lay claim to seabed minerals lying along the Juan de Fuca ridge off the coast of British Columbia, yet outside the 200-mile economic zone. Should U.S. interests decide to develop such resources off the coast of British Columbia, would Canada encourage and co-operate in such activity, which could bring immense economic benefits to Canada, or would we see this as a violation of the Law of the Sea convention which should, therefore, be vigorously opposed? Would we side with our American neighbours or with the international seabed authority?

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member's question is so hypothetical it does not really require an answer.

[*English*]

AGRICULTURE

NECESSITY TO UPGRADE VETERINARY COLLEGES

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, my question is for the Minister of Agriculture. As the Minister is aware, the American Veterinary Association has placed the Ontario Veterinary College in Guelph under limited accreditation for the first time in its 121-year history and has given the college five years to modernize the premises and update its instruction or else lose the right to license veterinarians. Along with this, the Ste. Hyacinthe College for French-speaking veterinarians is now under a two-year probation regarding accreditation. What action are the Minister and his Government going to take, financially or otherwise, to assist these two colleges, bearing in mind that the federal Government relies heavily on their graduates to maintain and fill the several hundred veterinary positions in his Department?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the Hon. Member knows that education is under provincial jurisdiction. We have previously entered into contracts with veterinary colleges to fund as high as 50 per cent of the cost of construction projects. I am sure he is also aware that the Government of Canada, through the Secretary of State, funds the operating costs of these schools. In Ontario, I believe the funding is approximately 59 per cent of the total cost.

For the last addition at Guelph, we funded $3 million of the construction cost. They made an agreement at that time that they would look after all of the costs involved for the next ten years, and would up the number of students to be educated from 80 to 120. They now say the school cannot do this. I have visited quite a few veterinary schools in different parts of the world. I would say that Guelph is up to the standard of any school in the world, and we will continue to do everything in our power to ensure that it continues to be so.

Mr. Mitges: I am well aware that veterinary colleges are under the jurisdiction of the respective Provinces and that the Provinces must as well pursue a more active role to turn this around.

FEDERAL-PROVINCIAL DISCUSSIONS

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, I would ask the Minister whether he would take it upon himself to get the ball rolling and perhaps arrange meetings with his provincial counterparts along with the deans of the two colleges, taking whatever steps are necessary to rectify this whole matter which should never have been allowed to occur in the first place.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the president of the university has been at our office. We have also had meetings at Guelph about this. I had a discussion as recently as ten days ago with the provincial Minister of Agriculture. But if you will recall, it was because

of the wisdom of someone in the Ontario Government that the veterinary college and agricultural school was taken away from the jurisdiction of the Minister of Agriculture and put under the jurisdiction of the Minister of education in the Province of Ontario. The downgrading of the agricultural school began at that time.

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• (1440)

CANADA LABOUR CODE

COVERAGE OF PART-TIME WORKERS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is directed to the Minister of Labour and concerns women and part-time work. Seventy-two per cent of part-time workers are women. Most have low wages, no benefits, no pensions, and no job security. This kind of exploitation must stop.

Some Hon. Members: Hear, hear!

Mrs. Mitchell: I want to ask the Minister what changes he intends to make to the Labour Code to extend protection for all part-time workers who are under federal jurisdiction, and will he also remove the restrictions that deny part-time workers in the Government the right to unionize?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, we on this side of the House do not need to be lectured by the Hon. Member on the increased importance of part-time work and the effect it has on women. This is the reason why the Government has commissioned a study on this particular very important issue. The study ought to be ready for publication by Labour Canada in a matter of weeks, and when we have the recommendations contained in that study, which will become public very soon, as I mentioned, then we will be able to answer the Hon. Member's question specifically.

Mrs. Mitchell: Certainly the Minister could make changes in his jurisdiction immediately. He does not need a study to do that.

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UNEMPLOYMENT INSURANCE

COVERAGE OF PART-TIME WORKERS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my supplementary question is directed to the Minister of Employment. Many part-time workers and casual workers are not eligible for Unemployment Insurance benefits. Will the Minister amend the Unemployment Insurance Act to cover part-time workers and, in particular, will he change the minimum requirement for Unemployment Insurance to 100 hours of work over a ten-week period, which would help casual employees?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I am afraid the Hon. Member is quite mistaken in saying that the Unemployment Insurance Program does not cover part-time workers. In fact the Government amended the regulations almost two years ago to ensure that part-time workers would be covered under the Unemployment Insurance Act.

MATERNITY BENEFIT PROVISIONS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is also directed to the Minister of Employment and Immigration who undertook in committee the other night to make certain changes to the Unemployment Insurance Act regarding the discriminatory aspects that presently exists with regard to maternity leave. Could the Minister tell us when he would be prepared to introduce those changes which are so desperately needed?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the whole issue of making changes to the Unemployment Insurance Act to eliminate some of the inequities relating to maternity benefits is one that, again, has been strongly supported by the Government. I think the Hon. Member would recognize that what I said in committee was that if the Opposition, meaning her Party and those in the New Democratic Party, were prepared to give quick and immediate passage to those amendments along with others that are absolutely essential and are required to bring about the changes, the Government would look very favourably upon doing so, but we would need that assurance from the Hon. Member and her colleagues first.

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CANADA DEVELOPMENT INVESTMENT CORPORATION

INTRODUCTION OF LEGISLATION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is directed to the Prime Minister. When will the Government introduce legislation relating to the Canada Development Investment Corporation?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I believe the first reading is scheduled for one or two weeks from now.

ROLE OF PARLIAMENT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, will the Prime Minister tell the House why he felt it appropriate that the Parliament of Canada should not have been involved before now in the creation of a Crown corporation which will be the largest holding company of its kind in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I give the usual answer, the one that has just been given by the Minister of Employment and Immigration and by every other Minister who would like to get legislation through the House. It is the obdurateness of the Tory and the NDP Parties that prevents this House from dealing with Canada's business.

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FEDERAL BUSINESS DEVELOPMENT BANK

BUSINESS PEOPLE'S ACCESS TO FUNDS

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is directed to the Minister of State for Small Business. In the recent budget and in statements outside the House the Minister and others have commented on the changes that will occur to the Federal Business Development Bank. I ask the Minister if he could tell us how these changes will affect the access Canadian business people will have to the funds in the Federal Business Development Bank, what people will qualify for the equity position that the bank may now take, and whether people will be able to refinance under those provisions.

Hon. William Rompkey (Minister of State (Small Businesses and Tourism)): Madam Speaker, there was a similar discussion in the House a little while ago. Actually each case must obviously be judged on its own merits. With regard to taking an equity position, that would not be the preferred option. Obviously the preferred option is to let the private sector do its job, but if a case occurred where the only option seemed to be to take an equity position, then the Bank would do that with the understanding that it would get out as quickly as possible.

I might say that the new role of the Bank will be in venture capital, and I think that that is important for small business. We want to make this the small business bank, and we particularly want to make it the bank for the rural areas of Canada.

INTEREST RATES CHARGED TO SMALL BUSINESSES

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my supplementary question is directed to the same minister. If the Government is prepared to try to make it the bank for small business, is the Government also prepared to look at the interest rates that are being charged to some of those Canadian small businesses that are now financed by the Federal Business Development Bank, and is there any provision or undertaking by the Government to help relieve those businesses which are facing interest rates of up to 22 per cent over a long period of time, so that we can thus protect Canadian business and the jobs that that implies?

Hon. William Rompkey (Minister of State (Small Businesses and Tourism)): Madam Speaker, obviously we would want to give the most favourable interest rates possible. The Hon. Member will note that last week we announced a certain reduction in the interest rates of the Federal Business Development Bank. I might say, though, that the reason for the higher rates is because, in most cases, the banks have been getting into very high risk situations. We do want to give every possible break to the small-businessman. I repeat that we want to make this a bank for small-businessmen, particularly for those in the rural areas of Canada where, in my opinion, the private sector has not always met the need.

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LABOUR RELATIONS

NORTHUMBERLAND FERRIES LIMITED DISPUTE—APPOINTMENT OF MEDIATOR

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is directed to the Minister of Labour. I believe the Minister has been checking with his seatmate and the Minister knows that there is much concern in Prince Edward Island and Nova Scotia about the interruption of service with respect to Northumberland Ferries Limited, the first interruption of such services ever. I realize that the Minister appointed a mediator yesterday under Part V of the Canada Labour Code. I commend him for that. I wonder if he can tell the House if there have been any further developments since that time, and can he assure the House that he will monitor them closely? It would appear that attitudes have not yet hardened, and if he would monitor the situation closely before it degenerates into a long-term interruption of services, as did EPA, he will do the region a great service.

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, I have been given very good advice and guidance on this matter by the Hon. Member sitting next to me. I would like to confirm what the Hon. Member has just said. A mediator has been appointed and will be meeting with the parties on Thursday, May 12, 1983. It is certainly our wish and our hope that this matter be resolved in order to avoid the interruptions that the Hon. Member has mentioned. Of course, in order to arrive at an equitable settlement, co-operation and good will on the part of all concerned will be required.

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EXTERNAL AFFAIRS

NICARAGUA—INQUIRY RESPECTING POSSIBLE SOVIET INVOLVEMENT

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is directed to the Minister of Defence. A month ago tomorrow, I asked the Minister if he had any evidence of Soviet involvement in Nicaragua. In view of the fact that perhaps over 100 tons of arms were intercepted in Brazil proceeding from Libya to Nicaragua, could the Minister of Defence indicate if he now has any knowledge of Soviet involvement in that country?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I can assure the Hon. Member that the Government is looking very closely at the situation in Central America. I think there have been some statements made about our interest there. The Prime Minister has expressed his views and concerns about the situation in Central America to President Reagan in Washington. We are receiving the usual information about what is going on in that part of the world. As far as the implication that other countries are delivering arms to that part of the world is concerned, I believe that it is public knowledge that there is much interference in these countries from one side or the other. As was stated before, I believe the policy of the Government is that Nicaragua should be run by Nicaraguans, and no other country should be involved in the internal affairs of this or any other country.

• (1450)

REQUEST THAT GOVERNMENT REVIEW AID PROGRAMS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, in the absence of the Minister of External Affairs perhaps I could put a supplementary question to the Prime Minister. In view of the fact that it has been stated that violence has become Nicaragua's most important export to the rest of the world; in view of the fact that that country now has a new army numbering 25,000 men, supported by a militia of 50,000; in view of the fact that there are 2,000 Cuban military and security advisers in that country, backed up with Soviet tanks and other equipment, would the Prime Minister indicate if the Government is reviewing the various aid programs which we have extended to Nicaragua, with a view to seeing if, indeed, they should be continued when there is such evidence of a build-up of a military nature in that country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, our aid programs everywhere are always under review.

CANCELLATION OF U.N. SECURITY COUNCIL MEETING

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, in the absence of the Minister for External Affairs perhaps I could address my question to his parliamentary secretary. Yesterday the Security Council cancelled its scheduled meeting on Nicaragua's complaint that the United States is trying to topple its Government. Can the parliamentary secretary inform the House whether a date has been established for the meeting of the Security Council to take place on this charge? And can he also tell us whether the Canadian Government is going to take any initiatives to urge the Secretary General, Perez de Cuellar, to participate in the peacemaking process?

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I am afraid it is too soon for us to have this information right now. As soon as the Secretary of State for External Affairs returns, there will be a discussion of Canada's initiatives in this respect.

[*English*]

BILATERAL NEGOTIATIONS PROPOSAL

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, perhaps I could ask the Prime Minister if he knows of any Canadian initiatives which will be taken to persuade Secretary General Perez de Cuellar to participate in the peacemaking process in Central America? Also, in reference to a question that my colleague, the Hon. Member for Saskatoon East, asked the other day about the Contadora group's proposal—this is the proposal of the Contadora group which would encourage bilateral negotiations between Nicaragua and the United States, and bilateral negotiations between Nicaragua and Honduras—could the Prime Minister indicate whether the Canadian Government is going to give its support, as part of the requested international support, to the Contadora group's proposal?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I believe the Minister has already indicated sympathy and support for the Contadora proposal. Certainly it is one which we see as constructive and one which we encourage. We believe that the states of the region are fully justified to be worried lest that whole area become again a cockpit of international rivalry. Therefore, we support the proposal. Whether it will have the results which the Hon. Member suggests, I do not know, but I believe that is the purpose of the proposal. I certainly hope it will have that effect. There should be more dialogue between the countries, and there should even be more dialogue between some of those countries and the United States of America.

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HOUSING

ENDING OF $3,000 GRANT PROGRAM—CONSEQUENCES FOR RENTER APPLICANTS

Hon. Bill Jarvis (Perth): Madam Speaker, my question is directed to the Minister of Public Works who, earlier in the Question Period, indicated that a young couple were grossly ill advised to give notice of vacating their apartment and entering into a purchase order for a new home, on the basis of what I thought was a reasonable expectation on their behalf of what was contained in the budget with respect to the $3,000 subsidy.

The other gross mistake which was brought to the attention of the House by the Minister was that the Government and Central Mortgage, despite the best advice available to it, grossly under-estimated the market. Given these two mistakes, one by a young couple hoping to purchase their first house, and the other by a Department which, according to the Minister possesses the best experts in the field, who, in the interest of

fairness and equity, in the Minister's view, should pay the price of that mistake?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I understood the previous Hon. Member to say that some people had given up their apartment as if they were just waiting to enter a house for which a foundation had not yet been laid. I thought that that sort of rhetoric did not help the debate.

I believe the question of the Hon. Member for Perth is a very serious one. Obviously, there are criteria which have to be met when you are applying for a $3,000 home ownership grant. Surely those, at least, should be met before major decisions, such as giving up an apartment, are made. On the other hand, I said that we had estimated, to the best of our knowledge, what would be the normal housing starts in the best years which we have seen in the housing history of the country. It is obvious that confidence has returned and a lot of Canadians want to build houses. There are a lot of savings which are not used and that is what we were trying to encourage.

I did not say so in my previous answers, but Canadians should also look at the other announcements made by the Minister of Finance, such as on the Registered Home Ownership Plan, which really offers considerable advantages in many cases. In fact some of them are superior to the $3,000 grant. That being said, I am assessing the size of the problem. As soon as I have information I will answer the serious question raised by the Hon. Member.

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PETRO-CANADA

EXPLORATION FOR OIL OFF CHINA COAST

Mr. Jack Shields (Athabasca): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. As the Minister will know, Petro-Canada has just announced that it is going to spend Canadian taxpayer dollars on off-shore exploration for oil off mainland China. The Minister will also know that Petro-Canada announced the closing of a project in northeastern Alberta related to the heavy oil sands. Can the Minister explain why, in this time of economic stagnation, when jobs are needed in Canada, we are spending, through Petro-Canada, Canadian dollars for jobs off mainland China, but withdrawing funds which are creating jobs in Canada?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, Petro-Canada, like many other corporations which have some experts available, have to find opportunity not only in Canada but elsewhere. I believe this agreement with China is creating an opportunity in the field of oil and gas for drilling in an area where there is a great opportunity. In so far as the problems within Canada are concerned, we are working all the time on some projects. I am in constant touch with the Government of Alberta. We are trying to develop new projects. I think that to link the two projects the way the Hon. Member just did, is absoltely unfair and uncalled for.

DEVELOPMENT OF DOMESTIC RESOURCES

Mr. Jack Shields (Athabasca): Madam Speaker, I would disagree with the Minister that linking the two projects is not fair. I would like to remind the Minister that in northeastern Alberta the total known reserves in the tar sands and in the oil sands surpass all of the reserves in the Middle East. Is it not time that the Government looked to our own security of energy supply, of oil supply, and developed those resources, rather than move off to China and develop mainland China resources for their security of supply?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, the Hon. Member must realize, coming from western Canada, that Canadian trade with China is very important because we have a very large surplus of trade with China, and most of the goods we sell to China are agricultural products coming from the Prairies. I believe he should be aware that it is quite important to maintain good relations. In terms of his comment on the energy situation in Canada, I invite him to read the comments of Total Petroleum, as reported in the press this morning, where they said that the only place they can do good business in oil at this time is in Canada.

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NUCLEAR ARMAMENTS

AGREEMENTS WITH SASKATCHEWAN ON USE OF TESTING RANGE

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, I have a very brief question I would like to direct to the Minister of Defence. Yesterday I asked if he would table four contracts between the Government of Canada and the Government of Saskatchewan. Is he now prepared to table those contracts? If it is a question of the consent of the Government of Saskatchewan, I believe he will find there will be full co-operation in obtaining that consent from that Government.

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, in answering the Leader of the Opposition yesterday I said I was looking into the matter as far as the confidentiality of the documents was concerned, and also I thought it was only reasonable to have the concurrence of the Saskatchewan Government before tabling them. There is no confidentiality in the documents, and I have the consent of the Government of Saskatchewan. With your permission, Madam Speaker, after Question Period I will be happy to table the documents.

• (1500)

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

OFFICIAL LANGUAGES—PRESENTATION OF SIXTH REPORT OF SPECIAL JOINT COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, I have the honour of tabling the Sixth Report of the Special Joint Committee of the Senate and the House of Commons on Official Languages, and pursuant to Standing Order 69(13), the Committee is seeking a comprehensive response.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS—PRESENTATION OF FIFTEENTH REPORT OF STANDING JOINT COMMITTEE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have the honour of tabling the Fifteenth Report, Statutory Instruments No. 19, of the Standing Joint Committee on Regulations and Other Statutory Instruments, and pursuant to Standing Order 69(13), the Committee is seeking a comprehensive response.

[*Editor's Note: For above reports, see today's Votes and Proceedings.*]

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[*English*]

NUCLEAR ARMAMENTS

TABLING OF AGREEMENTS WITH SASKATCHEWAN ON USE OF TESTING RANGE

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, it is a privilege to table under the provisions of S.O. 41(2) the documents I referred to in Question Period.

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PRIVILEGE

MR. CORBETT—QUESTION ASKED DURING QUESTION PERIOD

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I would like to bring to your attention a matter I consider to be a question of privilege not only for myself but also for the people across this nation who work in shipyards, particularly those shipyard workers who are unemployed. In asking a question today of the Prime Minister (Mr. Trudeau) which was terribly important to those people—

Madam Speaker: Order. The Hon. Member did not get a supplementary but I think everyone else in the House understood the reason. Members have been pleading with me to be a little more strict about questions. The Hon. Member's question was a very, very long one and he got an answer. I suppose the best way to help the people he wants to help is to conform with the rules of the House, which require that questions be short and seek information. I will be glad to recognize the Hon. Member on any other occasion so he can satisfy his constituents, but he must be brief in his questions.

Mr. Corbett: A point of order, Madam Speaker.

Madam Speaker: Well, no, the Hon. Member is not going to comment on the ruling I have just made. That is final. The Hon. Member did not get a supplementary, and I am sure I have the support of the House in enforcing the brevity of questions.

Mr. Corbett: A point of order, Madam Speaker.

Madam Speaker: The Hon. Member is now rising on a point of order?

Mr. Corbett: Yes.

Madam Speaker: Tell me immediately what the point of order is.

Mr. Corbett: Quite simply, the point of order is that if new rules have been introduced in this House I have not received them. Is there some sort of a—

Madam Speaker: Order. They are not new rules, they are very old rules. I would refer the Hon. Member to our Standing Orders. Questions must be brief and seek information.

Mr. Nielsen: And the answers must be brief.

* * *

PETITION

REFERENCE TO STANDING COMMITTEE ON MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Madam Speaker, with the unanimous consent of the House I would like to move, seconded by the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen):

That, pursuant to the provisions of Standing Order 106, the Petition of Michael Rusnak, praying for the passage of an Act to incorporate the Eparch of the Eparchy of Saints Cyril and Methodius of Slovaks of the Byzantine Rite in Canada, filed after the time limit specified under Standing Order 97, be referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders, together with the Four Hundred and Thirty-Eighth Report of the Clerk of Petitions thereon, presented to the House on Tuesday, April 26, 1983, for any recommendations the Committee deems advisable.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following question will be answered today: No. 4,407.

[*Text*]

DEPARTMENT OF EMPLOYMENT AND IMMIGRATION—SECTION 21 CERTIFICATE

Question No. 4,407—**Mr. Cook:**

Did any individual against whom a Section 21 Certificate was issued in 1969 enter the country on a Ministerial Permit during the period January 1, 1975 to December 1, 1980 and, if so (a) was the Permit ever issued under a criminal category (b) was the occupation of the individual ever shown as "unknown"?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Yes. (a) No. (b) No.

[*English*]

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

Madam Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

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MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

Madam Speaker: Shall all Notices of Motions for the Production of Papers stand?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

Madam Speaker: Shall all items listed under Private Members' Notices of Motions be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

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[*English*]

POINT OF ORDER

MR. MUNRO (ESQUIMALT-SAANICH)—PROCEDURE RESPECTING NOTIFICATION OF ITEMS FOR DEBATE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I apologize to the proposer of the first motion but I feel my

point of order is a matter which concerns all Members on Wednesdays, the timing of the notification of Bills or Motions or whatever is to be brought before us today.

The projected daily order of business reached my office at 11.10 today, Mr. Speaker. The notification which is published and photostated is not in our lobby. The one in the lobby now is the one placed there by our Deputy Whip for last week's proceedings. This is not good enough. There are matters brought before the House by Private Members which are important, not just to individual Members but to the country. We are here to bring forward for the consideration of this House matters which the Governments not prepared to consider. Members should have, and do have, the right to bring them forward. They should have the opportunity to prepare properly for their consideration.

The selection of subjects is also a very great mystery to everyone, Mr. Speaker. I understand there is a fair amount of telephoning to Members asking whether we are prepared to raise a particular matter, say, tomorrow. Perhaps they even call us on the same day the matter is to be brought forward. That selection process is not clear in anyone's mind.

I am sorry to eat into the time of the Hon. Member by ten minutes, not of the first speaker, but of the third matter to be considered today. His time will be reduced by ten minutes or by however long this point of order takes, unless there is unanimous consent of the House to do otherwise.

My contention, Mr. Speaker, is that the rules governing Private Members' Business are not clear. They are not sufficiently clarified in the Order Paper for everyone to receive sufficient notice—the proposer, for example—or for those who wish to speak to the matter to receive notice to prepare themselves. There is not sufficient time for each matter to be considered for an hour for the full three hours.

• (1510)

Those three matters deserve the most careful consideration by the Chair. All backbenchers are concerned and I think I am speaking for them in raising this point of order this afternoon.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if it would help the Hon. Member, I could prepare an outline of the manner in which the system works so as to establish what the business is for any given day, and I could circulate it to all Members.

If, however, there are any suggestions that there is favouritism or preference given, that is simply not true. If you look at today's list, Mr. Speaker, you will see the names of three Opposition Members. A week or two ago a point was raised by the Hon. Member for Edmonton West (Mr. Lambert) and just

a couple of days ago we contacted him to see if he would be prepared to go on today, but he was not.

Mr. Munro (Esquimalt-Saanich): Who is "we"?

Mr. Smith: "We" is the office that co-ordinates this procedure and reports to me. We then contacted the Hon. Member for Bow River (Mr. Taylor) and he was interested in substituting one Bill for another. We thought that was reasonable and we accommodated him.

In order to accommodate Members it is not always possible to get the list out as soon as the Hon. Member would like. That is the only reason. I want to assure him that it is equally inconvenient for the various Parliamentary Secretaries who have an obligation to organize the debate in response to Private Members Bills. They do not get any more notice than the Members who are raising the issue.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the late hour at which Members are notified of their participation has always been a bone of contention. I think it is fair to say that once we start the new session under the new Standing Orders, there will be a draw and Hon. Members will know reasonably far in advance when their Bill will come up. If they are nineteenth on the list, say, they will have a reasonable assurance of when they might have a chance to debate.

I think the problem now is that we are operating with two sets of rules. We are not operating under the draw system that was recommended. I understand it has been quite difficult of late to get Hon. Members to take part.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, when the Parliamentary Secretary is looking into that point, I wonder if he would look into another matter which affects the privileges of Members of Parliament. As one of those who had five minutes to debate the very important and directly related matter of the establishment of a Canadian merchant marine, I felt at the time that the importance of the subject was downgraded and that my capacity under that ancient right of this Chamber that a Member shall be heard was impinged.

The essence of the argument is that we have erred in our rules and we must find some way to correct that; to get the full hour allotted without having to wait for the start of a new session. That may never come, Mr. Speaker.

Mr. Smith: Mr. Speaker, it should be pointed out that under the new provisional rules we now have three hours, or we attempt to have three hours, each Wednesday afternoon, whereas under the old rules there were only two after you reached the 40-hour point in any given session. Strictly speaking, a little more time is given to Private Members' Business now than was given before.

I wish to assure my hon. friend that if I had been here I would gladly have given unanimous consent for the time of the House being extended to accommodate him.

The Acting Speaker (Mr. Corbin): The Hon. Member for Esquimalt-Saanich (Mr. Munro) raises a legitimate grievance. However, the Chair must be guided by custom and practice covering these matters. As Hon. Members know, the Standing Committee on Standing Orders and Procedure is reviewing the Standing Orders and rules of the House of Commons, so this would perhaps be an ideal matter to refer to that Committee. The Chair also takes into account the proposals put forward by the Parliamentary Secretary to the President of the Privy Council (Mr. Smith).

I would also draw to the attention of Hon. Members the ruling made on December 5, 1977 by Mr. Deputy Speaker Laniel and reported at page 1557 of *Hansard* for that date as follows:

> Second, a Member who feels that the practice has resulted in an injustice on a particular occasion and that he should have been consulted or given more advance notice may, of course, express his dissatisfaction simply by withholding the required unanimous consent. This would oblige the Chair to call seriatim, one by one, all items preceding the scheduled item.

The various concerns expressed at that time were no different from those expressed today and on a number of previous occasions. In the case of the Bill presently before us, unanimous consent has been given.

The Chair has heard the grievance expressed by the Hon. Member for Esquimalt-Saanich. The best one can do in the circumstances is to ask that the Committee clarify or tighten up the procedure under which the selection is made. Until that is done the Chair would want to be guided by the current practice established by the House.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, may I suggest that today's contribution to this particular debate be referred specifically to the Committee so that it will be seized of the problem, will understand what the problem of the backbencher is and deal with it in an appropriate fashion. That may be by extending the hours automatically after six o'clock, by providing that notification be posted in all lobbies on Monday or that notification be given at the time of the normal Thursday question. I think that would perhaps be the most appropriate time.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I think my hon. colleague is talking about the rules and regulations and not about the personnel involved. I find that the officer who looks after this is most obliging and does his best to accommodate us in every way he can.

I think it is the rules and regulations on procedures that worry us, rather than the personnel.

The Acting Speaker (Mr. Corbin): The point made by the Hon. Member is well received by the Chair. Short of proceeding with a formal motion to refer this important topic to the Committee looking at procedures, the Chair will take it up itself to write the Chairman of that Committee and submit the points made by all Parties.

MARITIME INDUSTRIAL OPPORTUNITIES

ADVISABILITY OF APPOINTING ROYAL COMMISSION

Mr. Ray Skelly (Comox-Powell River) moved:

That, in the opinion of this House, the Government should consider the advisability of creating a Royal Commission on Maritime Industrial Opportunities for Canada with terms of reference to include studies and recommendations (*a*) on the feasibility and benefits of creating a Canadian merchant fleet (*b*) on co-ordinating the efforts of Government, industry and organized labour in creating a Canadian merchant fleet (*c*) on a course of action which would allow Canadians to identify and capture future economic benefits in the marine industrial sector, such as offshore mineral development and seabed mining.

● (1520)

He said: Mr. Speaker, this motion originally found itself on the Order Paper on November 26, 1981. It is rather interesting that we should be debating the motion today since some action has been taken to generate shipbuilding interest across the country. However, I still believe that this motion is relevant because what activity has been provided by the Government in this field is quite hopelessly inadequate when measured against the opportunities that are available for Canadians.

I think most Members of the House would recognize that the date of this motion comes after considerable and hard-fought debate on the Canada Oil and Gas Act, Bill C-48. In that Act the Government provided a number of measures which it claimed would provide industrial benefits to Canada from oil and gas development, particularly from offshore oil and gas development. The Government spoke of the benefits that would accrue from the sourcing of materials in Canada and enhancing Canadian producers not only to supply our needs in this field but to develop expertise and eventually sell it offshore. It also included provisions to ensure the procurement of Canadian employment.

The unfortunate fact which became clear when we were discussing this legislation was that it was totally discretionary. The clauses that were written into the legislation were virtually ineffective in providing any teeth, public scrutiny or any input from outside the Minister's office. Although he would have advice from his supporting Departments, the Minister of Energy, Mines and Resources was solely responsible for determining what would happen in this very important industrial sector. I would suggest from the facts that were laid before the committee and the House of Commons when considering the Oil and Gas Act that the Minister's priorities were definitely for developing energy without considering industrial benefits in Canada. Those discretionary powers were far in excess of what was required and certainly excluded many other sectors in the country, including the marine industrial sector, members of organized labour and the public in general who would benefit.

The purpose of this motion is to try to shed some light on these facts. We had envisioned a group of knowledgeable people being convened as an inquiry group which would travel throughout the country to meet with representatives of municipalities, organized labour and the various shipyards and shipbuilders in Canada. They would meet with the oceans industries group who provide materials to the shipbuilding industry so that this inquiry could produce a general and well informed, publicly informed document that could supply some recommendations for improving the marine industrial sector in Canada.

We eventually saw some initiatives on the part of the Government and the acknowledgement that the shipbuilding industry which it had ignored for years was in fact worth the time and investment. I would point out that the federal Government appeared to be interested in developing a shipbuilding policy from what we delivered at the beginning of the year, which advocated a very passive effort with no activity at all.

That passive action came in the form of three basic proposals. It would see the customs boundary extended out 200 miles in the hope of capturing marine activities within Canada, such as marine platforms which would be constructed in Canada in order to escape the duty provisions. This proposal or policy statement, which is all that it is, would eliminate some of the preferential duties that would allow certain nations such as Commonwealth countries and developing nations to dump ships in Canada at much lower prices and without penalties than Canadian shipyards could provide. While obvious loopholes such as that were blocked, that was not the case with the boundary. The boundary was not extended.

Now that the policy is in place I wonder if we will ever see the supporting legislation. It is my understanding that the responsibility now passes from the Minister of Industry, Trade and Commerce (Mr. Lumley) to the Secretary of State for Finance (Mr. Cosgrove). We have no indication that this will occur.

A second token recognition was revealed in the budget speech of the Minister of Finance (Mr. Lalonde). The Minister of Finance is the former Minister of Energy, Mines and Resources and the one who took the position that he would be the end-all and be-all in determining what would happen in Canadian shipbuilding. As Minister of Finance he used his discretion by giving another indication that the Canadian Government had some minor interest in shipbuilding in this country. He indicated that approximately $700 million would be provided for a Coast Guard fleet renovation program.

I would point out, however, that this old plum of the Coast Guard fleet renovation has been trotted out by Cabinet Ministers over the last three Parliaments. Every time that an individual in the Treasury benches requires a plum to trot out during his travelling through the Great Lakes, or on the East or West Coast of the country, he would trot out the old Coast Guard fleet renovation program. When the Hon. Member for Victoria (Mr. McKinnon) was Minister of Defence in the previous Conservative Government, he proposed a $300 million fleet renovation program. We are still waiting for those vessels.

We also heard about the same fleet renovation program in the previous Parliament. I know that Members of the Party to my right have been asking that the program be put on the drawing board quickly and be accelerated for three purposes. The first is to provide the infrastructure and equipment that the Canadian Coast Guard needs to perform efficiently. The

second is to create employment, especially in those areas of the country where that employment is desperately needed. Finally, the acceleration of that program and the faster construction of ships would give Canadian shipyards a shot in the arm and an opportunity to upgrade and purchase those new technologies required to remain competitive. However, I suspect that that $780 million will be spend over the lifetime of the present generation.

The point I have been making is that the Government has made two very soft proposals. One is a policy statement that has not yet been made law. Given the length of time it takes Parliament to act and the Liberal Government's past history of absolutely ignoring this field, I doubt whether we will see this legislation to support that policy.

The second soft proposal is the old carrot of the Coast Guard fleet renovation program. It would have been much more constructive for those people who have to do the planning, make the investments in their shipyards, determine the flow and size of their work force and training of their employees in order to remain current and competitive to know whether or not the Minister of Finance really had any intention to spend that $780 million on Coast Guard fleet renovations. Those are the two recognitions.

The other very serious problem with marine industrial strategy in this country is that the Government is not really committed to addressing that strategy. It is difficult to determine where the differences lie on that side. Certainly there are representatives over there from the eastern part of the country who could achieve substantial benefits for that area.

When the Prime Minister (Mr. Trudeau) travelled to Prince Rupert and was asked who was building the bulk carriers that would haul our coal to Japan, he stood up to the crowd and said: "We will ship our coal away in the boats of anyone who wants to haul it away". He was definitely not in favour of having it hauled away in Canadian ships. He was definitely not stressing that point. The Prime Minister of Canada, the ultimate spokesperson for the Party opposite, shot down the suggestion that a Canadian fleet should be developed.

• (1530)

The previous Secretary of State for External Affairs, the present Minister of Justice (Mr. MacGuigan), when questioned in the United States about Canadian economic nationalism, put forward the point that Canadians would not become involved in cargo reservations, that Canadians would not ensure a Canadian merchant fleet would have a chance by adopting a provision such as the UNCTAD provision which would see up to 40 per cent of our trading cargo carried in Canadian ships, 40 per cent carried by our trading partner, and 20 per cent by ships of opportunity to take advantage of back hauls, etc. One prominent Cabinet Minister and the Prime Minister shot down a real opportunity for Canadians to develop a Canadian merchant fleet.

We are getting mixed signals from that Government. The signals on the positive side are very weak. Indications are that Canadian shipbuilding and a Canadian merchant fleet are not strong priorities with the Government.

The timing of this motion is interesting. The Hon. Member for Esquimalt-Saanich (Mr. Munro) pointed out some interesting anomalies that occur with Private Members' Hour. Because of certain other demands, I was trying to replace this resolution on the list. Fortunately we are debating the motion right after release of the 1982 annual report of the Canadian Shipbuilding and Ship Repairing Association, so I think it is very timely and lucky that we managed to get the resolution before the House now.

The shipbuilding and ship repair report mentions another area of marine industrial activity that we are ignoring and on which the Government refused to move. When the policy statement was brought out about extending the customs boundary, closing the loopholes for offshore vessels and dealing with a 9 per cent subsidy, the importing of fishing vessels of over 100 feet was left out. For example, the Atlantic trawler fleet requires replacement over the next ten years. This will mean $3 billion worth of shipbuilding work. A little further on the report points out that not a single fishing vessel was ordered from our yards in 1982. However, five were imported in 1982, for a total of 27 trawlers imported since 1979. That Government is giving work for Canadians away. It is absolutely ridiculous to allow that work to go offshore.

There are certain elements the report acknowledges; for instance, the development of a couple of CN ferries. We have a list of offshore work completed in 1982. The report goes on to point out that in a depressed world economy, in the cut-throat, competitive international market, what the shipbuilding industry in this country needs is a policy developed by Government. The Government is really the agent, the catalyst, that will bring industry together, the industry of those who require maritime or marine bottoms and the builders. It could be done in a way that tries to meet the needs of each other. It does not happen automatically. Unfortunately, the Government is not doing this.

The Government can act as catalyst in a second way by timing the building of fleets which the Government requires. For instance, it could meet the requirements of the Department of Fisheries and Oceans, the Department of National Defence and the Department of Transport. The Government should provide proper timing for construction. The frigate program has been dragging out for years. The Coast Guard renovation program has been dragging out for years. If the Government were to time those expenditures properly to allow shipyards to use that material for planning, their work forces could be kept together and trained people could be kept right at their peak. Purchases of automatic equipment and computer guided technology could be timed properly. Yards could then maintain themselves on the leading edge of shipbuilding so they would not only be competitive in Canada but on a world-wide basis. The Government does not do that. It is most unfortunate because there are many lost opportunities.

I will briefly summarize a few things in the report. At the end of December, 1982 Canadian shipyards had only 20

vessels and floating equipment under construction or on order, with a gross tonnage of 186,000 tonnes. This reflects a reduction of 59 per cent in the number of units under construction and a 35 per cent reduction in tonnage. New orders were down drastically from 38 in 1981 to 11 in 1982. The report goes on to indicate that there are no new orders for 1983 in the order book. This is a desperate situation. With the exception of the soft commitment, the statement of policy on which the Government has not delivered, and the Canadian frigate program, there is very little in the works for the Canadian shipbuilding industry.

In the discussion of the Canada Oil and Gas Act, discussion was had of some of the models other countries such as Norway or Britain develop. I am speaking of the offshore supply office concept. Certain specialists could take a look at Canadian industry where there is potential for development and encourage the taking on of new lines of products that would meet maritime industrial needs, co-ordinating those activities with the shipbuilders, the oil companies and the offshore resource exploration companies who require it.

In Britain they had hundreds and hundreds of people working in the offshore supply office. They were involved in marketing, engineering and in on the ground, hands-on assistance to business in a variety of areas. It was effective assistance. But what did we put forward, Mr. Speaker? We put forward 24 people in the Department of Industry's office of industrial benefits. It is a joke. By the time they get just the simple paper work done and manage to organize it, it is a wonder they can do anything in the area of practical assistance.

Over the next two decades we are looking at the expenditure of billions of dollars. We are talking in the order of $33 billion. There are 400 different projects over the next two decades at which Canadian yards could have a crack. It would employ tens of thousands of Canadians. But the Government in its very soft commitment wants 24 people to do all that work. It is ridiculous. That is a failure to deliver on the commitment.

I say to the Government double or triple the resources. This is not Goverment intervention; it is a desperate and real need to co-ordinate and disseminate information to encourage the private sector to take on more activities. Some assurance should be given in the beginning that the investment will find a return. That can be guaranteed by proper timing of programs and by proper resources allocated to assist business to get rolling in this important field.

It is interesting that over the years on the merchant fleet side we probably have had a very large Canadian-owned merchant fleet, with companies such as Federal Commerce and Navigation, Canadian Pacific and Papachristidis Maratime Inc. A large number of Canadian firms benefit by registering those ships offshore. They have tax concessions and reduced requirements for employee benefits and benefits like that. This Government could very quickly see those ships returned to Canada. We would have ready made employment for shipyards, ready made business for Canadian crews and the entire secondary area of employment and economic opportunities that accrue out of it. This Government could very quickly put those Canadian ships onshore by one simple method. It could adopt the UNCTAD procedure of cargo reservations and say that the selling of Canadian goods offshore would be applied under the UNCTAD proposal. Then those shipping companies would come onshore to carry our goods. They are carrying them already, but the benefits are going elsewhere.

• (1540)

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I thank the Hon. Member for Comox-Powell River (Mr. Skelly) for moving his motion today. He almost apologized for doing so and questioned whether or not it was relevant since he placed it on the Order Paper back in November, 1981. I want to assure him that it is very relevant today.

I am pleased that he acknowleged the federal Government is interested in the deep sea fleet subject. Also I was very pleased he gave the federal Government some recognition because we have done something modestly, as he put it. He also gave recognition to the present budget which earmarked over $700 million for the Canadian Coast Guard Fleet Renovation and Acquisition Program.

More important, his motion allows us to present to Canadians what has and what has not been done in this entire area. As the Hon. Member probably knows very well, Canada made a conscious decision in the late 1940s to rely on market forces for international shipping requirements, which led to the demise of the post-war inefficient Canadian flag fleet. This does not mean, however, that the Government has ignored the issue of Canada's participation in ocean shipping over the past 30 years. Several very extensive studies have been commissioned over past years to ascertain whether or not it would be in the Canadian interest to encourage the development of a Canadian presence in deep sea shipping. Before recommending further studies or Royal Commissions, as the Hon. Member suggested, I think it behooves us to examine some of the history and results of earlier studies.

In order to understand better the present situation, it is important to go back to the situation which prevailed after the Second World War. In 1945 the Park Steamship Company was administering a fleet of 176 vessels. By 1948 the Canadian fleet comprised 215 dry-cargo vessels totalling two million deadweight tons. The post-war shortage of shipping services and high ocean freight rates allowed Canadian vessels to operate in the deep sea trades despite the fact that Canadian flag operating costs were the second highest in the world. By the end of the decade, however, growing competition from foreign fleets, a drop in world freight rates, labour problems and changing technology began to tell upon Canada's merchant marine.

After a substantive review of the international shipping situation in 1948-49, the Canadian Marine Commission concluded that:

> Having regard to the cost of construction and operation and taking trade balances into consideration, it is inadvisable as well as uneconomic for Canada to

consider the construction and operation of a Canadian flag, ocean-going merchant marine of sufficient dimensions to accommodate all her export trade or any fixed percentage thereof.

The Commission recommended that Canada maintain the shipping and shipbuilding industries as a nucleus capable of rapid expansion in an emergency. The Government, however, conscious of the difficulties faced by the Park fleet, decided to rely fully on market forces and approved a liquidation of the inefficient Park fleet. Owners were given seven years in which to use the proceeds of the sale of war-built ships for the acquisition of new or reconditioned ships, preferably ones built in Canadian shipyards. Because owners were reluctant to build deep sea tonnage, a large portion of the sale proceeds were ultimately diverted into lake and coastal shipping. It is worth noting that these fiscal privileges were a key element in the development of the Canadian Great Lakes fleet, which not only serves as a low-cost, efficient carrier of Canadian domestic cargoes, but has managed as well to capture a large proportion of the marine cargoes moving between the United States and Canada. I am told that this now amounts to about 90 per cent.

Ever since the decision to liquidate the Park Steamship Company, the debate has been going on as to whether or not it is economically sound to revive the Canadian deep sea fleet. Although there has been in the past, and continues to be, selective participation by Canadian flag shipping in specialized deep sea trades, it is generally recognized that Canada may not possess a world-wide comparative advantage in the deep sea shipping sector which would allow the country to become a major maritime power. The conclusions of the various studies have been similar. Although Canadians face some cost disadvantages, the studies all pointed out the potential for Canadian participation in certain trades, particularly those where capital intensive vessels were required.

In 1970, after the passing of the National Transportation Act, a report prepared by Hedlin Menzies and Associates for the Canadian Transport Commission assessed the potential feasibility of a Canadian deep sea merchant marine. The Hedlin Menzies study was an exhaustive evaluation of the economics of deep sea shipping. Construction and operating costs were obtained for both Canadian and foreign flag operators. A computerized economic evaluation model was used to identify prototype ships that would result in minimum carrying costs for each major Canadian deep sea bulk trade.

In total, 26 separate East and West Coast Canadian trade patterns were examined, which embraced various Canadian trade cargoes, possible cross-trades and possible ship types. On the basis of these most efficient ships, the study then calculated the freight rates and revenues operators would require. They concluded that Canadian flag operators would require annual revenues between 14 per cent to 20 per cent higher than those required by low-cost foreign flag owners in order to achieve the same after tax return on equity. They attributed the higher required revenues to the impact of Canadian taxes and the higher operating costs caused by Canadian crew and subsistence costs. Despite this general cost situation, the study identified as potentially economic for Canadian owners those trades using bulk-type vessels with capital costs in excess of $10 million, using 1975 dollars.

An exhaustive study of the commercial viability of shipping into and out of Canada was carried out in the late 1970s by Alcan Shipping Services Limited. The basic message from the Alcan report with respect to the commercial viability of the various options studied was that a number of routes were potentially profitable for Canadian entrepreneurs. The Alcan study examined the relative competitiveness and profitability of foreign flag shipping versus Canadian flag options and tested them against 23 selected commodity routes accounting for 54 per cent of Canadian 1974 deep sea exports and 30 per cent of deep sea imports in tonnage terms. These included 12 bulk routes, five neo-bulk routes, four container routes and two break-bulk routes. For purposes of analysis, costs and revenues were projected for each route on the assumption that vessels appropriate to the nature and amount of the cargoes involved would be employed.

The 12 bulk commodity routes accounted for 55 per cent of Canadian deep sea bulk exports and 35 per cent of deep sea bulk imports in 1974. The five neo-bulk routes accounted for 48 per cent of all neo-bulk Canadian deep sea trade during the same year, and the four container routes represented 78 per cent of Canada's container trade.

The study did not attempt to select routes for potential Canadian investment. It simply examined the commercial attractiveness of these four options. Results were based on anticipated average conditions over a 20-year period. A typical vessel was identified for each route and traffic flow volumes estimated. Future freight rates were calculated, as well as future vessel costs. Other variables included were vessel purchase and charter costs, payment schedules and loan terms, write-off periods, maintenance and crewing costs, port and fuel costs, market freight rates and appropriate discount rates.

The analysis indicated that Canadian-built and Canadian registered ships could prove profitable on seven routes. Canadian registered ships obtained from the cheapest source of supply were considered potentially profitable on six routes.

In light of these types of findings, it is difficult to find justification for any further studies of the commercial competitiveness of prospective Canadian operators in deepsea shipping. In fact, there are many reasons why it is very difficult to compare Canadian flag operations with foreign operations, a large proportion of which are influenced by various Government assistance programs. First, there is very little economic regulation of the international shipping industry. Hence reliable and timely cost data is very difficult to come by.

• (1550)

Second, the international deepsea industry is a very large industry which is not homogeneous. Conditions which prevail in one part of the industry may not be similar in another. There are a variety of types of operations with often a clear separation in the behaviour of various market segments. For example, there are the three principal shipping markets, liquid bulk, dry bulk and general cargo, as well as the specialty

markets such as heavylift, short-sea, roll-on-roll-off-ferries, cruise ships and more. Each one of these is completely different in the type of size of vessels employed, often in the ports they serve and the economic conditions which affect them. Thus, simultaneously it is possible to have a boom in the bulk carrier market due to extraordinary wheat purchases by an East European nation, a bust in the large tanker market due to a crisis in the Persian Gulf, a simultaneous boom in the offshore supply vessel market in the hunt for alternate resources, and a slump in the cruise market due to a recession in the United States. Thus it is not possible to draw conclusions about the industry that are applicable to all situations.

Third, the ocean shipping industry is very volatile with rapid changes in rates and in second-hand ship costs, as these reflect the capitalized value of earnings potential. In very few sectors, is it more evident than in international shipping that forces combine to make it a volatile sector. Transportation being a derived demand, all cycles affecting one particular commodity or specific trade route are immediately passed on to shipping in terms of reduced volumes, rates or irregular patterns. On the other hand, as demonstrated by the world petroleum pricing situation, the increases in commodity prices are not necessarily reflected by higher freight rates, although often there may be a relation between the value of commodities and the level of rates.

Rates are also affected by political factors such as the closing of the Suez Canal or military activities, creating a demand for commercial shipping, as demonstrated by the Korean and Vietnamese wars. Any analysis of freight rates in the international marine sector will quickly show that rates fluctuate violently, not uncommonly rising by some 250 to 350 per cent within weeks, if not days, then dropping just as rapidly to original levels or even well below.

An illustration of rate fluctuations is transportation charges for wheat between Canadian St. Lawrence River ports and Antwerp, Amsterdam and Rotterdam. Ocean charter freight rates from these St. Lawrence ports on a yearly weighted average basis were $10.84 U.S. per tonne in 1973, rising to $18.18 U.S. in 1980 and falling back to $6.31 per tonne by 1982, a level only 60 per cent of the rates prevailing nine years earlier.

It is very important to note the fact that Canada does not have a major deep sea fleet does not mean that there has been no participation by Canadians in the industry. As of the beginning of 1982, total registered tonnage of the Canadian merchant fleet of 1,000 deadweight tonnes and over under the Canadian flag amounted to $3,600,000 deadweight tonnes and included 271 ships. Of these ships, 85 were identified as being able to navigate on the oceans but only a few were actually engaged in deep sea services, the majority of vessels being used almost exclusively in domestic coasting or transporter trades.

An important fleet, which is indicative of Canadian interest in shipping and illustrates the potential for more direct participation, is the one controlled by Canadians but registered abroad. Although no official Canadian records show the real extent of Canadian control, estimates prepared by the Canadian Transport Commission show that at the end of 1982 Canadians controlled at least 108 ships which totalled over 6.5 million deadweight tonnes. Controlled by companies such as Canadian Pacific Limited, Cast North American Limited and Fednav, Limited, this fleet is registered in countries such as the United Kingdom, Liberia, Belgium and Hong Kong.

The largest and one of the most successful components of the Canadian flag fleet is the fleet operating in the inland waters of the Great Lakes and the St. Lawrence River. Canadian Government support for the Canadian laker fleet was extensive following the opening of the St. Lawrence Seaway in 1959. The result of these policies was a Canadian flag fleet that expanded rapidly to take advantage of the larger ship sizes made possible by the new Seaway locks.

As well as moving domestic Canadian trade on the Great Lakes, the Canadian lake fleet moves over 90 per cent of the transborder cargoes between Canada and the United States. The solid establishment of a Canadian fleet on the Great Lakes and similar successes on both coasts in the domestic and transborder trades show that given the proper environment, Canadians can operate successfully and innovate to remain competitive. For example, Canadian ship owners have pioneered the use of self-unloader ships in the Great Lakes, and on the West Coast many tugs or barges have been designed to serve specific needs of the forest industry. As well, those successful operators have demonstrated the feasibility and viability of using Canadian crews and dealing with unions in a constructive and stable manner.

As well as successes in domestic and transborder trades, certain Canadian operators have discovered commercially viable selective opportunities in deep sea trades based on some market or technological advantage. The most recent venture in this direction has been the decisions of some of our Canadian Great Lakes ship owners to build ships that are capable of operating both in the deep sea trades and in the Great Lakes.

Two of these ships were delivered last year, a further five are being delivered this year and a final two are scheduled to be delivered in 1984. At an average cost of $40 million each, these nine ships constitute a very large financial commitment by Canadian ship owners and reflect the belief of Canadian ship owners that they can compete in certain deep sea trades based on the advantage of the self-unloading technology which they have developed in the Great Lakes and based on the strength of their present domestic operations.

However, a study recently completed by Professor Shaw of York University for the Canadian Transport Commission argues that the technological advantage which these ships presently enjoy may be lost in a few years as operators of foreign flag shipping gain access to the same technology. He argues that the tax rules applicable to these Canadian operations will have to be changed if these new ocean-going lakers are to continue to operate in deep sea shipping on a commercial basis.

The Government is continuing to determine the specific tax and shipping policies which will create an environment that will be more attractive for deep sea operators to invest in

Canada. I have more to say but I see, Mr. Speaker, you are signalling that my time is up.

Hon. Ron Huntington (Capilano): Mr. Speaker, first may I compliment the Hon. Member for Comox-Powell River (Mr. Skelly) on bringing forward this motion to create a royal commission on maritime industrial opportunities within Canada. There is no need for him to apologize about the timing of his motion, as the Parliamentary Secretary to the Minister of Transport (Mr. Flis) said.

In my opening comments I want to say how sorry some of us on this side are for the Parliamentary Secretary when he has to stand up in this House and read a memorandum prepared by some bureaucrat deep in the bowels of the marine section of the Department of Transport, feeding out information that they assembled. I believe that memorandum may have been circulated in the form of a magazine or an article directed to the nation at large. It would be nice to hear the Parliamentary Secretary speaking from his gut and from his heart about how he feels as a person representing the people rather than as a bureaucrat deep within the system.

• (1600)

This very, very critical issue is uppermost in the minds of most of us who reside in the Maritime areas and regions of Canada. The mover of the motion, myself and another colleague here in the House come from the West Coast. In my riding alone there are eight shipyards including one major shipyard. These eight shipyards have pioneered the technology that created ships to service the emerging oil industry in the North Sea and the offshore rigs. They have designed and built marvellous vessels that work in the Arctic Ocean and serve the drilling rigs and islands in the Arctic.

We now have an unbelievable technology that has emerged from the marine colleges of the world. I would say that the marine architects from the West Coast stand second to none. Our products can be delivered all over South America, into Asia, Europe and the North Sea. What we on the West Coast seem to want is equal and fair treatment by the Export Development Corporation that will enable us to put together compatible packages that are small enough to allow us to deliver the great fishing technology and service technology and auxiliary vessel technology that has been developed on the West Coast.

I have struggled with the bureaucracy here in Ottawa many times to try to get the Export Development Corporation to recognize the needs of the West Coast consortiums that deal in only a few million dollars, but these few million dollars are very important to this type of highly specialized shipyard. If the package is not in the hundreds of millions of dollars, the Export Development Corporation does not seem to be interested in it. It is too much bother in terms of the red tape and paper work that must be done. That really is a tragedy. We are losing much of our ability to build and service our domestic Maritime needs because of the total financial packages coming from shipbuilding countries that have similar design and architectural capacities but have perhaps a far higher level of productivity with lower cost.

The essential difficulty that the Hon. Member for Comox-Powell River (Mr. Skelly) is trying to overcome is something that I have pondered and struggled with quite a bit. We in the House keep telling ourselves that it is our national need to improve national productivity at all levels, and that to challenge costs and really bring inflation down to levels where mankind is served properly by the system, productivity must be improved. As we improve our productivity, the capital quotient of production will have to be improved. We will have to improve the person-hours in production as a quotient and we will have to bring capital and labour into optimum balance.

Just recently the Government saw fit to announce that it will finance a productivity centre in order to bring us out of the productivity dilemma that we are faced with in this country. Well, is it not interesting that the Right Hon. Mr. Diefenbaker structured a productivity centre back in the 1960s that the Liberal Government then closed? We have now returned to more rhetoric on the need for productivity.

I believe that the essence of truth in terms of our need for productivity is something that we as politicians in the House who stand for election are failing to grapple with. It is far more important to grab money from the federal pot and sprinkle it around our ridings than face up to some hard facts. I would love to take to my riding some of the Coast Guard fleet renovation programs.

Mr. Speaker, what is being done in the Coast Guard fleet renovation program? As I understand it, the major dollars involved in that program will replace three of the larger Coast Guard vessels that are used as buoy tenders, channel tenders and so on. Just last Monday I was told by a very responsible official in the Department that there were ten to 15 years of life left in each of three vessels that this Coast Guard fleet renovation program will replace. The new vessels will have an efficiency in fuel consumption that is lacking in the old vessels, but the old vessels were very efficient and well constructed with ten to 15 years of good service left in them for the duty that they perform; but here we are phasing them out at a time when they have no market value. They will go to the scrapyard. We will deliver these three new vessels in order to create some temporary work in our shipyards and probably in order to upgrade accommodation on those vessels for the employees of the Coast Guard. It seems to me to be very wasteful and tragic to resort to that kind of program in order to make work.

On the other hand, what if we were to direct our energies back to ALRT, the automatic rail transport system that is being installed in Vancouver for Transpo 86? Why does this Government not take a type of export development credit and put together a financial package on the ALRT, and give this country a domestic working model from the Lower Mainland all the way up through the Fraser Valley on both sides of the river to open up a whole new vista of land and lower the cost of housing and living within the Lower Mainland of British Columbia?

Some Hon. Members: Hear, hear!

Mr. Huntington: We will not sell the Canadian ALRT program until there is a complete working model at home in our own land. ALRT was originally justified because there is something like a $4 billion world market for this type of technology. We in Canada will not be able to sell on the world market. We do not have a really efficient working model on a domestic urban scale because the financial package has not been available to that demonstration project.

What I am getting at is that if we are to resolve the problems we are facing today, we must address the national productivity. In order to address productivity we will have to be honest with ourselves and stop being so political and dishonest with our national interests.

We are now in the age of GATT. A struggle with protectionism is going on in the country. We are trying to break down barriers and open up free trade. Mr. Speaker, we have a very hard five to eight years ahead of us adjusting to international free trade. How are our shipyards and steel industries to compete when Canadian labour is at $20 an hour, Japanese labour is at $9 an hour and Korean labour is at $4 an hour? Right there in the labour quotient of capital goods is a productivity challenge.

These are problems that must be addressed. Maybe the royal commission that our colleague from the NDP is calling for will address those problems. But a royal commission consisting only of shipping interests and Maritime union interests, totally self-interested, would be a total waste of money and a national tragedy. If we are to structure a royal commission, we must open it up to all input from the nation and the world in order to find a solution that is meaningful. It is a basic change in attitude, it is a basic change in work ethic, it is a basic emphasis on the word "productivity" which is needed if we are ever going to move ourselves into the world of a competing Maritime nation.

• (1610)

The essence of having a Maritime fleet is to be able to compete with those countries which attract a Maritime fleet. That means creating a tax system which is compatible with the international world of reality in shipping. You cannot create a Maritime fleet under the tax system and tax law we have in Canada. It is just impossible. The Parliamentary Secretary told us there were 108 Canadian ships on the high seas all sailing under other flags, except for our domestic inland fleet. Therefore we must be realistic with some fundamental truths and stop trying to pump out this dishonest rhetoric and programs like the Coast Guard fleet renovation program, the recycling of $4 billion for reconstruction in the West and the recycling of double-track every six months, in every budget speech or in every Prime Minister's speech. The rhetoric has to stop and some basic honesty has to go into the hard issue of the challenge which is ahead of us in this House in the years ahead.

In addressing this problem, another essential consideration is where are the world's markets for products from Canadian resources and Canadian manufacture? There are none. There are no buyers in the world for what has filled the bottoms of ships.

We do, however, make some moves in the direction of Canadian interests. I can remember back in the Thirty-first Parliament being part of the Government when we insisted that Cominco take 50 per cent of ore from its mines in the North to Europe in a Canadian bottom. They thought we were being very hard on them because we were penalizing them with the higher cost of shipping that tonnage in a Canadian bottom when they could get a lower price from other vessels available to them on the world market. Therefore we were penalizing them for being Canadian, harvesting Canadian minerals and shipping them to foreign markets. There was quite a debate on that issue, but the Minister of Transport of that day hung on. The fact that there are now reduced markets for our products is an indication of the trouble which Canadian National, that great Crown Corporation is in with Cast. Much wiser private sector people want out when they see what is ahead, but the Crown Corporation goes in and invests all kinds of money in Cast and now has some real economic headaches.

When we start to talk about a Maritime industry for Canada, we should go back to some of our recent experiences in the last decade and a half. I refer to the building of these beautiful tugs and supply vessels to North Sea oil drilling rigs and that whole vast capital explosion which took place, which kept the eight shipyards in my riding completely busy putting out these beautiful little ships. These tug companies which built and contracted these ships had them under a Canadian flag could not get Canadians to man them. These ships, between the steel walls, had a rubber lining so there was no vibration and noise inside the ships. I had never been on ships of such comfort and of such a high standard for crews. The wages some ten years ago were $20,000 to man these tugs and you could not find Canadian seamen to man them. The seamen came from Portugal and Spain. Even today when Canadians do go aboard these ships in the North Sea and the Arctic, where do they live? They are flown back and forth to Spain and Portugal. That is part of their contract; three weeks on, three weeks off. When we have that level of anticipation among maritime union members who want us to develop a Maritime fleet, we have to look at the emerging Third World and what other people in the world will work for. If we are not going to be productive and competitive, using our brains to be productive and competitive, then why do we keep talking about a Maritime nation? It does not make economic sense?

I mentioned the example of ALRT where we have a chance of moving out into world markets along with our technology, if we complete the financial package. It has been proven that we must look at these areas instead of pouring all our dollars into losers. I was Minister of State for Industry and Small Business for a short period of time. In our budget of 1979-80 we were pouring something like $78 million into subsidies for shipbuilding. There was no Government program which was more costly in terms of work creation than that program which was

subsidizing ships built in Canadian shipyards. I believe the total benefit was for about 3,300 workers and we were pumping some $78 million into it. That is why both Governments have had to reconsider this program. It is just not equitable to pump that kind of tax dollars into that industry for the benefit of 3,300 or 3,400 workers. I remember making the very hard decision to send the subsidy down to build the last three Canadian fish trawlers built in Canada in Halifax. The rest since then as the Parliamentary Secretary said, have come in from offshore.

I have always believed that we have the technology and the efficiency to build vessels for the harvesting of our national resources in Canada. But we get all tangled up again in dishonest politics. It was the Liberal Government which denied Northland Navigation on the West Coast the right to spend some $22 million of their own money to put in a ro-ro fleet, to put in docks, so that the whole North Coast of British Columbia could be served with modern transport. The Liberal Government denied it, wiped them out, bankrupted the company and gave $4.2 million a year to the Province of British Columbia, who have had a disastrous situation ever since. There was total disregard for the outback, for the people who still use outhouses, out on the frontiers of Canada.

The Parliamentary Secretary mentioned freight rates. In markets of the world, where there is a balance between supply and demand, freight rates are one of the most critical issues which people involved in marketing and commodities deal with. I have been in the world of freight rates all my life. I lose the City of Winnipeg as a market when freight rates change. I lose the City of Regina when freight rates change. I lose the City of Saskatoon when freight rates change. I cannot move products beyond the eastern boundary of Alberta when freight rates change. Back in the Thirty-first Parliament I remember screaming in this House for weeks at a time over the anti-dumping decision brought about by Algoma Steel whereby it denied our West Coast steel industry steel from offshore because they had surplus capacity here in Ontario. As soon as it won that case, it changed the freight rates so that finished steel going to the West Coast had the same freight rate as raw steel. Consequently, if it had not been for the dropping of the Canadian dollar vis-à-vis the United States dollar, all of our steel workers on the West Coast would have been out of work.

That is the kind of lack of equity which we have to address if we are going to bring strength back to this nation and some kind of long-term, meaningful work. It is only in the area of productivity and sensible application of national resources that we are going to have anything which lasts beyond just a little buffer over the next 6 to 18 months.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am pleased to be taking part in the debate on this matter this afternoon. It is a very important subject, and I do not have much time, so I will give the House my conclusions on the debate right away. First of all, it seems to me that although the third speaker seemed to want to support the proposal made by the Member for Comox-Powell River (Mr. Skelly), he in fact spent most of his time providing eloquent proof that what the Member for Comox-Powell River was suggesting did not make much sense. I think that although the proposal has some validity and the question of having a Canadian merchant fleet has some merits, the message is far too simplistic if we are to determine the problems involved in having a share of world shipping. There are many other responses Canada can give—

The Acting Speaker (Mr. Corbin): Order, please. Pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

The Acting Speaker (Mr. Corbin): Shall all items listed under Private Members' Public Bills preceding No. 480 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

• (1620)

[*English*]

HOLIDAYS ACT

AMENDMENT RESPECTING CANADA DAY AND DOMINION DAY

Mr. Gordon Taylor (Bow River) moved that Bill C-680, an Act to amend the Holidays Act, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, Bill C-680, an Act to amend the Holidays Act, is an important Bill and I have great pleasure in moving second reading. The purpose of the Bill is to emphasize the fact that the constitutional independence of Canada was achieved on April 17, 1982 by the proclamation of the Canada Act, 1982. Consequently, April 17, under this Act, would be celebrated in the future as Canada Day. The naming of July 1, marking the beginning of the Dominion of Canada, as it was known in 1867, would be restored to its historically more appropriate name of Dominion Day.

I want to emphasize today, Mr. Speaker, that we are a young nation and we should be putting great stress and emphasis on our historical beginnings. In many countries in Europe, and in Great Britain, we see how they preserve their history and traditions by marking them; yet in this country we have not realized the importance of commemorating those things which were so important to the beginning of our nation. I want to see July 1 restored as Dominion Day for many historic reasons and I want to outline a few of them, just as I

want April 17 to be remembered for historical reasons as Canada Day.

Back in 1867, when Dominion Day came into its own, it was a tremendous challenge to the Fathers of Confederation. When the name Dominion of Canada was chosen it represented a great deal to every Canadian, whatever his origin might be. Dominion Day commemorates a great feat in history as far as Canada is concerned. It signifies the making of a nation, indeed the making of a new nation. It signifies that two peoples of different background, different creeds, different history, language and religion came together and formed a nation.

Even though there were many, many obstacles, discouragements and frustrations, the Fathers of Confederation still went to Charlottetown and together the four Provinces, New Brunswick, Nova Scotia, Ontario and Quebec, or Upper and Lower Canada as they were then called, formed a new nation.

It was a huge country, Mr. Speaker, running for hundreds of thousands of square miles with relatively few people. There was practically no industry. Manufactured goods came mostly from Britain and through United States ports. Central Canada knew little about the Maritimes and the Maritimes knew little about Ontario and Quebec. There was no railways as such. The only railway was one which came from and went back to the United States, known as the Grand Trunk. There were poor communications. Yet the Fathers of Confederation had the vision of a great country to be.

So my first reason for wanting July 1 restored as Dominion Day is the fact that it commemorates and honours the Fathers of Confederation for the stand they took and the imagination and vision they showed at that time.

Confederation was also an act of faith; faith that a country could be successful; faith that people could live in the cold climate of Canada, particularly that of the far North; faith that there was a heritage worth preserving; faith that it was a country worth developing; faith that a great nation could be built. Looking back, I think we have again to honour the vision and determination of the Fathers of Confederation in their promise and faith of what this country could do and could be.

My third reason for wanting Dominion Day restored is that it maintains the heritage not of one race but two. The union of the four states at that time, and later all the rest of the Provinces of Canada, was an act between people of two different origins, two different languages, two different creeds, the English and the French. The determination was that each of those people would keep their roots and those roots would be embodied in this great new land, so the Fathers of Confederation sought a name that would show that Anglo-Saxons would keep their roots and the French would keep their roots.

They thought of many names. There were many names suggested and discarded. There was the suggestion that it be called the Kingdom of Canada, but there were objections to that. Then Sir Leonard Tilley produced from the Seventy-second Psalm something that thrilled the people of that day and which has thrilled Canadians of all origins ever since. It reads:

He shall have dominion also from sea to sea, from the river unto the ends of the earth.

Shall have dominion, Mr. Speaker, from sea to sea and from the river unto the ends of the earth. The Fathers of Confederation, of both origins, accepted that name and the Queen consented. That is when the Dominion of Canada was born.

This new nation was a small nation, but it had the vision of those Fathers of Confederation that we would some day build a greater and greater nation. Yes, it embodied the desire to bring all of the Provinces into the union. And it did. They were not content to have just New Brunswick, Nova Scotia, Ontario and Quebec as part of the union; they looked across the nation. They looked north and west and east and saw the tremendous possibilities. That vision has become a reality. We now have Provinces all the way to the Pacific Ocean; we have Prince Edward Island and Newfoundland to the east and we have two great potential Provinces, the Northwest Territories and Yukon, to the north.

• (1630)

The Fathers of Confederation embodied that vision again in the name "Dominion of Canada". That tells us something of our history.

This country is founded on a belief in God, on Christianity. We recognize the religions of all peoples and do not say ours is the only religion, but the country was founded on the precepts of the Bible and on the precepts of God. We became a Christian nation. Whoever had the power in the Government of this new nation decreed that that power, provincially or federally, would be exercised under God. Too often today we start to cut the roots that bound us at the beginning; what bound the Provinces together was a firm belief in the omnipotent God. We have to go back to that if we are to reach the potential that the Fathers of Confederation envisioned.

That vision implied that more than two cultures would join to form this new nation. It implied that people from all over the world could come to this vast land and build a new nation. That is all embodied in the words "Dominion of Canadian"—"from sea to sea, from the river unto the ends of the earth".

That is a reality now. People from every country in the world now live in these domains. We live together peacefully for the most part, bound by the objectives and visions of the Fathers of Confederation which were to build a great nation where freedom would be the byword and belief in God would be basic to everything.

Dominion of Canada implies that this nation would not be four separate states but a nation with a federal Government and provincial Governments. There is a division of powers as set out in the British North America Act and it would be federally united into one dominion, with the constitution similar to that of the United Kingdom.

That is part of the history of the early days that we would lose if we threw aside the day that was established as the

birthday of this great country. It implied also parliamentary responsibility and a Government that would be answerable and accountable to the people. It was never intended that it would simply be done by majority Government without consultation and without full and free discussion. The Fathers of Confederation saw this vast country developing through discussion and consensus. It implied the rule of law—that this country would be ruled by law and that the Government would obey the law in the same way as the humblest citizen would be required to do. That is the vision that is tied up in the name of Dominion Day.

It implied also our membership in the great British Commonwealth of nations, and that too is a reality today. Two or three weeks ago I had the pleasure of attending a ceremony in Westminster Abbey where representatives of 18 Commonwealth countries, men and women of all colours, creeds, religions and language, met united as part of the British Commonwealth. Each had his flag, his language, his differences, his own form of democratic government, but all were there as members of the Commonwealth of Nations. When the Fathers of Confederation made Canada a nation instead of four separate states, they brought us into that great commonwealth of nations.

I was thrilled when I saw Her Majesty the Queen and the Duke of Edinburgh walk through that throng of people in Westminster Abbey. Representatives of 18 countries, including Canada, carried their flags proudly and put them on stands on the platform during that service.

We need to honour tradition in this country by remembering how the Dominion of Canada was formed and why it was formed. Our friends in Quebec say, "Je me souviens". It appears on their license plates and it means "I remember". Let us remember the history of this country and give every citizen, irrespective of language and country of origin, the chance to remember the beginning of this nation called Canada, this nation of which we are proud to be a part.

We have to show vision as the Fathers of Confederation did when they started out with the four states. Now we have this vast part of the continent as the Canadian nation.

On April 17 last year the Canada Act was proclaimed and Canada severed its dependence on Britain but not its membership in the Commonwealth of Nations. Canada became independent. Now we do not have to approach the British Parliament for approval or the British High Court to finalize our court cases.

The Bill was signed on April 17, 1982. It shows a tremendous interest in the future. It shows vision. We are to continue to be members of the Commonwealth, and our links with the monarchy of which we are all so proud will continue. Our Queen is the Queen of Canada. April 17 has a great significance as it marks an important moment in the history of Canada.

I ask all Members of the House and the people of Canada to remember our past, to build for the future. Let us remember it by restoring Dominion Day to our laws and by ensuring that we expect April 17, Canada Day, to have meaning for the future.

We can serve the people of this country well by restoring to this nation Dominion Day as the birth of the Dominion of Canada and Canada Day when the Canada Act was passed.

Mr. Maurice Bossy (Parliamentary Secretary to Secretary of State): Mr. Speaker, it gives me pleasure to say a few words concerning Bill C-680. As Hon. Members know, last year on July 1, Dominion Day was changed to Canada Day. The change in the title reflected several needs in Canadian society; the need for a modern application to reflect modern Canada and a name which reflected the identity of the country rather than denoting a status.

The name of this country is Canada; Canada is a name that is known throughout the world. The word "Dominion", while a perfectly good English word, presents difficulties for some people.

Like so much in society, language evolves. The word "Dominion" appears, in some ways, to be old-fashioned or even archaic. It also translates very poorly into French. "Puissance" appears to be the nearest one can come to it in French. Canada is the same in English or French.

• (1640)

What better name for our national holiday than the name of the country itself, a name of which all Canadians can be proud.

It is suggested in Bill C-680 that April 17 should be Canada Day to emphasize that the constitutional independence of Canada was achieved on April 17, 1982. I wonder if the Hon. Member has considered how confusing this change would be to most Canadians, many of whom have been informally referring to July 1 as Canada Day for years, even before its official designation.

I believe that Canadians do not want to become confused by juggling names, titles and dates. There already is a Canada Day. It is July 1, and it honours the Canadian Constitution. The celebrations take note of what happened on July 1, 1867. They also take note of what happened on April 17, 1982. Canada Day is a day on which to celebrate Canada's nationhood. We do not need to have separate days to celebrate separate significant dates in our nationhood. It can all be celebrated together on one day, Canada Day on July 1.

Many polls have been taken to assess how Canadians see the terms Canada Day and Dominion Day. In fact, data tabled before the Senate committee last year said conclusively that Canadians of all cultural persuasions preferred the title Canada Day. Public opinion was measured last year by the National Committee for Canada's Birthday. It suggested that, on the average, the title Canada Day is three times more popular than Dominion Day. Why should we go against public opinion by taking up the name Dominion Day once more?

I wonder if Bill C-680 is primarily concerned with ensuring that the events of April 17, 1982 are well commemorated, or whether the Bill is simply a backdoor attempt to get back to

the term Dominion Day. Many Hon. Members took the change in the title as an insult and as a way of denigrating Canada's past. That attitude does not reflect the truth of the situation.

The Montreal *Gazette* dealt with the word Dominion in an editorial on March 10, 1981. I will quote that editorial which reflects well the difference between Canada Day and Dominion Day. It states:

> The word 'Dominion' does have a secure and honored place in Canada's history. But not all historical labels remain accurate; this one certainly has not.
>
> At the time of Confederation the word 'Dominion' was hit upon as a new coinage to describe a country which was not, in fact, a sovereign state (as Canada was not in 1867).
>
> But for the past 50 years Canada has been, in all but a narrow constitutional technicality (which should also be rectified this year), a truly independent nation. It should not retain a label which was coined to describe a colonial link.
>
> Furthermore, 'Dominion' is not nearly as felicitous a word in French as in English. For French-speaking Canadians it is a verbal oddity which serves mainly to inflame old colonial wounds.
>
> It is time to retire 'Dominion Day' gracefully in favor of a name of July 1 which surely no one can find objectionable, 'Canada Day'.

The editorial still rings true today. Surely what we should be doing is trying to build among Canadians a good understanding of the Canadian Constitution and a good understanding of the events both in 1867 and 1982. We do not need two days to do that. One day will suffice, a day known as Canada Day.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I wish to begin by saying that the views I will express are my own. They may be shared by others but they certainly are not necessarily the views of the New Democratic Party on this particular issue. I would suggest that each political Party will find that there are different opinions about what ought to have happened with regard to the change of the name of Canada's national holiday.

I am sure you will recall the circumstances and the indecent haste with which the matter was sneaked through the House by the Liberal Party, with the aid of the Hon. Member for Nepean-Carleton (Mr. Baker), unfortunately. It was unfortunate and ought not to have happened.

The Acting Speaker (Mr. Corbin): Order. I must draw to the attention of the Hon. Member Standing Order 39 which reads:

> No Member shall speak disrespectfully—

And the last sentence of that paragraph reads:

> No Member may reflect upon any vote of the House, except for the purpose of moving that such vote be rescinded.

Therefore I would ask that the Hon. Member choose his words very carefully with respect to a procedure which occurred in this House at an earlier time.

Mr. Deans: Mr. Speaker, I would not want to give a lecture on rules but we are in fact on this day reflecting on that vote. That is what the Bill does: it reflects on the vote that took place and talks about the need to go back to what was there prior to that vote having occurred. Therefore in my opinion, and I think likely in the opinion of the Chair now, for me to make reference to how the change was made is entirely appropriate.

The Acting Speaker (Mr. Corbin): I would invite the Hon. Member to exercise great caution in interpreting the ruling of the Chair. The Chair has simply put one of our Standing Orders before the Hon. Member. I have seen nothing in the Bill nor have I heard anything in the comments made by the Hon. Member for Bow River (Mr. Taylor) with respect to the way that that earlier vote was disposed of by the House. I think that the Hon. Member for Hamilton Mountain (Mr. Deans) should exercise great parliamentary caution in what he says.

Mr. Deans: Mr. Speaker, I always exercise great parliamentary caution and I will do so today, as is my normal practice.

I would like to study the issue itself. I believe that the reason for the change in the first place was mainly that people did not understand the history of the word "Dominion". I do not agree with all of what the Hon. Member for Bow River (Mr. Taylor) said with regard to the implications to be drawn from the term Dominion of Canada. However, I still think there are many people in this country who misinterpreted what Dominion was intended to mean. Many saw that as a reflection or an attempt to continue to tie us back to colonial times. Of course, that was an interpretation that was quite incorrect and an interpretation which did a disservice to the phrase "Dominion of Canada".

• (1650)

As the Hon. Member for Bow River said, the name Dominion came from an entirely different source. It had nothing at all to do with Britain, with the United Kingdom, or the Commonwealth. It had to do with the choice made in Canada by Canadians of an appropriate way to describe Canada. That is what it was. It was an appropriate way to describe Canada. As I recall, the name was chosen in the same way as Australia chose its name when it called itself the Commonwealth of Australia. Consideration was given as to whether to call it the kingdom, the commonwealth or something else. Those names were discarded for the very reasons that people in Canada recognized the duality of our country and, recognizing the facts of the time, they did not want to have a name which reflected a tie simply with Great Britain. They chose Dominion simply because it had a more neutral interpretation, if you will, but also, in a biblical sense, it did reflect the reality of Canada. It was a most appropriate name. Looking back I cannot help feeling that because the teaching of history in the country perhaps was insufficient and inadequate—

Mr. Munro (Esquimalt-Saanich): That is right.

Mr. Deans: —there was allowed to develop a sense that to call a national holiday—the national holiday, I might say, which reflects our allegiance to the country, our pride and commitment to Canada's future—to call it Dominion Day somehow was interpreted to mean that we were discarding the partnership between French and English Canada, that we were

thrusting upon French Canada a name that reflected association with Great Britain. I do not think that was true at all.

Mr. Blaikie: Cartier agreed to it.

Mr. Deans: As my colleague says, Cartier agreed to the name, recognizing that it was the name chosen from among many names truly representing what the great land mass of Canada was all about.

Therefore, I was disappointed when the name was cast aside and when, all of a sudden, we decided that to call our national holiday Dominion Day was no longer appropriate. My good colleague, the Parliamentary Secretary, says that the word Dominion is old fashioned. Let me tell him something, there is nothing wrong with a little bit of old fashioned.

Some Hon. Members: Hear, hear!

Mr. Deans: If it is true that Dominion is old fashioned, is it any more old fashioned than the word "liberal"? I put that to you. Because the word was old and it stemmed from that period in history when the country came together, it seemed to me to be an appropriate word to use to describe a national holiday. I might have gone as far as to change the name of the holiday to the Dominion of Canada Day so there would be no doubt in anyone's mind what we were talking about. Then I think we would have covered all the bases. I think that might have responded more adequately to the sense that a lot of people in the country had. I might just simply have left it alone for the time being because I do not think the change was necessary.

There was a great push on in my causus, particularly from Members representing British Columbia from where my good colleague, the Hon. Member for Comox-Powell River (Mr. Skelly) comes, that because his birthday happens to be on July 1, we should call it Skelly Day. We decided not to do that. We decided not to promote that in recognition that maybe it did not have sufficient historical value.

The one argument that worries me, if you will forgive me the argument, is the one made about the close ties with the Commonwealth and how Dominion represents that. There is no one more interested in close ties with the Commonwealth than I am, with the possible exception maybe of my colleague, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). The very reason why the name Dominion came into disfavour was that interpretation. The very reason why it lost the support of one part of the country was that the interpretation did reflect something to do with the Commonwealth, something to do with our very close association with Great Britain, the Queen, and all of the things that go with that.

I am a royalist, a monarchist. I truly believe that we should have a closer association with the Commonwealth. I think it would be in our best interests economically and socially to do that as a country. I think those things are true, but I do not think they should be done at the expense of other things. I do not think they should be done in a way that is overt or in a way that is destructive of the values of our own country, or in any way that would divide our country. I am concerned for the very reasons put forward by the Hon. Member for Bow River (Mr. Taylor). He did so in all good faith, I am sure, as he presented his argument, and his argument rested in part on those close associations, which were good and valuable and remain good and valuable but the very reasons used by the Opposition, if you will, to maintain the name of Dominion Day could be used as justification for changing it.

I argued during that period that there was no justification for a change in name, that people misinterpreted Dominion as a word, misinterpreted what it meant, misinterpreted and misunderstood the origins of it. These were not sufficient reasons for the change that was being proposed. What we should have been doing, instead of allowing the change to take place as a result of that misinterpretation, was to make the effort to try to bring to the public's attention what the word Dominion within the phrase Dominion of Canada actually meant. I think we probably failed in that regard. We got caught up in the politics of it. We got caught up in an ongoing argument. I remember it well and I do not want to reflect on it, however, I do remember it well.

There were attempts being made on a daily basis to find time to pass the Government's Bill. As those attempts were being made and, as the House Leader for this Party, I was in the position of having to sit and look for a period of time when the Government would bring forward its own proposal. That time was simply not forthcoming; there did not seem to be enough time. But I remember the arguments that were made during that period. I do think we failed by not persuading the House of Commons to draw away from the issue and take a much broader look at what the word Dominion in the term Dominion of Canada truly means. I do not think, quite truthfully, it makes much difference to Canadians in the over-all what you call the day, as long as it is a holiday. I think that is probably true. An interesting thing happened. Because the Bill was passed in an imperfect form, it got to the Senate, if you remember, and the appropriate wording was not contained within that piece of legislation which changed the Holidays Act. Therefore, we ended up with Dominion Day having been replaced with Canada Day but Canada Day not appearing as a holiday anywhere. That showed the haste with which the matter was dealt and the inappropriate consideration given to it.

Mr. Blaikie: Has that been changed?

Mr. Deans: To the best of my knowledge, those statutes have not yet been changed. To the best of my knowledge and recollection it is entirely possible come that fine day in July we may well find ourselves with Canada Day not being a statutory public holiday. That reflects badly on those of us who pushed it through, if not on those who were not here to oppose it and demand that changes be made.

• (1700)

There is a need to look at the value of history. A couple of weeks ago we had a debate in the House concerning the

tourism industry, at which time I pointed out that if one travelled through parts of the United States, one would find plaques and directions to historical monuments. A great sense of American history is clearly evident on the surface of their lives. One could find it everywhere one looks. They hold with some great passion to names that were established many years ago which may no longer reflect the reality of today but in fact reflect the reality of that day. We must be cautious that we are not inadvertently drawn into doing a disservice to our history. On the day the Constitution of Canada was proclaimed by Her Majesty the Queen in front of the Parliament buildings, I am sure Mr. Speaker will recall the downpour of rain. I wore a brand new suit and I was soaking wet as I sat there. But that was not the birth of Canada, that was not a new day or a new dawning. Canada was born long before that day. We cannot suddenly begin the process of changing everything that was established some 100-odd years ago simply because we finally achieved the degree of self-Government we felt we ought to have.

It reminds me of a great urban renewal program which was under-way years ago. In those days urban renewal was seen as tearing down everything in the core of cities and building up brand new buildings. Over time it was recognized that in doing that we lost a lot of our heritage and what had been valuable. We lost a lot of history, and people began to look at the situation and say, "Perhaps we should not have done it that way". I draw this to the attention of the House because this may well be what we are doing now. People have come to realize that urban renewal is a process of improvement and also a process of re-establishing what was of significant value to us throughout the years. It is also a process of ensuring that it is kept in a form which makes it useful and makes us proud of it. This could equally be said of the name of our country. No one goes around saying that this is the Dominion of Canada, but that is what it is. To have taken the step we took for the reasons it was taken, which I think are more important than the fact that the step itself was taken—

Mr. Blaikie: And in the way it was taken.

Mr. Deans: —and in the way it was taken, as the Hon. Member for Winnipeg-Birds Hill just indicated, was really doing a disservice to the history of the country.

I suggest that we do not need two holidays. I am not averse to having another holiday, I must confess, and I am sure many of my colleagues and most of my constituents would love another day off with pay, which is not likely I might add. However, we could achieve the goals we have set for ourselves, recognizing the value of what took place many years ago, and recognizing perhaps the reality of the difficulties that were allowed to develop between French and English-speaking Canada and the misinterpretation that was allowed to pervade the minds of people from coast to coast over the name, if we were to say simply that Canada's national holiday should be the Dominion of Canada Day. Then we would have achieved everything that would satisfy me and probably most other people. It would enshrine for all times the purpose and meaning of "Dominion". It would make clear that the choice of the word was made here. It was made originally by Canadians on behalf of Canadians, reflecting Canadian reality, and it would be reaffirmed by Canadians on behalf of Canadians, again reaffirming and reflecting Canadian reality. I hope the House might consider this some day. We would stop the misinterpretation of the word itself and begin to apply it in a positive manner. We would ensure that in a historical sense it was clearly understood that when the Fathers of Confederation decided on that particular wording they did so because they thought it was truly Canadian and nothing else. In that way it reflected the realities and duality of Canada at the time. Now it could perhaps reflect the multinational characteristic of Canada and therefore would be a holiday we could all celebrate together within the sense of "Dominion". If we do that, we might in fact take a step forward rather than subscribe to what I really believe was a step backward taken some time ago.

Mr. Blaikie: Mr. Speaker, I rise on a point of order. I was hesitant for obvious reasons to interrupt the speech of the Hon. Member for Hamilton Mountain (Mr. Deans), but I would like to contend with your opinion that it is inappropriate to reflect upon the way in which Dominion Day came to be changed to Canada Day. It is precisely the way in which it was done that made something unacceptable even more unacceptable and brought disrepute upon the House. That day when 12 Members could change a national holiday on a Friday afternoon was one of the times when I was most embarrassed to be a Member of the House of Commons, and I have had difficulty explaining to my constituents what went on.

The Acting Speaker (Mr. Corbin): Order, please. I cannot allow the Hon. Member to carry on in that vein. As I indicated earlier, I made the ruling based on the Standing Orders of the House, which I did not invent. The Standing Orders belong to all Hon. Members, and I am asked by the House to apply them.

Again I invite Hon. Members not to indulge in that kind of critique. I refer once again to Beauchesne's Fifth Edition, Citation 319(3)—

Mr. Munro (Esquimalt-Saanich): We will want an extension of time for this.

The Acting Speaker (Mr. Corbin): I hear the Hon. Member for Esquimalt-Saanich (Mr. Munro) asking for an extension of time, but the comments I am making are pertinent to the debate so I do not see why there should be an extension of time. Citation 319(3) in part reads:

> In the House of Commons a Member will not be permitted by the Speaker to indulge in any reflections on the House itself—

Going to the last part of the paragraph, it reads:

> —or to reflect upon, argue against or in any manner call in question the past acts in proceedings of the House, or to speak in abusive and disrespectful terms of an Act of Parliament.

Mr. Blaikie: Mr. Speaker, on the same point of order—

The Acting Speaker (Mr. Corbin): No, I cannot recognize an Hon. Member on that point of order. I have made my ruling. There is only one way to disagree with a ruling of the Chair—

Mr. Blaikie: Is that what you want?

The Acting Speaker (Mr. Corbin): I would not want any Member to proceed in that direction. My responsibility is to apply the procedures, customs and traditions of the House and to ask that they be respected.

Mr. Blaikie: Mr. Speaker, on a different point of order, are you telling us that it would be inappropriate at any time for a Member to recall, in the course of debate, circumstances of a vote or the fact that the Government used closure for instance? That is not the case in this case, but would it be inappropriate to recall that a Government used closure to bring in a particular Bill? Are you telling us that it would be inappropriate because we would be reflecting upon the circumstances of a vote?

Mr. Deans: Surely not.

Mr. Blaikie: Surely not.

• (1710)

The Acting Speaker (Mr. Corbin): The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) is correct in what he is now saying. However, Standing Order 39 refers to a reflection upon a vote of the House. That is different. Surely one should not attempt to do indirectly what is not allowed directly under the rules. It may be a difficult matter of interpretation for the Chair, but I appeal to the sense of fairness of all Hon. Members. They may agree or disagree with the Chair, but I invite Hon. Members not to comment further. If they strongly disagree with the Clair, there are other options open.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I hope the options you are thinking of are not some of those that have been brought down from British history. There were occasional occupants of the chair who lost their heads.

The Acting Speaker (Mr. Corbin): I stand to be beheaded, if that is the wish of the House, but I would invite the Hon. Member to speak to the Bill.

Mr. Donald W. Munro (Esquimalt-Saanich): Shall we take a vote on that, Mr. Speaker?

We owe a debt of gratitude to the Hon. Member for Bow River (Mr. Taylor) for the Bill he has brought forward today. It is a Bill of reconciliation. We had 12 Orwellians here who tried to rewrite history, and did rewrite history in a way. They could not rewrite the provisions of the Bill to which the present Bill now called the Canada Act referred.

I would refer to the opening of the preamble of that Bill, which was originally known as the BNA Act, enacted by the British Parliament on March 29, 1867. It expressed the desire of the Provinces of Canada, Nova Scotia and New Brunswick to be federally united into one Dominion under the Crown of Canada. That is in the preamble. A couple of paragraphs further down it states, "Not only that the Constitution of the legislative authority in the Dominion be provided for". In Article 3 we find that same word. It states that in the Provinces of Canada it shall be lawful for the Queen, et cetera, "Nova Scotia and New Brunswick shall form and be one Dominion under the name of Canada" and that on and after that day those three Provinces shall form and be one Dominion under that name accordingly.

I do not quite see how the 12 Orwellian apostles managed on that particular day to change what is there. However, they did try a thing called "you speak or can speak" to produce another name for a day which stands, and I am delighted—oh, the Hon. Member for Hamilton Mountain (Mr. Deans) is gone. He made a worthy contribution to this debate. I am delighted that he did so. I was a little bit concerned by the remarks of the Parliamentary Secretary to the Secretary of State (Mr. Bossy) who wondered whether this was a back door attempt to undo what this Parliament did so much against the rules one day in July, 1982.

I feel we owe a debt of gratitude to the Hon. Member for Bow River for having brought forward this motion. We have not yet decided what we are going to do with April 17. That was a day of importance for Canada. There is no question about that. No matter how you feel about the manner in which the Constitution was produced in Canada and so on, April 17, 1982 was an important day.

On April 17 this year there were a few people who remembered, but it was not a remarkable day in the true sense of the word. It was not marked as a day of importance in our history. It should be. The solution has been provided in this Bill. It should be called Canada Day, and the original day, called Dominion Day to honour the terminology that exists in the Act which created this Dominion, should remain attached to July 1.

It is a wonderful compromise. We can have the best of both worlds, if you like. We do have something to call April the seventeenth day. I know that in Latin America they have a day called Mayo Primero. They have dates attached to celebrations. I think the actual function of that day should be market by a special name. Canada Day is a most suitable name for the designation of April 17. As I say, we went past the first anniversary without really noting it at all.

When that date occurs during a parliamentary session, we might devote it to a discussion of matters relating to Canada. We could have it as an open day. It would be Canada Day and we could celebrate it as such. It need not necessarily be a holiday. It is a day when we could remember the things for which we should be grateful. There are a number of things for which we should be grateful. There are a number of things for which I demonstrate not too much gratitude, but there are a number of things for which I am grateful, and that is one of them.

The Hon. Member for Bow River is not only to be congratulated and commended, but to be thanked for having

brought forward this Bill on this occasion to provide a means of recognizing what happened on July 1, 1967 and on every July 1 there after and also what happened on April 17, 1982. It is a day that should have some sort of recognition.

Mr. Ralph Ferguson (Lambton-Middlesex): Mr. Speaker, I am pleased to rise to speak to this Private Members' Bill. I quite agree a day should be designated to commemorate the day when we brought our Constitution home. It is a day that will go down in history. However, I believe it should perhaps be known as Constitution Day rather than Canada Day. I much prefer to leave Canada Day as July 1 as agreed to by the Parliament of Canada last July.

Something missing in this debate is the fact that nowhere have we signified any day to commenorate the coming into being of the Canadian flag. In a country as steeped in tradition as Canada, this should be given consideration. Let us look at the debate that went into these projects in the history of Parliament, first the agreement to have a distinctive Canadian flag and then in 1982 a Constitution of our own which can be amended here in Canada, guaranteeing the rights and freedoms of individuals.

Whether these should be official holidays or simply days that are recognized across Canada could be more fully debated later when there are more Members in the House rather than in Private Member's Hour when we are limited to very short speeches. We do not have a proper chance to report on our feelings and thoughts.

My ancestors chose this as their country of choice. In my constituency of Lambton-Middlesex, I recognize that well over half the people there made Canada their country of choice. That is one bond that we all have in common. Whether we made this our country of choice or whether it was our ancestors who made it their country of choice, we are all equally proud of Canada. I believe Canada Day is quite—

• (1720)

The Acting Speaker (Mr. Corbin): Order, order. Pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings.

Shall all items listed under Private Members' Public Bills preceding No. 476 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

CANADIAN HUMAN RIGHTS ACT

AMENDMENTS TO PROHIBIT DISCRIMINATION ON GROUND OF SEXUAL ORIENTATION

Mr. Svend J. Robinson (Burnaby) moved that Bill C-676, to amend the Canadian Human Rights Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, before I commence my remarks, I would, after discussions with the Deputy House Leader of the Official Opposition as well as the Parliamentary Secretary to the Minister of Justice (Mr. MacBain), seek the unanimous consent of the House to sit past six o'clock if necessary in order to provide for a full hours' debate on Bill C-676. As I have indicated, I have consulted with both the Official Opposition and the Government and I believe I have their agreement in this respect.

The Acting Speaker (Mr. Corbin): The House has heard the proposal put forward by the Hon. Member for Burnaby. Is there agreement?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Corbin): It is agreed and so ordered.

Mr. Robinson (Burnaby): Thank you, Mr. Speaker, and I would like to thank the Members of the House for their indulgence.

I am pleased to rise today to speak in support of Bill C-676, an Act to amend the Canadian Human Rights Act. In order to explain briefly the purpose of the Bill, I will run through the major sections of it. The over-all purpose of the Bill is to implement the recommendations of the Canadian Human Rights Commission to add sexual orientation as a prohibited ground of discrimination at the federal Government level. As I have noted in the explanatory notes, at the present time homosexuals and lesbians receive no legislative protection whatsoever from discrimination under federal jurisdiction.

The Bill would accomplish two or three objectives. First, it would include in the Canadian Human Rights Act sexual orientation as a prohibited ground of discrimination. Second, there is a provision in the Bill which would require the Canadian Human Rights Commission to conduct a comprehensive study of all federal legislation and regulations to determine which, if any, discriminate on the basis of sexual orientation and report the results of this study to the Minister of Justice within one year of the coming into force of the Bill. Following that report, the Minister of Justice would be required to reply to the Commission's report within 60 days outlining proposed action to remove discrimination on the basis of sexual orientation from existing legislation.

I would note one other provision, Mr. Speaker, because there has been some confusion about this provision. Clause 4 of the Bill states explicitly that it is not a discriminatory practice for a person or organization to adopt programs which may be designed to remedy historical discrimination. I would emphasize that in no way does this mandate any form of affirmative action. What it does state, however, is that if an organization or individual had provisions within their hiring practices or otherwise to overcome past inequities, these would not be struck down as being discriminatory.

I would note, and I would particularly draw to the attention of the Hon. Member for Provencher (Mr. Epp), that this

provision is identical to the provisions of the Private Members' Bill which was introduced by the Hon. Member for Vancouver Centre (Miss Carney), Bill C-242, and which was debated in the House on June 19, 1981. At that time I commended the Hon. Member for Vancouver Centre for her introduction of this Bill, and I was certainly pleased to be able to speak in support of the Bill at that time. As I say, the provision in Clause 4 of my Bill today is in fact identical to the provision in Clause 4 of the Private Members' Bill introduced in June by the Hon. Member for Vancouver Centre.

I have indicated that the primary objective of the Bill is to ensure that the prohibited ground of discrimination on the basis of sexual orientation is included in the federal Canadian Human Rights Act. This would ensure that there would be no further discrimination at the federal level—and I emphasize at the federal level—in the provision of goods and services or facilities, in access to accommodation or housing, and in employment.

As I emphasized earlier, the purpose of the Bill and the reason I bring the Bill forward today is to ensure that indeed this subject is adequately canvassed by the Justice Committee. I was very pleased that in January of this year, the Minister of Justice (Mr. MacGuigan) gave a commitment to allow the subject matter of this Bill to be referred to the Standing Committee on Justice and Legal Affairs in order that that Committee might hold public hearings and invite public input from a wide variety of groups and individuals to assess the ramifications of this particular amendment. That commitment has been confirmed today by the Parliamentary Secretary to the Minister of Justice and I am confident and pleased that that side of the House will indeed live up to the promise made by the Minister of Justice earlier this year. I have also received the assurance of the Hon. Member for Vancouver Centre that she will support the Bill. I am confident that she will be speaking on the Bill.

I do want to indicate, Mr. Speaker, that it is very important to note that in Private Members' Hour, the subject matter of a Bill can only go forward as long as it is not talked out by any Member of the House. I have the commitment of the Parliamentary Secretary to the Minister of Justice and of the Minister of Justice that that side of the House will not talk out the Bill as indeed was done to the Bill of the Hon. Member for Vancouver Centre. Certainly no one in the New Democratic Party will talk out the Bill, and therefore we will be watching the Official Opposition with great interest. I trust that no Member of the Official Opposition will in fact deny the public the right to have input, because all that is being sought at this time is a referral of the subject matter to a committee of the House of Commons where representations may be made. We will be watching with great interest to determine whether or not in fact the Conservative Party is prepared to allow the subject matter of the Bill to go to committee or whether it will block the Bill and deny this important question the kind of discussions that should take place in the Justice Committee.

I would note that there is a wide variety of groups supporting this Bill from a cross-section of Canadian society, including the Canadian Council of Christians and Jews, the Canadian Association of University Teachers, the Student Christian Movement, of course the New Democratic Party itself at federal and provincial levels, the Anglican Church of Canada, the Mennonite Church of Canada, the United Church of Canada, the Canadian Bar Association, the Canadian Labour Congress, a number of provincial human righs commissions and, as well, the Canadian Human Rights Commission.

In 1979, the Canadian Human Rights Commission recommended for the first time the inclusion of sexual orientation as a prohibited ground of discrimination in the Canadian Human Rights Act. Every year since that time they have repeated that recommendation. For example, Mr. Speaker, in their most recent report tabled in the House of Commons just a few weeks ago, the Canadian Human Rights Commission states:

> The Commission recommends that sexual orientation and political belief be added to the proscribed grounds of discrimination under the Canadian Human Rights Act.
>
> The rationale behind this recommendation was discussed originally in the Commission's 1979 report. The Commission continues to believe that protection is warranted against unfair treatment on these grounds. The Commission's intention is not to see special treatment on these grounds but it does advocate recourse if people are arbitrarily denied opportunities because of prejudice or bias.

I emphasize the point made by the Commission, Mr. Speaker, that this Bill does not in any way seek any kind of special status for homosexuals and lesbians. What it does seek to ensure is that discrimination on the basis of sexual orientation must not continue at the federal level.

The recommendations of the Canadian Human Rights Commission followed an extensive study by that Commission. That study in fact was undertaken in response to a letter written by the Prime Minister (Mr. Trudeau) in 1978 at the time of the passage of the initial Canadian Human Rights Act. At that time, it was urged by a number of bodies, including those that I have mentioned, that sexual orientation should be included in the Canadian Human Rights Act. However, the Prime Minister stated in a letter of February 4, 1978:

> Since the implications of the proposal in Canada have not been fully explored, Canada should not take steps to include it in federal legislation without further comprehensive examination of the problems that might be involved. It is for these reasons that the Minister of Justice has proposed that the question be examined by the Canadian Human Rights Commission which could then make recommendations for further government action.

Well, Mr. Speaker, that is precisely what happened. And each year for the last five years following that study, the Canadian Human Rights Commission has indeed made recommendations that sexual orientation should be included as a prohibited ground of discrimination.

● (1730)

For five years, the Government, which indicated it wished to hear the views of the Commission, has ignored that important recommendation, a recommendation which may affect some two million Canadians. That is the figure which the Hon. Member for Vancouver Centre referred to in her comments in the House in June, 1981. I would note for the record that as a member of the Special Joint Committee on the Constitution of

Canada, I proposed that the prohibited grund of discrimination on the basis of sexual orientation should have been included in the equality rights section of the Constitution itself, to apply at all levels of Government, be it federal, provincial or municipal. That amendment, however, was defeated on a vote of 22 to 2 with both the Government and Official Opposition unanimous in their opposition to it.

It is possible that the provisions of the Charter of Rights may in fact be interpreted in such a way that indeed sexual orientation will be a prohibited ground of discrimination. Certainly, that would be my hope. As was indicated by a very distinguished jurist in this country, Mr. Justice Berger, in his book "Fragile Freedoms", "Judges may not always be wiser than politicians but they should be able to stand more firmly against angry winds blowing in the streets." It is for that reason, Mr. Speaker, that we sought the inclusion of this particular provision in the Charter of Rights itself, to protect this very large minority. As I have indicated, the over-all objective is to ensure an end to discrimination on the basis of sexual orientation. It is to ensure that no one can be fired from a job or not hired in a particular area of employment on the basis of sexual orientation. It is to ensure that no one can be thrown out of his or her home on the basis of sexual orientation. It is to ensure access to goods and services which are available to other Canadians.

I emphasize, Mr. Speaker, that the Bill does not in any way seek any special or preferential treatment whatsoever. It seeks equality. In the Province of Quebec, in December, 1976, such an amendment was passed unanimously by that Legislative Assembly. Fortunately, in the Province of Quebec such protection does now exist for that particular minority.

The Bill also, as I indicated, calls for a full review and response by the Minister of Justice of all legislation and regulations at the federal level. For example, there are a number of provisions of the Criminal Code which certainly are in need of review. Recently, despite the fact that a number of proposals were made by the federal Government in the area of the Criminal Code, the Government caved in, I suppose, to the Canadian equivalent of the moral majority, and refused to make any changes whatsoever to some of the most archaic and repressive provisions of the Criminal Code, whether it was repeal of the offence of gross indecency and the establishment of a uniform age of consent, or the repeal of the bawdy house legislation. We in this House know that in February, 1981 this legislation resulted in the largest mass arrests in the history of this country since the War Measures Act, tactics described by *The Globe and Mail* as "bully-boy" tactics. I would suggest that police resources are far better deployed in other areas than enforcement of these archaic and discriminatory laws. For example, in the area of violence within the family, wife battering, the police seem most reluctant to get involved, which results in real violence and real harm. Yet they are prepared to spend very significant amounts of time in other areas.

One other provision of the Criminal Code which I believe should be examined is with respect to hate propaganda. I would suggest that the provisions of the Code respecting hate propaganda should be expanded to include sexual orientation. One need not look far back in our history to see instances of very severe discrimination on the basis of sexual orientation. In the Second World War, for example, there was the infamous provision by which thousands and thousands of homosexuals and lesbians were branded with a pink triangle and killed in Nazi concentration camps. This was, of course, very eloquently and graphically documented in a play which I hope all Members of the House would have seen.

Hate literature, whether the object of that hate be homosexuals or other minorities, is the thin edge of the wedge. We have seen recently, for example, in the Province of Alberta, the ugly face of anti-Semitism spreading against the Jewish community. I believe we must make it very clear that hate propaganda, whether on the basis of religion or sexual orientation, is fundamentally unacceptable in a free and democratic society.

There still exist a number of examples, some of them fairly glaring, of discrimination on the basis of sexual orientation. At the federal level, some of the worst institutional homophobia in Canada exists within the Canadian Armed Forces. For example, the Armed Forces' standing orders require that any suspected homosexual or lesbian be fired from his or her job, no matter how qualified or how capable they may be. And the orders go beyond that and require that all members of the forces must report any suspicious activity. One cannot imagine in Canada in this day and age the prospect of a young man or woman waking up to find two military policemen in their room who would interrogate them for hours, possibly taking them to a cell and threatening them, all on the basis of their suspected sexual orientation. Too many young people have lost their jobs, young people who wanted to serve their country in the Armed Forces and who had outstanding records, and there are hundreds of others who, while they may not have lost their jobs, live in daily fear of being revealed and fired from their jobs without any recourse. I emphasize as well that we are talking about all levels of the Armed Forces.

Hon. Members will know that I raised a number of examples in the Standing Committee on External Affairs and National Defence. One example was of a young, courageous woman whose name was Zoe Matheson. She told the story of how she was interrogated and threatened on the basis of suspicion and allegations which she was not even given an opportunity to confront. Since I raised that matter publicly, I have received letters from quite a number of other people. I received a phone call from a young man, for example, who had broken down in tears because he was interrogated by the police who went line by line through the letters which he had in his room. It was suggested that he was no longer fit to serve his country.

One cannot imagine that kind of conduct in this day and age. I know that many military people disagree with this policy and in fact, Mr. Speaker, if the amendment which I proposed is adopted, then army officers will be able to come before the Canadian Human Rights Commission and if they can argue successfully that there is a bona fide occupational requirement,

let them make that argument. However, these kinds of scare tactics and this kind of blatant institutional homophobia is utterly unacceptable in Canada in this day and age. We must not destroy the careers and perpetrate the kind of fear which is created by this policy at the present time.

The Armed Forces are not alone in this. I need not remind Hon. Members of the fact that the Royal Canadian Mounted Police opened up some 1.3 million files on 800,000 Canadians, many of which have not yet been destroyed. The policies of External Affairs leave much to be desired, and there are many others as well. These are the areas which must be examined, Mr. Speaker, and this is the kind of subject which I would hope would be discussed by the Standing Committee on Justice and Legal Affairs.

I stated my views very clearly on the occasion of the speech of the Hon. Member for Vancouver Centre, that what we are talking about here is a fundamental question of human rights, of the right to live and the right to love without fear of persecution, without fear of discrimination and without fear of the loss of one's livelihood, or one's home, or without fear of being denied goods or services. We are talking about the right of young people in Canada not to be afraid, not to have to keep silent and not to have to conceal their own identity. In fact, we are talking about a fundamental question of the civil liberties of hundreds of thousands of Canadian men and women.

I welcome the agreement of the Minister of Justice to have this subject discussed and considered in the Standing Committee on Justice and Legal Affairs, to give the opportunity to Canadian organizations and individuals to come forward and be heard, whatever their views may be. I would certainly hope, Mr. Speaker, that all Hon. Members of the Official Opposition in the House today would not attempt to subvert this and would not prevent a full hearing being given to this Bill so that all views may be aired. I look forward to their support, Mr. Speaker, and certainly hope that this important question might be studied in the near future by the Standing Committee on Justice and Legal Affairs.

Miss Pat Carney (Vancouver Centre): Mr. Speaker, at the outset I would like to say how pleased I am to have the opportunity to speak on this Bill and to support the motion of the Hon. Member for Burnaby (Mr. Robinson), that the subject matter of this Bill go to committee. The reason I do so is that the Bill is very similar to my own Private Member's Bill on this subject, which I put forward two years ago on behalf of my constituents, in particular, and on behalf of the homosexual community in this country.

• (1740)

My own record on this subject is well known. Shortly after my election in 1980 I sponsored Bill C-242 which sought to amend the Canadian Human Rights Act to prohibit discrimination on the grounds of sexual orientation. The Bill grew out of the efforts of the Human Rights Advisory Council in Vancouver, which I had formed at the request of the Hon. Member for Yellowhead (Mr. Clark) when he was Prime Minister. The Council was composed of representatives of the homosexual community who agreed to help me formulate a policy position on the issue of homosexual rights. Our aim then was to draft a Bill which would be referred to committee for study. We wanted to give the homosexual community an opportunity to describe the frustrations, the experiences and hurts unique to their community.

At that time I received a great deal of support from Members of my own caucus, such as the Hon. Joe Clark, the Hon. Flora MacDonald, the Hon. David Crombie and the Hon. Jim McGrath.

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member but I should remind her again that she must refer to Hon. Members by the name of their ridings.

Miss Carney: I received support from Members of my caucus, such as the Hon. Member for Yellowhead, the Hon. Member for Kingston and The Islands (Miss MacDonald), the Hon. Member for St. John's East (Mr. McGrath) and the Hon. Member for Rosedale (Mr. Crombie). However, when the Bill was called for second reading in June, 1981 it was talked out by the Liberals, who were determined to block its study by the Committee. I want to point out that it was not Members of the Conservative Party who talked out that Bill; it was Members of the Liberal Party who talked out a Bill almost identical to the one being presented here today.

I am afraid that the Government is playing that sort of game with this Bill. If the Liberals had really wanted to support the subject matter of this Bill, they had ample opportunity since they killed my own initiative to demonstrate their commitment to the issue. They could have referred my Bill to committee. If they had done so, we would not have to repeat this debate today. Or they could have brought forward legislation of their own. They have had a lot of opportunity to do so in terms of amendments to the human rights legislation. Instead, they are playing a charade today.

The Minister of Justice (Mr. MacGuigan) publicly said he will agree to let the subject matter go to committee, but he knows full well that his own caucus does not support it, and he has privately told me that if it does go to committee, his own Party will not support it. So he is taking this public stance in the hope and expectation that Members of my own Party will talk the Bill out. He is hoping that years of Government inaction can be forgotten in the light of one hour's debate this afternoon.

I must say that I also find the NDP hypocritical to be cooperating with the Government in this charade. I think it is hypocritical of the Hon. Member for Burnaby to advance this Bill—and I share his concern—when he knows the Liberals oppose it. He has put us in a situation where the Liberals are making agreements with what the Hon. Member for St. John's East calls the little red rump, the NDP, on an issue when they refuse to allow the Conservative Party to proceed with it. Of course, the NDP can ignore reality because it knows it will never be in Government and will never have to account for its actions. Well, I am more interested in the people than the

politics of this issue. I stand on my own record and will continue to work to see that discrimination on the grounds of sexual orientation is indeed prohibited.

I will keep my remarks short today but I would like briefly to review my position which I stated nearly two years ago in the House. At that time I pointed out—and this point has been made by the Hon. Member for Burnaby—that I was not asking for a special favour for homosexual Canadians. That is why I do not like the term "gay rights". I have never used that term. What we are talking about is human rights, or what the Canadian Human Rights Commission, headed by a former Conservative MP, Gordon Fairweather, calls unfair treatment. We are not dealing here with additional rights for people. I have never advocated and would never advocate special rights for any group in our society, whether men, women or whatever. We are dealing with the issue of equal treatment for human beings on any grounds, whether race, religion, sex or sexual orientation. We are not talking about bestowing privileged status on part of the population. We are talking about extending the same rights to them as other Canadians enjoy and take for granted today.

I think that homosexuals should be able to seek a job, housing, and public services without living in the fundamental fear that they are going to be in some way exposed or made public and deprived of basic human rights. Fundamentally, what homosexuals are asking for is protection, tolerance and the human rights that other Canadians enjoy. My constituents are certainly not asking for extra rights in any way.

Canada is an extremely diverse nation, and for its citizens to live with dignity that diversity must be respected and protected. I believe that most Canadians are, as I was before I became a candidate for election in Vancouver Centre, unaware of the extent of discrimination directed at homosexuals in our society. Most Canadians probably shared my rather benign attitude which combined a lack of interest in the subject with a mild sympathy for people who are not heterosexual. Before I had the opportunity to meet and talk with the homosexual community in my riding I had no idea of the kind of discrimination they face, some of which is overt and obvious and some of which is subtle and hard to prove.

Two years ago, Mr. Speaker, I cited examples of these various kinds of discrimination. We have heard examples today. I told the House about a young man of my acquaintance who was forced to quit a very good job because he lived in fear of discovery as a homosexual. Every day he went to work fearing that his sexual orientation might cost him his job. The fear and tension built up until he decided that he could not live that way any more and he quit. No Canadian should have to endure that kind of suspense and insecurity. I also described cases of harassment by the Armed Forces and by immigration officials simply because people were suspected of being homosexual. We have had examples of that again today. Without being given an opportunity to examine the evidence or to find out where the complaint came from, they were taken to hotels and interrogated in a state close to terror. Nothing was ever proved and nothing needed to be proved. In the interest of time I will simply state my objective, which is to work to ensure freedom from discrimination for all Canadians.

It is instructive to review developments in the two years since my Bill was talked out by the Liberals. Quebec remains the only Province to have passed human rights protection for homosexuals. Of Canadian cities, Toronto, Ottawa, Windsor and Kitchener have passed human rights measures within their jurisdiction that provide a modicum of protection for homosexuals. Notably, in 1982 Vancouver City Council adopted unanimously in principle what has been termed the most powerful human rights legislation in Canada, and that included among its proscribed grounds of discrimination that of sexual orientation. This legislation remains in limbo at the present time while the city seeks appropriate amendments to the city charter that will allow it to enforce this bylaw.

Human rights protection for homosexuals continues to be supported by Canadian federal and provincial Human Rights Commission. As well as the federal Commission, and Quebec which has enacted legislation, Commissions in B.C., Alberta, Saskatchewan and Ontario recommend inclusion of sexual orientation in their respective provincial codes. Recently the B.C. Commission under Dr. Charles Paris reiterated its recommendation of 1981, and in the last few months the Manitoba Commission has added its support. This means that Human Rights Commission from Quebec to B.C., as well as the Canadian body, now support the concept of Human Rights protection for homosexuals. Unfortunately, human rights infractions continue.

Because sexual orientation is not a ground against discrimination in most Provinces, few accurate tallies of human rights violations against homosexual people have been collected in Canada. However, since 1977 and the passage of the Quebec law, 83 cases have been filed regarding discrimination against this group in our community. Now, this figure is likely low because people are often scared off by the process, and, further, discrimination is often subtle and difficult to prove as being related to sexual orientation.

• (1750)

Some developments have also occurred in the United States. In 1982, Wisconsin became the first state to include sexual orientation in its human rights legislation. Despite some public outcry, the Governor and the majority of legislators who passed the legislation, were re-elected. People are not as scared of the issue as some would believe. American cities that have included sexual orientation in their legislation on human rights number in the hundreds. Several of the major contenders for the 1984 Presidency, including Mr. Mondale, have endorsed human rights protection for homosexuals. The U.S. Democratic Party has voted unanimously to accept the formation of an official homosexual caucus within the Party and has adopted several major pro-homosexual planks in its policy.

Perhaps the most intriguing situation is that we are starting to see some reversals in the position of individuals opposed to homosexuals and their human rights. Governor Askew of Florida who supported Anita Bryant and is reputedly seeking

the Presidential nomination, has shifted his position considerably on the issue. Anita Bryant now admits that she was wrong to campaign against homosexuals.

So we are long past the time for talking. Let us follow some of these examples. Let us send the subject matter of this Bill to committee where it can be discussed in an air of reason and where we can identify the real concerns of members of this community.

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, the Hon. Member for Burnaby (Mr. Robinson) wants Parliament to amend the Canadian Human Rights Act in order to prohibit discrimination on the basis of sexual orientation. To this effect he has introduced Bill C-676, an Act to Amend the Canadian Human Rights Act.

Before commenting on this Bill I must mention that the human rights record of this Government is a proud one. It is responsible for the enshrinement in our Constitution of a Charter of Rights and Freedoms. As a result of its endeavours, fundamental freedoms as well as democratic, mobility, legal and linguistic rights are now protected. In addition, from April 17, 1985 onwards individuals will also enjoy the protection of Section 15 of the Canadian Charter of Rights and Freedoms. This Section provides that:

> Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

In addition, the Government is also responsible for the Canadian Human Rights Act which Parliament enacted in 1977. The Act applies in respect of all matters falling under federal jurisdiction. It is also binding on the Crown. This means that it applies to all federal Departments, agencies and Crown corporations as well as to private businesses that are federally regulated, such as banks, airlines and railway companies.

On March 30, 1983, Parliament adopted Bill C-141, an Act to Amend the Canadian Human Rights Act and to amend certain other acts in consequence thereof. When proclaimed, the Bill will result in a significant increase of the anti-discrimination protection available at the federal level.

In addition to the Charter and the Canadian Human Rights Act, numerous federal statutes protect the civil, political, economic, social and cultural rights of Canadians. In this respect, and among others, reference can be made to Canada's reports under the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.

Let us now consider sexual orientation in the context of the Canadian Human Rights Act. When the House considered this Act in 1977, the question of adding sexual orientation to the list of prohibited grounds of discrimination was raised before the Standing Committee on Justice and Legal Affairs. The Committee rejected the amendment at that time.

I would consider it obvious that it was not the intention of Parliament at that time to prohibit discrimination on the basis of sexual orientation. By the same token, it cannot be inferred that the Government considers sexual orientation to be a justifiable basis for denying equality.

Without condoning discrimination on the basis of sexual orientation, one can wonder if the social advantages of forbidding discrimination on the basis of sexual orientation outweighs the disadvantages of such a prohibition. In 1979, the Commission conducted a survey on the public's knowledge, attitudes and practices regarding discrimination. It asked the respondents to identify possible grounds of discrimination. Of the nine main grounds identified, sexual orientation was the last. Only 1.4 per cent of persons surveyed identified it as a ground of discrimination. Further, the same survey revealed that only 0.6 per cent of the respondents ever suffered discrimintion on this basis. As the survey reveals, while a lot is said about discrimination on the basis of sexual orientation, it would appear that this practice is not as widespread as it may seem.

Whether or not to prohibit discrimination on the basis of sexual orientation is a question with which legislative bodies in Canada and the United States have wrestled for years. For the most part, it was decided that the negative implications of such a prohibition outweighed its advantages. Whatever may be our views on sexual orientation, it cannot be denied that a substantial number of individuals are concerned about the possible social impact of such a measure. Whether or not these concerns are well founded is not an issue here. Suffice it to say that they exist.

While I am not prepared to support the amendment of the Canadian Human Rights Act proposed by the Hon. Member for Burnaby, I do not believe that there ought to be unjustified distinction on the basis of sexual orientation. Business and Government ought to afford to everyone equal opportunity. In this respect, I would note that this is the position of the Government as regards matters which fall within its jurisdiction. For example, access to the Public Service is on the basis of merit, a concept which is foreign to distinction of any kind. This of course includes discrimination on the basis of sexual orientation.

The Government is not prepared to support Bill C-676, but I would be prepared to move that the subject matter of the Bill be referred to the Standing Committee on Justice and Legal Affairs.

I move, seconded by the Hon. Member for Lambton-Middlesex (Mr. Ferguson):

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> "Bill C-676, an Act to Amend the Canadian Human Rights Act be not now read a second time but that the Order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Justice and Legal Affairs."

The Acting Speaker (Mr. Corbin): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

An Hon. Member: No.

Hon. Jake Epp (Provencher): Mr. Speaker, I should like to address the Bill. Before I do, I want to make very clear the manner in which I address it. My understanding of private Members' legislation is just that. It is private in the sense that any Member can raise an issue in the form of legislation in this House of Commons. There is no Party endorsation attached to Private Members' legislation.

• (1800)

Additionally, it has to be said that when private Members rise to speak on that legislation, they are also expressing their views rather than the endorsation by their Party. One might argue that the Parliamentary Secretary who just rose had the endorsation of his Minister to make a specific recommendation and I accept that approach. But I want to say to you, Mr. Speaker, and to all Members of the House who are here today that when I rise, I do so from a private Member's perspective. I hope we will always preserve private Members' legislation in the House in that form.

Too often we complain in the House that private Members do not have the opportunity to exercise their good judgment on legislation but are controlled or motivated in their actions on the basis of Party position or by Party whips. All of us have complained about that from time to time.

I would hope that private Members' legislation will not fall under those types of arrangements among Parties which to some degree remove what little independence is left to the private Member in the House.

Having said that, I oppose Bill C-676. It is very difficult to oppose legislation which appears on the surface to remove discrimination. I am sure there is no one in the House who wants to be seen as wanting to discriminate, for whatever reason.

The Hon. Member for Vancouver Centre (Miss Carney) says that it is a human rights proposition. On the surface, one can make that argument because one is obviously dealing with the rights of human beings by definition. But I think that it goes much beyond that narrow definition. If that is all it was, then I would suggest that much of the legislation which we debate in the House of Commons would not get the debate it is now receiving.

Let me be more specific. Society constantly discriminates; society constantly judges and continually discriminates between that which is right and that which is wrong. Some might argue that that is not discrimination, but rather that it is judgment. Before you can have judgment you must have the discrimination of what is right and what is wrong. While we can argue what is right and what is wrong, I would suggest that in our context, both in the British parliamentary tradition and from a Judeo-Christian background, what we are dealing with today, both historically and on the issues that I have raised, has been declared wrong by society.

Another phrase which has crept into our society to which I have had some objection is, "the moral majority". It is an American statement which seems to be the blanket condemnation of anyone who is not seen to be "with it" in terms of these modern issues. What is wrong with being moral and what is wrong with being in the majority? I ask the House what is wrong with either one? I am not discussing methodology, I am discussing the terms. I am just a little tired of people using that appellation so readily on issues which they see in the very narrow context, that if one is against it one must be either living back in the middle ages, have no concept of the modern society or, at best, has just not yet seen the light.

• (1805)

Historically, people who have argued these cases use another statement, that "in this day and age it is unimaginable to think anyone would still hold these views." Yes, Mr. Speaker, not only is it imaginable but I believe it is right to hold some of these views.

My argument is that that statement is too often used when a person has no actual knowledge, when they do not want to deal with the facts any longer but will deal with a person who holds the view. The attack is on the person rather than on the view itself.

Additionally, I am concerned that so much of our legislation today—and I am not trying to be condemnatory of anyone in this House—is based on secular humanism. That is the orientation of so much of our legislation, and it is very difficult to argue the question, why are you against "people"? I am not. But if you go through the annals of history and through the basis of legislation, you will find that legislation so often in these areas of moral context was based on the traditions I have already cited.

A person who has had a great influence on my thinking about private and public affairs is Wilberforce of the Clapham Society in England. Wilberforce was elected as a very young person to the British House of Commons in an age when youth was celebrated. We sometimes think that only young people today, in this day and age get elected to the House of Commons. Wilberforce was a very close and dear friend of William Pitt the younger, Prime Minister of Great Britain, I believe, at the age of 25.

Wilberforce, with a small group of people, said there were two things he wanted to change in British society. One was the slave trade. That was a discriminatory practice, but it went well beyond just simple racial discrimination. He was challenging the very bedrock of British economic life when he took on the matter of the slave trade. The opponents he had were legion and powerful.

The second thing Wilberforce said he wanted to dedicate his life to in the House was "to change British manners". If you read the journal of Wilberforce, what he meant by manners was morals. He believed sincerely that Britain was in decay because British society was losing sight of the fundamental

moral bedrock of that society. In his mind, as you read Wilberforce, there was without question a very close tie between the singular issue of abolition of slavery and the refinement of British manners or morals. I will not go through all the history. Suffice it to say Hon. Members are familiar with the story. The very criticisms which I heard again today in the House indicating that in this day and age it is passé if one still thinks there is a moral code on which society is based and that one is naïve in the extreme, are the very arguments used against Wilberforce. Despite those arguments, he prevailed. Yes, he prevailed with the support of the Prime Minister who had great courage to stand against some of the very strongest forces in society. Surely today we say that they were right.

• (1810)

Having said that, the question must be asked, does society generally support the Bill which the Hon. Member for Burnaby (Mr. Robinson) has brought before the House? We can raise all types of statistics on both sides of the issue, but to my way of thinking this is not a statistical argument. To my way of thinking it is not valid to raise the fact that the Hyslops of Toronto were defeated. That is not the argument. But I believe sincerely in my being that the general public, the vast majority of Canadians, does not support the legislation before us.

The Parliamentary Secretary raised the suggestion that there is a certain fear concerning the social impact of legislation of this type. I think I am quoting him correctly. I have no doubt that the social impact is there. The Bill restricts itself to federal jurisdiction only, but that is fairly widespread. Where do we go from there?

There was a recent case in Saskatchewan involving a teacher with a sexual orientation other than the norm which the majority of Canadians finds unacceptable. The following proposition has developed, "You cannot remove me from my teaching position because you are discriminating on the basis of sexual orientation".

The one question which we did not answer during the entire constitutional debate—and the Parliamentary Secretary raised the matter of the Charter of Rights and Freedoms—was the question of group rights. That is a great lack in the Charter of Rights. It was raised during the proceedings of the Special Joint Committee on the Constitution. I, for one, am a strong advocate of group rights. People will say that that is not an acceptable concept because what we are dealing with is a Charter of Rights for individuals, therefore by extension, how can we have group rights. Society has always had fundamental groupings on which it is based, be that a community, a service organization or a church, just to name a few.

Is it discrimination if a church decides in its adherence that the public school system is teaching a humanist philosophy to which it does not want children exposed solely and wants as well an orientation in teaching based on Judeo-Christian traditions?

• (1815)

Having established and paid for that school, they discover laterally that a teacher has a sexual orientation other than that which is supported by that church. They ask that teacher to leave his or her place of service. The matter is then brought before the Canadian Human Rights Commission or the Provincial Human Rights Commission. Do the adherents of that church and the supporters of that school not have the right to discriminate? Do they not have the right to have the type of teaching and teachers who adhere to the articles of faith of that church and on which that school is based? Frankly, my answer is yes, they do. I say there is a very valid reason why there are concerned people when this type of legislation comes before us, because of the social impact.

The Hon. Member for Burnaby (Mr. Robinson) raised the matter that Section 4 was not affirmative section. I found it rather interesting that almost at the beginning of his remarks, before I even rose to speak, he mentioned my name. I guess he knew I was going to speak. The section he referred to is defined as a section "of special programs". How do you define the words "special programs"? I am not questioning the Hon. Member's word. He might be accurate in saying that is not affirmative action, but the way I read that section, there is no doubt in my mind that affirmative action could in fact be extrapolated from those words. The problem is not his word or his intent.

What happens when this matter leaves this Parliament and is put in the hands of the Human Rights Commission? How do they interpret those words? What corrective action do they impose on the basis of those words? With all respect to the Hon. Member for Burnaby, he cannot give me an answer as to what the decision of the Human Rights Commission would be at that stage, because we do not know the basis of the case before them which will be testing this clause or, for that matter, the people sitting on that commission at that time.

Lastly, I have before me the Minutes of the Standing Committee on Justice and Legal Affairs of April 26, 1983. I want to make it clear that while the Hon. Member for Burnaby indicated that the Minister of Justice (Mr. MacGuigan) and he had an arrangement as to how this matter would be dealt with, at page 130:19 the Minister of Justice said in terms of the substance of the Bill, and I quote him exactly:

> You may recall, of course, that I opposed the substance of his proposal; but I agreed to allow it to be discussed in order to facilitate the passage of the other legislation.

He referred to the amendments to the Human Rights legislation.

So the substance, as I understand it from the Government spokesman, is opposed as well by the Government. Mr. Speaker, you or others might argue that having said these things, especially in relation to social impact, the subject matter should be brought to committee.

The Acting Speaker (Mr. Corbin): Order.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. In accordance with the order made earlier today, the House stands adjourned until eleven o'clock tomorrow morning, pursuant to Standing Order 2(1).

At 6.21 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 12, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*Translation*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

Hon. Jean-Luc Pepin (Minister of Transport) moved that Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport.

He said: Mr. Speaker, my feeling in introducing this Bill, the Western Grain Transportation Act, in the House today, is one of immense pride, mixed with some trepidation.

I am proud, today, because of the historical impact of this legislation which is aimed at replacing the equally historical Crow rate. In the Government's view, Bill C-155 will be an important factor in accelerating economic recovery in Western Canada and across the country, because it will stimulate the growth of transportation, agriculture and industry. An injection of $16.5 billion by the railway companies and $9 billion by the Government over a period of less than ten years cannot but have a very beneficial impact on the economy. I would say that the psychological effects will be equally important. The West will finally have a railway network that is worthy of its needs and aspirations.

I also feel some trepidation, Mr. Speaker, because the subject is a very complex one. It is not easy to assimilate its multiple aspects, which are economic, social, psychological and political. It is easy, however, to criticize while defending the interests of certain groups or regions. As far as I am concerned, it was the wish of Providence and the Right Hon. Prime Minister (Mr. Trudeau) that I should be exposed to this problem on several occasions. To name a few: First of all, in 1968-69, I was the Minister responsible for the Canadian Wheat Board. I became aware of the shortcomings of the railway network in Western Canada and the effect this had on Western farmers, who could not count on timely and adequate transportation of their products. I became very sympathetic to their cause and I still am. Faced with the uncertainties of weather and market conditions, they need guarantees. However, I am also sympathetic to the concerns of Canada's railway companies. We cannot expect them to provide good service while at the same time making them lose $400 million annually, a figure that will increase to $2 billion per year in 1990, if nothing is done.

• (1110)

Mr. Speaker, in 1978-79, I was co-chairman of a commission on Canadian unity. I can still hear the sounds of protest from some of our Western intervenors. They said they were sick and tired of being hewers of wood and drawers of water and of not being able to process their resources themselves. And if anyone remarked that the Crow rate was helping to maintain the status quo, they said, with some embarrassment, that the Crow was one of the few advantages they had gotten out of the East and would be hard for them to give up. Now, however, Bill C-155 will give them an opportunity to get out of this ambiguous situation.

Since 1980 as Minister of Transport I have been involved in the debate on the Crow rate in the West, in Ottawa and also in Quebec. I know the production capacity of our Western farmers. I have seen the progress made by our ports in the West, and I am thinking of Vancouver and Prince Rupert, and also by our eastern ports in Thunder Bay, Montreal and Quebec City. They are ready to handle far greater quantities of grain and meat, coal, sulphur, potassium, lumber and manufactured products. Now we have to modernize our railways.

The recent recession has tended to stifle the concern that existed in this respect two years ago in Western Canada, when there was some talk of rationing the use of the railways some day. However, Mr. Speaker, the recession is receding and it is not some day but today that decisions must be made. We must start construction today on what has already been called the equivalent of a third railway network in Western Canada. Next year will be too late.

Perhaps I may add that I have also been a Member of Parliament for a semi-rural riding in Quebec. Although I do not share the reluctance of Quebec livestock producers to accept a previous version of this Bill, I understand and I bear with them, and that is why I have made do with better instead of seeking the best. Perhaps some day, Mr. Speaker, and I say this tongue in cheek, we should include the right to fear as one of our basic human rights.

Mr. Speaker, I shall not be able to cover the entire subject matter of this Bill, and I will therefore give a general outline. My Liberal colleagues will deal with specific aspects of the

Bill. Today, my Parliamentary Secretary, the Member for Parkdale-High Park (Mr. Flis) will explain the Bill itself. The Minister of Agriculture (Mr. Whelan) will highlight its importance for his sector. The Minister of Employment and Immigration (Mr. Axworthy) will elaborate on what the Bill does for Western Canada. The Minister of Consumer and Corporate Affairs (Mr. Ouellet) will explain why Quebec livestock producers prefer that payments be made to the railways instead of to producers. I have asked the Member for London East (Mr. Turner) to speak about the impact of the Bill on the railways, a favorite subject of his, and other Member will be able to complete the information we shall be providing on this Bill.

• (1115)

[*English*]

What is the problem addressed by this complex Bill? It is simply this: what should be done with a fixed freight rate for the transportation of grain in western Canada, a rate established way back in 1897 and which served well for a long time, say until the early 1960s, but which has now become a handicap to the growth of the western transportation system and to the growth of the western agricultural economy by way of preventing diversification, processing and even greater exports?

Why is that? Everyone knows that the crow by itself advantages the export of grain—and certain grains only—and discourages diversification and processing. Also it has lost its worth, representing now only 18 per cent of the real cost of transportation. Consequently, the railways have no great incentive, nor do they have the financial capacity to provide the West a first-class system, and that is what has to change. By what? By replacing the Crow with a grain transportation statutory régime of principles, institutions guarantees and procedures which will favour the addition of capacity and efficiency to the railway system in the West, which will contribute to a great extent to crop diversification and to processing, and will be as fair as possible to different groups of interest, including farmers, processors, the railways, the shippers of other commodities and the taxpayers of this country.

It is a tall order, Mr. Speaker, you will say, and how right you are! But beyond the technicalities, the beyond the "how to do it", the basic difficulty we are confronted with at this time is one of acceptance of change, of adjusting to change. We all like to say that we are wise, flexible, realistic, but as the moment of finality gets closer and closer, as the Hon. John Robarts used to say, in resolving major issues, most hesitate, lose their cool, back away to the protective womb. The Crow is one of those situations. How comfortable it is; half a cent per tonne mile irrespective of circumstances. The only thing which has not changed in the last 87 years, the proof of the existence of stability somewhere in this turbulent world.

The Acting Speaker (Mr. Blaker): The Hon. Member for Dauphin-Swan River (Mr. Lewycky) is rising on a point of order.

Mr. Lewycky: I am just wondering whether the Hon. Minister is not using wrong figures when he should probably be talking about kilometres and metres?

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

Mr. Pepin: That problem has not been resolved yet. The Railway Act refers to miles. The fact that it has outlived its usefulness—I am talking about the Crow, not the Hon. Member—is in the eyes of some almost immaterial. Let us keep it for another three years, said the President of the Saskatchewan Wheat Pool recently, until we get full consensus on all principles and means. Rip Van Winkle is still a hero!

Bill C-155 acknowledges the problem of fear of change for the Crow producers, the beneficiaries of this special rate, and the Bill addresses that preoccupation, that fear of change. The farmers, the producers of grain, will be protected in three ways. First, the Government will pay a Crow benefit of $651 million a year in perpetuity. Second, a limitation will be placed on the increases in the cost of grain transportation due mainly to inflation. The grain growers will never pay more than 6 percentage points of inflation. The taxpayers of Canada will pay the difference, a unique situation in our economy. No one else benefits from that. Third, there will be a link between the cost of transportation and the price of grain. A safety net will be set up. The grain growers will never pay more for transportation of their products than a percentage, still to be determined, of their selling price.

• (1120)

Again, this is a unique situation in our economy; nobody else has it. It is urgent to conquer that fear and it is urgent to change the Crow. Railway losses have assumed proportions such that the future of the western railway system is threatened. To say that things can be left the way they are is foolishness, recklessness and madness.

At the time of the National Transportation Act in 1967, Mr. Jack Pickersgill tried to get the Crow examined. That provision of the Bill was defeated. The public needed time to think about it. During 1970 Otto Lang launched a round of debate. For him the time was not yet right. The Hon. Member for Vegreville (Mr. Mazankowski)—

Mr. Mazankowski: Careful!

Mr. Pepin: The Hon. Member for Vegreville, my predecessor, I have been informed—and he can deny it—had conversations with western farm organizations. For him, let us say the time was not sufficient.

Today we are dealing with an idea—the replacement of a fixed statutory rate by a much better statutory regime. The time has come. If it is not done in this Parliament, in my view it will be too late in the next one. Who says so? Everybody but a few reactionaries. I wish I had the time to put on record 50 statements to that effect made by Canadian farm leaders, business leaders, editorialists and elected politicians. They have been saying it for two years; some for a much longer

period of time. They have all agreed that the Crow much be changed, that it must be done now, that taking the comprehensive approach is the only way to go, that adequate compensation for the railways is essential, that the Government must be paying a high proportion of the bill, that asking producers to pay more is quite normal in the circumstances, and that creating a central transportation agency would be very useful.

If you want to hear from farm leaders, Mr. Speaker, I have a collection of them. Howard Falkenberg, president of Uniform in 1981, said:

We're here (Ottawa) to explain that we want them. (Cabinet) to address the rate issue rather than spending a bit of money here and there.

That is the comprehensive approach. He went on to say:

There are going to have to be some compromises from all sides . . . We hope that there's a tight time-frame put on the process (by the Cabinet).

That was December, 1981. Do you want to hear from the Manitoba Pool? Here is Murray Cormack saying:

It is imperative now, and for the future, that changes in transportation policy be made which will cause the railways to want to haul grain again.

Do you want to hear from MacRunciman, former president of UGG? In January, 1982 he said:

I feel there is a strong support for changing the rate.

I have them all here, Mr. Speaker. I wish I could put them all on the record. Do you want to hear from the President of the Saskatchewan Wheat Pool, Mr. Turner? On February 3, 1983 he said:

—as an organization . . . we were one of the initiators of change because we recognized . . . back in the early 1970s that . . . given the productive capacity we have in this Province, that there's no way that the railway structure at that time . . . could possibly handle and service the needs of our producers.

Would you like to hear from businessmen? The Edmonton Chamber of Commerce indicated:

The establishment of commercially justifiable compensation to the railways for the shipment of farm commodities currently moving at statutory rate levels must begin this year.

That was in 1981. Would you like to hear from the Canadian Manufacturers' Association?

Mr. Benjamin: Sure.

Mr. Pepin: I am quoting all these people and organizations because the conclusion will be that the NDP is left alone in the wilderness. The Association said:

Failure to develop sound, long-term resolution of this issue will result in a serious constraint on Canadian economic development including the manufacturing sector.

They go on and on. I have one from the Alberta Chamber of Commerce. Everybody is repeating the same thing, that now is the time to move; the Crow must be changed.

Would you like to hear from politicians? What about the Premier of Alberta? He said:

There has been a solution resolved by all participants to the whole question of what is known as the Crow rate issue, in terms of assuring that the railroads improve their capacity to get our grain to market.

Also he said:

In our judgment the whole Crow rate issue should now be right at the forefront of decision making in Canada and no longer left at the back-burner.

He said that on October 14, 1981.

• (1125)

Mr. Taylor: Tell us the rest of what he said. You stopped too soon.

Mr. Pepin: Anything you want to hear. Would you like to hear about Mr. Blakeney? On January 10, 1982 he said:

Perhaps a revision of the deal makes sense—

There are other quotes that are quite familiar. He said:

Now I don't want to be quoted as saying that I'm happy to see Crow increase, that's not so, but I'm realistic enough to know that time goes on and costs go on and I think farmers are realistic enough to say that at some time they would look at increasing Crow.

This has all been said. Would you like to hear from the Hon. Member for Vegreville? He said on September 20:

It has to be changed.

He was not talking about love, he was talking about the Crow.

It has to be changed. The railways cannot continue with that rate.

Would you like to hear from the Hon. Member for Moose Jaw (Mr. Neil)?

There must be a realization to the Crow rate problem in the near future. There is a feeling in the West that railways are entitled to receive compensation, rates which would be several times greater than the statutory rate.

Would you like to hear from the Hon. Member for Lisgar (Mr. Murta)?

Farm groups in Manitoba and Saskatchewan and virtually all farmers in western Canada are in favour of a change of some sort.

Would you like to hear from the Hon. Member for Medicine Hat (Mr. Hargrave) who is present today?

All I can say is that the Crow issue must be resolved.

He said that in his wisdom.

I urge the Transport Minister to once again renew his interest—

As if it was needed.

—in this fundamentally important issue and encourage a final compromise by the farmers of western Canada themselves.

Would you like to hear from the Premier of British Columbia or from the Minister of Economic Development in Saskatchewan? Would you like to hear from the Deputy Prime Minister of Saskatchewan? He said:

So I think it's fair to say that with those protections in place, we would be prepared to pay some more—

That was quoted in *The Globe and Mail* of March 12, 1983. I could go on. Would you like to hear from the editorialists? Which paper would you like to hear from? Do you believe in the Edmonton *Journal*? I quote from the November 3, 1983 edition:

It is time to kill the Crow so the real golden goose can live. It is time prairie farmers started bearing a fair share of the transportation burden. It is time to strengthen western Canada's railways.

Do you believe in the Vancouver *Province*? I quote from the February 2, 1983 edition:

> The Crow rate long ago became a dangerous anachronism because it discouraged the railways from maintaining and upgrading the system. Naturally this led to declining railway efficiency that affected not only the farmers but also other industries using the system.

Which paper would you like to hear from? Would you like to hear from the Winnipeg *Free Press*?

> Manitoba agriculture would benefit from a change in the Crow rate. Even those farmers who in Mr. Uruski's eyes would lose by any change, could well benefit from a rationalized transportation system that is based on the world as it is in 1982, not as it was in the last century.

Which paper? Name it, I have them all. I have the bouquet of all of them to entertain you. The Crowsnest Pass Municipal Council passed a resolution in April, 1982 to this effect, and I quote from the Lethbridge *Herald:*

> The matter was discussed after the municipality received a letter from the federal NDP caucus requesting support for retention of the subsidized Crow rate. Council disagreed with the NDP stand and passed a motion to send a letter to Jean-Luc Pepin, federal Minister of Transport, urging him to get on with the revamping or abandoning the rate structure.

That is from the Crowsnest Pass Municipal Council. They should know something about the Crowsnest. After all this—

The Acting Speaker (Mr. Blaker): Order, please. The Hon. Member for Bow River (Mr. Taylor) is rising on a point of order.

• (1130)

Mr. Taylor: On a point of order, Mr. Speaker, I would like to hear from the Minister why he changed his mind about what he said six months ago.

Mr. Smith: Because he is conciliatory and reasonable.

Mr. Pepin: After all of this, Mr. Speaker, how can the Opposition dare vote twice as they did in recent days against the very introduction of this Bill, a Bill that, as they have said, they have not even seen?

I must say that I expected this from the NDP. They are now in an alliance with the right-wing of the National Farmers Union. I hope that in the coming days they will get the message from their fellow provincial NDP Members and from farmers and railway workers, from the employees of transportation equipment companies and from the Bishops, to put an end to their opposition to this Bill.

I must say that I did not expect this from the Members of the Progressive Conservative Party. Some of them are angry with me for not introducing a previous version of the Bill which was stronger on the reduction of distortion. That group, based in Alberta, and in Manitoba to some extent, knows that there is another group in their caucus based in Saskatchewan that is more friendly to the view of the polls and will be more at ease with this version of the Bill. They know that, Mr. Speaker. May I ask them to compromise among themselves?

Some Hon. Members: Hear, hear!

Mr. Pepin: I am sure that their future leader would be pleased to see that happen, whoever he may be, whether he be sent from heaven or from somewhere else.

The way we proceeded to the conclusions we have reached is a way that the farm organizations themselves have been requesting. In other words, we followed their instructions regarding the process to be used. Some years ago at the end of 1981, many of the farm organizations indicated their willingness to negotiate if the Government was to agree to a number of propositions. My friends who were involved in this remember reading these resolutions passed at different meetings. Of course, these propositions were optimal demands, occasionally contradictory to the very principle of change. But be that as it may the Government accepted this invitation and for a year and a half now the process of consultation has been ongoing.

On February 8, 1982, the date of my very important statement, I indicated what the principles that should command our action in this matter were. I said that we should look for statutory framework, for the reduction of distortions, for adequate railway compensation, for an increase in efficiency, for railway obligations and guarantees, for adequate federal contributions, for the obligation of producers to pay more. These were the seven principles I indicated at the time.

An Hon. Member: Did you mention who you were going to pay it to at that time?

Mr. Pepin: At the time the Minister of Finance, the present Secretary of State for External Affairs (Mr. MacEachen), put $3.2 billion on the table to show what his intentions were.

An Hon. Member: Who were you going to pay?

Mr. Pepin: I am coming to that. I asked Dr. Clay Gilson of the University of Manitoba to bring together all of the interested parties. He did that and they tackled a number of issues dealing with the proper level of railway compensation. There was agreement on that. They dealt with the methods of payment, the performance and service guarantees. There was some agreement on that. The variable freight rates were more difficult to agree to. They dealt with how to get diversification, how to increase efficiency, and what to put in the statute. Dr. Gilson reported in June and told me to create four more task forces to look into the details of his recommendations. Again, this was done. We had a task force on rate setting, we had two on the methods of payment, one for each method of payment; we had one on the central co-ordination agency, we had one on the legislation itself. By this method, we got a lot of free technical and legal advice. Bill C-155 owes much to all those knowledgeable people who participated in the exercise.

Some will say that it is fortunate and some will say that it is unfortunate that it has not been possible to accommodate all of the recommendations of Dr. Gilson, particularly the one pertaining to the method of the federal Government contribution. He recommended a proportion of 81 per cent to the producers, the rest to the railways. We compromised with a rate of fifty-fifty and now, because of very strong popular

feelings from the West and the East, we have changed that and gone to 100 per cent payment to the railways.

But the Bill remains a comprehensive, gradualistic and fair deal. In my view, it does satisfy to a great extent the seven principles contained in my statement of February 8, 1982. It creates a grain transportation administrator and a senior grain transportation committee whose mandate will be to make the grain transportation system work better at a lower real cost. It sets up railway obligations, not only to move grain expeditiously but to make investments year after year that would ensure the long-term health of the grain transportation system. There is in the Bill fair compensation to the railways on a statutory basis so that they can make those plans and investments for expansion. It sets up the control rate system on the basis of statutory formula. It sets up annual payments by the Government of Canada, it sets the Crow benefit at $651 million a year without restrictions in time and it sets up the sharing by the Government of future cost increases. Special rate arrangements are anticipated to benefit the Port of Prince Rupert and the Port of Churchill. It removes the statutory impediment to the exploitation of the dominion coal block and, finally, it repeals Section 271 of the Railway Act, the Crow rate.

It also includes an increase in the contribution from the producers to the transportation of their grain. What does that mean? There will be an increase, no doubt about that. The producer of grain will have to pay two cents a bushel more on May 1, 1983; 25 cents as opposed to the average of 13 cents now by 1985-86, twice the Crow. It is still less than a stamp on a letter even without the increase in postal rates by the Minister of Consumer Affairs until then.

The rate will be five and one half times Crow by the end of the decade unless sales increases are not as high as anticipated, when it would be less than five and one half times the Crow rate. If inflation is less than anticipated, it would be less than five and one-half times the Crow rate again.

But this rate is two and one-half times and five and one-half times what? It is two and one-half times and five and one-half times what is now only 18 per cent of the real cost as opposed to what was 60 per cent in the 1960s, about 2.5 per cent of the price of grain as opposed to what was ten, 15 and more in past years. So in fact we are talking about a return to the situation that was present in the 1960s before inflation changed the meaning of the Crow.

What will farmers get in return of this? Almost one billion dollars worth of federal assistance a year, potential savings on future costs because of the capacity and the efficiency added to the transportation system, savings on storage and demurrage charges, savings by not having to buy the hopper cars as they did in the past when the Canadian Wheat Board on behalf of its members, the farmers, had to buy some of these cars. The Government will take care of that now as it did most of the time in the past. There will be no loss of sales as happened in the 1977-79 period. There will be the possibility of shipping more grain and new specialized crops. There will be the railway guarantees of performance and investments. This is what the grain producer gets, and on top of that he gets protection against inflation and protection against the rising cost of transportation as opposed to the price that he gets for his grain.

It is easy, frankly, to say that the regime that will be created by this Bill is immensely better in terms of security for the farmer than the Crowsnest rates, because for one thing the railways are not obliged to haul the grain under the Crow rate.

Mr. Benjamin: Yes, they are.

• (1140)

Mr. Pepin: They are not. There are legal grounds behind my statement.

I am speaking now in particular to the Hon. Member for Medicine Hat. There are some things the Bill does not do as fully as I would have liked. The problem of distortion remains a concern. However, crushers will get the statutory rate for their products and specialty crop people will be brought under the statutory rate.

With respect to the livestock industry, to date no one has found a way of dealing adequately with the problem although the problem is recognized.

Mr. Taylor: Gilson found a way.

Mr. Pepin: We tried but we could not accommodate it fully. There were too many 100 percenters around. Although the livestock industry is not pleased—

Mr. Hargrave: All of them in Quebec.

Mr. Pepin: Oh, that should not be said. My hon. friend should be a bit embarrassed about that. There was as strong opposition to many of the features of the previous version of the Bill from the West as there was from Quebec, but the division was from both regions of our beautiful country.

Mr. Thacker: Quebec was the last straw.

Mr. Pepin: The cattlemen and the livestock industry are not pleased. It is recognized that there is a "hurt" and that the cost of feed grain in the west is higher than it would be without the statutory rate; there is no doubt about that. I was trying to resolve the problem of the livestock industry in the West and in the East by transportation means, but the problem is essentially an agricultural one.

One thing is sure, Mr. Speaker; the Bill will clear the air for concentration on this particular problem of the livestock industry with preoccupations both East and West, and I hope that improvement will be brought about. The ball now goes to the Minister of Agriculture (Mr. Whelan). It was his problem in the first place and it is his problem again. I did my very best to help him and I am still on his team.

Needless to say, Mr. Speaker, all kinds of other people will accept this Bill and will be pleased to see it passed. Future Ministers of Transport will be eternally grateful for the passage of the Bill, that is for sure. The railways and the railway employees will be grateful for the passage of this Bill.

An Hon. Member: They will be very happy.

Mr. Pepin: Manufacturers of railway equipment across the land and their employees will be grateful for the passage of this Bill. Construction workers in the West will be eternally grateful, and so on.

May I underline also the relationship between this Bill and the budget infrastructure recovery program which brings in $2.4 billion to be spent in the next four years; $1.7 billion of that is new money. The western initiative program part of this $3.7 billion in the next four years includes things like $290 million worth of hopper cars, about $300 million for branch line rehabilitation and $75 million for industrial incentives in the next four years. The railway construction program itself is at the level of $6.8 billion in the next five years. When all that is put together it means a lot of recovery. Hence the importance of passing this Bill now.

In my view and in the view of the Government, Bill C-155 is a major initiative to deal with the biggest transportation problem in the country today. The Bill deserves to pass as it opens up, with some strength, the essential process of change. Let us not stay in uncertainty; let us move.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, Bill C-155 which the Minister of Transport (Mr. Pepin) has just introduced is not only controversial but is unbearably complex and bureaucratic. One could say that this piece of legislation bears the Liberal trademark of complexity and bureaucracy. One would need not one Philadelphia lawyer to interpret it; one would need a battery of Philadelphia lawyers to interpret it. I am told it took something like nine lawyers plus industry representatives plus bureaucrats plus policitians took some six months to draft this unwieldly abortion. It is disgustingly complex and it is incomplete.

When the Bill was finally introduced on Tuesday, only 25 copies were available. We received them about four o'clock in the afternoon yet the Minister has brought it on for debate today. This has given Members little more than a day to examine it. That is rather unfair but it is somewhat consistent with the contempt shown by the Government in the evolution of this piece of legislation.

Heretofore Members of the House of Commons have been left out of the debate on this very, very important agricultural issue. On five different occasions the Minister chose to make his announcements outside the House, starting with one on February 8, 1982 and culminating with his announcement of last Thursday. What disturbed many of us was that the Minister had the gall to walk across the street and make his announcement in the National Press Club. I think that is contemptuous and this conduct not becoming of the Minister.

Not only did the Government avoid the institution of Parliament and Members of the House, but in order to promote its transportation initiatives it chose to embark on a huge advertising campaign. That campaign has probably backfired, however. I hope that the Minister of Transport does not consider Members of the Opposition and indeed Members on all sides of the House as the "nobodies" they were once designated by the Prime Minister (Mr. Trudeau). The Minister has spent a good deal of his life and effort in strengthening our federation and adding credibility to our institutions, but I think his conduct in this matter does not become him.

We are dealing with what is probably one of the most important pieces of legislation brought before the House in this session relating to western agriculture and, I would say, to the Canadian economy. In his remarks the Minister spoke at great length about the way in which the Bill will fulfil the aspirations of western Canadian agriculture and he used selective, out-dated quotations which do not apply to conditions today. His remarks were a major retreat from the initiative he started out with over a year and half ago.

This Bill will have a very dramatic impact on the economy and social lifestyle of western Canada. It is very, very difficult to gauge the degree of that impact. That is why this House and Canadians in general will have to move very slowly and deliberately on this legislation.

To begin dismantling the historic and statutory rates enjoyed by producers in western Canada is in some respects to approach the land of the unknown. The social and economic base of western Canada has largely been founded upon the production, distribution, marketing and transportation of grain. Certain patterns evolved as a result of that. The Crowsnest Pass statutory freight rate was a major component of the development of those patterns. In essence, the Crowsnest Pass statutory freigh rate served as a constitutional pillar of the western agricultural industry.

First of all, for the producer the statute provided stability and certainty. It was simple and it was easy to understand. Every producer of grain, ever farmer, everyone engaged in the economy of western Canada, knew what the Crowsnest Pass freight rate was.

• (1150)

It also allowed the producer to plan. He knew what his freight costs were from year to year. It was one of the few known input costs where the vagaries of markets, climate and international competition are unknown and have a tremendous impact on the producers' bottom line. The Crowsnest Pass statutory freight rate counterbalanced to some extent the protection and support for the industrial development base of central Canada. I think that is important. It was a trade-off. So when you have a measure which served for the development of western Canada and you do not do the same thing in parallel in another part of the country, you are naturally going to create distortions and some measure of inequity.

Furthermore, the statutory freight rate recognized that competing grain exporting countries have several natural and artificial advantages. Canada cannot survive as a major producer of grain without export markets. In order to capture those export markets, it must become competitive. It is competing against countries which provide certain incentives and subsidies along with some countries who have certain geographic advantages.

Finally, the Crowsnest Pass statutory freight rate was a recognition that grain and oil seeds constitute an important national asset by contributing to our balance of payments and providing economic spin-offs. So, Mr. Speaker, what was a simple, stable freight rate of half a cent per tonne mile is now being transformed into a bureaucratic hodge-podge which will provide for a new freight rate each year and escalate on the basis of the railways' so-called operating costs.

I think I have clearly outlined what the Crowsnest Pass freight rate was. I now want to tell you what you are going to get in return as a result of Bill C-155. I refer you, Mr. Speaker, to page 16, Clause 35, Clause 36 and Clause 37. Bear in mind we have at the present time a statutory freight rate of half a cent per tonne mile. Now this is what this Bill is going to give the producers of Canada. First of all, the new rate will be set on April 30 of each calendar year by the Commission. That is Clause 35. Then clause 36:

36. (1) The annual rate scale in respect of a crop year shall be determined by multiplying the amount per tonne for the movement of grain over each range of distance set out in the base rate scale by the quotient obtained by dividing the estimated eligible costs of the railway companies in respect of that crop year less the CN adjustment in respect of that crop year by the base year revenues within the meaning of subsection (2), as those revenues are adjusted in accordance with the grain tonnage forecast for that crop year provided by the Administrator.

(2) For the purposes of subsection (1), "base year revenues" means the amount obtained by multiplying the rates applicable to the movement of grain under the tariffs of rates of the railway companies as derived from the base rate scale, taking into account sections 44 and 46, by the number of tonnes of grain actually moved by the railway companies from each point of origin on a line of railway in the Western Division in the most recent base year.

Mr. Pepin: It is all very easy.

Mr. Mazankowski: That is not complete, Mr. Speaker. In order to get the full statutory freight rate you must read Clause 37. I should really read it because it is—

An Hon. Member: Read it.

Mr. Mazankowski: All right. Clause 37, which is an integral part of the new statutory freight rate, provides as follows:

37. (1) There shall be included in each annual rate scale prescribed by the Commission pursuant to section 35 the percentages of the rates that are to be borne by the Government of Canada and the shippers of grain.

(2) For the purposes of subsection (1), the percentage to be borne by the Government of Canada for a crop year is equal to the quotient, expressed as a percentage, obtained by dividing

(*a*) the estimated government commitment as defined by subsection (4), less an amount equal to the CN adjustment in respect of that crop year, plus or minus the total of the interim adjustment for the current crop year and the final adjustment for the preceding crop year, by

(*b*) the estimated eligible costs less an amount equal to the CN adjustment in respect of that crop year.

(3) For the purposes of subsection (1), the percentage to be borne by the shippers of grain for a crop year is equal to the difference between one hundred per cent and the percentage to be borne by the Government of Canada for the crop year, as calculated under subsection (2).

(4) For the purposes of subsection (2), the "estimated government commitment" means an amount equal to the aggregate of

(*a*) the Crow Benefit for that crop year divided by 31.1 million tonnes of grain and multiplied by the number of tonnes of grain that, in the estimation of the Administrator, will be moved in that crop year or 31.1 million tonnes, whichever is the lesser; and

(*b*) the estimated cumulative government share of the cost change for that crop year.

Mr. Pepin: It is all very clear.

Mr. Mazankowski: I could go on and define what the Government commitment is going to be. That is found on page 27 and is the same kind of regurgitated jargon that I referred to in the freight rate structure which is supposed to be statutory. What a linguistic labyrinth, Mr. Speaker! It is nonsense. It had to be drafted by the same people who drafted our Income Tax Act. I do not know if any farmer can understand that bureaucratic, regurgitated rhetoric. If he does, he must be a genius.

How can farmers plan in that environment of bureaucratic fog? If they could, they would probably qualify for the Order of Canada.

Mr. Pepin: That is how I got it!

Mr. Mazankowski: I find it just absolutely, totally ridiculous. That is how the Minister got it.

What is most disturbing, Mr. Speaker, is that the complexity enshrined in this legislation is not for the benefit of the farmers; it is for the benefit of the Government and the railways to satisfy their motives and appetities. For example, the Government puts a lid of $651 million on the Crow benefit. The Government must assume there is not going to be any inflation as far as it is concerned. There is no provision for inflationary escalation.

Mr. Pepin: Yes, there is.

Mr. Mazankowski: But the producers are going to have to pay for inflation as a result of the so-called railway cost increases. They are going to pay the first 3 per cent until 1985-86, and 6 per cent beyond that. But there is no provision for an escalation of the $651 million. That is permanent, even 100 years from now, in spite of what the inflationary pressures might be. The Government cannot have it both ways.

The same thing applies to the 31.1 million tonnes limit. The Minister says we are going to be able to produce more, transport more and sell more. But it works in reverse. One would think that given the economies of scale, one should get a better rate with greater volume. But this works in reverse. We are going to have a blended freight rate which is going to be composed of the commercial rate applied to any grain movement beyond 31.1 million tonnes, blended with the new statutory freight rate. This means, Mr. Speaker, that we are going to have a freight rate structure with open-ended escalation based upon railway costs.

The Minister says there is going to be a safety net but he did not elaborate on that. He did not define what that safety net was going to be. He said it was going to be based upon a percentage of what farmers receive for their grain, but he certainly has not elaborated and has not dispelled any fears.

We still maintain that the producer will be paying double the existing Crow rate by 1985-86 and five and a half times by

1991-92. In dollar terms, in 1985-86 that will mean at least $155 million to $160 million out of the Prairie economy. In 1991-92 it will be an additional $1 billion. Conservatively speaking, an extra $1 billion will be taken out of the Prairie grain economy. I want to say right here and now that this is simply not acceptable to our Party and we will be moving an amendment in that regard when we get to committee stage.

• (1200)

The statutory freight rate, Mr. Speaker, as I said earlier, is tantamount to a constitutional right for the producers of Canada. If it is to be traded or bargained away, the end result should be something as good as, or something better in place than, we have had before. Looking at this Bill, and notwithstanding the so-called "good intentions" of the Minister, we are not ending up with anything as good as, and certainly not anything better than, what was the case before.

We in our Party have taken the position that improvements to the existing statutory structure could and should be made. I reiterate that improvements could be made. I agree with the Minister; the transportation chaos which occurred in 1978-79, resulting in lost grain sales and a total breakdown of the transportation system, cannot be tolerated. We know that we lost in the order of a billion dollars in sales. That cannot be tolerated from the standpoint of Canada as a reliable supplier of grain, nor can it be tolerated as far as the producers are concerned. Therefore, we recognize that maintaining the status quo is not satisfactory. We recognized it, we acknowledged it and we acted.

When this Party was in office for that short period of time in 1979 we took a number of major steps to improve the grain handling and distribution system in this country. Many of those improvements are still in place today, and the improved market penetration is the result of the efforts which we undertook when we were in Government. We were not the only ones who recognized the need for change and improvement. The Hon. Justice Emmett Hall, in his report on grain handling and transportation in 1977, recognized that change had to be made and advanced some recommendations.

I would bring to your attention, Mr. Speaker, and to the attention of all Hon. Members of the House, the presence in our Gallery of this very distinguished Canadian, Mr. Justice Hall.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: He is not only an outstanding westerner, but he is truly an outstanding Canadian. I know that Hon. Members on all sides of the House are indeed proud of him and are indeed proud to have him in our midst today. Mr. Justice Hall did make very sensible recommendations at that time, and I am sure that if he were to look at the situation again today, he would again come up with sensible recommendations. They may be modified, given the fact that there have been some changes which have occurred, advances in technology, a trend to larger and bigger production units, a centralization and rationalization of the elevator system. All of those things would have to be taken into account. However, the fact of the matter is that change was recognized and recommendations were advanced.

The only people who are not advocating any change are the New Democratic Party, who want to retain the status quo, and the NFU; but they really cannot have it both ways. Their solution to the problem is basically to nationalize the CPR and re-nationalize the CNR. That is really all we get from them. Our Party's position on the Crow is simply: we believe that the Crowsnest Pass freight rate should remain in statute form for the grain producers of Canada, but that adequate compensation commensurate with the cost of moving grain should be provided to the railways. This is basically the recommendation of the Hall Commission. In addition, it is assumed that the subsidy would be distributed on a basis agreed to after widespread consultation and consensus with the producers. Furthermore, adequate guarantees with respect to service and capacity must be provided.

We have noted throughout the past year or so, Mr. Speaker, that there has been a general consensus emerging that producers would accept the responsibility of paying more than the statutory freight rate. The Saskatchewan Wheat Pool, the Alberta Wheat Pool, the Manitoba Wheat Pool, the United Grain Growers, the Canadian Federation of Agriculture, Unifarm, and the various commodity groups, have all recognized that they would be prepared to pay more than the statutory freight rate, but it must be tied to their ability to pay, either related to the price of grain or based on margins. I believe that is a very important element because you can have an increase in the price of grain, maybe a doubling of the price of grain, but a tripling in the cost of input. So perhaps we should have some mechanism which would tie it to the producers' margin of profit.

I would like to say, Mr. Speaker, that I believe a very strong argument can be made for no increase at this particular time. I say that for a number of reasons. If we look at prices, in 1973-74 farmers were receiving $4.57 a bushel for No. 1 wheat. In 1980-81 that increased to $6.04. In 1981-82 it went down to $5.43. In 1982-83 it was something in the vicinity of $5.17; and today the initial price which is set for the 1983-84 crop year is $4.63. Barley is at $2.07. Therefore, we are looking at a price for the farmer's commodity of something just slightly better than it was nine years ago.

In the meantime, there has been a staggering inflation rate of 135 per cent. If one were to apply that inflation rate to the price of grain, then rather than $5 a bushel or $4.63, the farmer should be getting something in the order of $10.75 or $11 a bushel. I think a strong case can be made, therefore, for no increase until such time as the price of the farmer's commodity increases or at least reaches a level which will bear some semblance to the price of input costs and, indeed, bear some relationship to the international marketplace.

Energy costs alone, Mr. Speaker, have gone up 81 per cent since 1979. We know what interest rates and other input costs have done. The fact of the matter is that the western grain farmer saw his net income fall in the year 1982 by 35 per cent.

This is certainly not the time to be imposing an additional burden upon the backs of the farmers of western Canada. What really bothers many of us in this Party, Mr. Speaker, is that the projections and the basis upon which this Bill was formulated, and the formulae for the freight rate upon which the Minister and his bureaucrats based their figures, were based on a study by Agriculture Canada which suggested that wheat prices by 1990 would reach a level of $12 a bushel. They were even out on their first projection for 1982-83 where they said wheat was going to be worth $6 a bushel. It is only worth now about $4.50.

An Hon. Member: They projected $70 a barrel for oil.

Mr. Mazankowski: They projected $70 a barrel for oil as well, as my colleague said. It is nonsense to base a freight rate structure on the contention that wheat is going to rise to $12 a bushel by 1990. That is absolutely ludicrous and insane. The same thing applies to barley. They are suggesting that barley would be $8 a bushel by 1990-91. They start out from the inaccurate premise that it is now $4 a bushel, when it is just over $2 a bushel. They project the same thing with hogs. It is a very glowing and optimistic document. They are saying that the prices of hogs will go up two and a half times and the price of beef will double by 1990. The facts simply do not bear that out, Mr. Speaker.

So I repeat, this is not the time to be imposing a further burden upon the backs of the farmers of Canada. We in our Party maintain that the producers of Canada must have a fair régime which will recognize the fact that the Government of Canada and the railways of Canada have a continuing obligation to provide a special low rate for the movement of grain to export and domestic positions. That is one of the basic tenets within which we examine the present piece of legislation with which we are dealing.

• (1210)

We say that the railways and the Government of Canada have a continuing obligation to provide a special low rate for a number of reasons. First, Canada is a price taker. The prices for grain are established in the international marketplace. In order for Canada to capture those markets it must be competitive.

We know that all competing countries subsidize their producers in one form or another. For example, under the Victoria state railway system in Australia farmers pay less than 50 per cent of the average cost of freighting grain. In 1982 Australia also reduced the diesel fuel tax and gasoline tax for all agricultural production by six cents a litre.

In Argentina, since October 7, 1981 the national grain board provided free rail freight for grain from the nearest station available to the shipping port.

We know what the European Economic Community does. Their common agricultural policy subsidizes the producers of agricultural products to the tune of approximately $15 billion to $16 billion. That is a lot of money which is paid for by the taxpayers.

With respect to wheat, the wheat farmers in the European Economic Community receive a direct subsidy of $2.53 a bushel, according to the January, 1983 edition of *The Wall Street Journal*.

One can see what is happening in the United States when one reads the study by the grain market economist of the University of Manitoba, Mr. Colin A. Carter. He indicated that while Canada provides an average subsidy to its wheat producers of $16.05 per tonne, the U.S. Government pays an average subsidy of $13.81 per tonne. That is for wheat. With respect to barley, he say that the Canadian Government's support for barley averaged $7.56 per tonne compared to the United States $6.84 per tonne. That is in Canadian dollars.

In addition to that we now have the PIK Program which will provide approximately $11.4 billion in further support from the United States treasury to the farmers of the United States.

It is clear that we have that reality and fact of life which must be recognized in the total context. We must also recognize that the grain producing region of Canada is a landlocked part of the country. That region is an average of 2,000 kilometres from export positions. The distance in the United States is 1,100 kilometres; in Argentina it is 200 kilometres; in Australia it is 300 kilometres; and in France it is 300 kilometres.

These are realities which must be taken into consideration while bearing in mind that agriculture, particularly grain, is a very important component of the Canadian economy. It accounts for some $6 billion worth of exports and we know that for every dollar of activity generated in agriculture, it multiplies and generates $7 worth of additional economic activity throughout the country. It is in that context that we maintain that the railways and the Government of Canada have a continuing obligation to provide a special low rate for the movement of grain.

We acknowledge that the railways should receive fair—I repeat, fair—compensation for the movement of grain so that it can be done effectively and provide the necessary capital and means for maintaining plant and equipment. We must also say that it is our belief that the $651 million is overly generous. Even Mr. Snavely has conceded the fact that it is overly generous. We believe that for the railroads to receive 100 per cent of their long run variable costs, 20 per cent contributions to overhead and 20.5 per cent contributions to capital plus a freight rate that will be equal to ten times the current Crow rate by 1990-1991, they are in fact being relieved of any continuing historical and statutory obligation. We do not believe that should be the case.

While the Minister of Transport may say that $651 million is a lot of money, which it is, I would tell him, in case he does not know, that some $300 million-plus is generated through the agricultural community from the federal taxes that are imposed upon fuel and fertilizer that farmers use. That is another reason why the farmers are in trouble today; the heavy input costs they face largely as a result of the National Energy Program and the confiscatory taxes that are imposed upon fuels that the farmers use. There is no question about that.

Our third principle is that we believe the producers should be guaranteed an efficient, cost-effective and reliable transportation system. There is no disputing that fact. The provisions in the Bill are viewed with some degree of suspicion. Other Members of my Party will be dealing with that issue but I think it is fair to say that we do not find the provisions and safeguards in the Bill satisfactory.

When we consider efficiency and reliability, we must ask ourselves for whom. Naturally it must be for the producer since he is really the one we are trying to satisfy, make more competitive and to maximize his returns. I believe there are many improvements which should be made in the system besides changing the Crow rate.

Many people are not aware that in this country we weigh our grain six times before it is loaded on the boat for final disposition. We also grade our grain three times. I think that is unnecessary and clearly shows that there are areas for improvement in that regard.

The railways operate seven days a week; the elevator companies and terminals operate five days a week. Many of the bottlenecks and problems related to the slowing up of grain movement are not always associated with the transportation system, but indeed with the terminal. The bottlenecks occur there. A reduction in turnaround time of one day would be the equivalent of an additional 1,000 hoppers. That would reduce our investment in the system by some $73 million.

We believe there could be more interchange agreements so that the two railways could work more closely together without nationalizing them. We think that the use of producer cars should be encouraged. Currently there is a saving of about $600 to the producer if he chooses to load his own car. However, as has been the case over the years, producers are frustrated in their ability to use the producer car.

For example, in an article in the *Alberta Report* of May 2, it is pointed out that since August 2,300 orders have been placed for producer cars and only a thousand have been received, and the balance will probably not be all received before the end of July. That is a clear area where the producers' revenue could be maximized.

I am pleased to note as well that in 1977 the Hall Commission recommended the greater utilization of producer cars because the commissioners on that particular Commission saw this as a means to maximize revenue to the producers. The former Chief Justice indicated to me personally that if that was the case in 1977, the need for that is more apparent today. At that time he recommended that we could go as high as 20,000 cars annually.

Those are some steps which could be taken. As well, elevator charges are up to $13 per tonne and perhaps could be reduced somehow. The use of trucking could be increased, thereby increasing competition in that particular area and relieving the pressures on the system. Another example is labour relations where strikes and lockouts have severely impaired our reputation as a reliable supplier of grain. Our strike record leaves much to be desired. There is much that could be done in terms of streamlining and making the system more efficient.

I come now to the fourth principle under which we examine this piece of legislation. The distortion of the low freight rates in grain and oil seeds vis-à-vis processed products should be removed and an actual advantage retained. I think that is very central to this piece of legislation, particularly now since the Minister has made some recent changes. It is important that the natural advantages be retained. It is important for us in western Canada to see our agricultural base broadened and diversified so that there can be more processing of agricultural products in western Canada. I say to you, Sir, that the payment directly to the railways will further distort the freight rate anomaly that exists and will militate against the further processing of products in western Canada and militate against further diversification.

• (1220)

I wonder how the Minister can now answer the contention that he made in his first proposal when he said that his original proposal would result in an additional $1 billion in livestock production and an additional $350 million worth of economic activity with respect to the processing, the packing plants and the feed mill industry. I wonder how he can respond to that today.

The short answer is that his latest proposal will hurt the livestock industry in western Canada and will militate against further diversification. I would suggest, as others have suggested, that under this particular mechanism the West could once again become a colony of Canada. Some have already called it the Crow colonization bill. With it has been engendered a great deal of bitterness and anger, and I say to you, Sir, that I hope the Minister will still be flexible and accommodating because there have to be some changes. That issue has to be addressed. We have heard a lot about accommodation and compromise. I sincerely hope the Minister is prepared to take another look at this matter. We believe a solution must be arrived at.

In that connection, I have put something to put forward to the Minister for consideration. Since there is no consensus on this issue and there are some differences of opinion, I ask the Minister to consider making the payment of the Crow benefit optional to the producer or to the railroad. Let the producer decide whether the money should go to the railroad, or let him decide whether it should go to him. With the complexity of this Bill, surely there will be enough computers, machinery and bureaucrats involved that this will not bureaucratize things too much more.

This proposal will do several things. I know the immediate answer will be that the proposal is administratively impossible. But I ask the Minister to consider it because it will do a number of things. It will provide the producer with freedom of choice. It will achieve the objective of further processing. It will serve to inject some competition into the system and, therefore, ameliorate the inefficiencies in the system. It could increase producer incomes. Most important, since this whole

issue will be reviewed in 1985-1986, it will give the Minister and those who are monitoring it some practical experience concerning how either method would work. I think there are some merits to this. I have not defined the principle in detail and I am sure there will be arguments, both pro and con. I am really throwing out a principle here that I believe will serve to ameliorate the objections of the commodity groups and the livestock producers and at the same time reduce regional tensions.

I know the Pools have strongly advocated payment directly to the railroads. If that is so, then the producer will have that right. We will see what the producers say. If the Pools are right in their contention, then most producers will naturally choose to have the payment directed to the railroad. We believe that is a solution. We would like the Minister to look at it and give us his comments. If it has some merit, we will certainly consider proposing it as an amendment.

I repeat that I think the principle has validity. It gives the producer some freedom of choice and we would be very pleased to work this matter out.

I have a fifth and final point. We believe that grain producers must have a statutory freight rate which preserves the benefits of the Crow and must be protected from open-ended escalation. This is not apparent in this legislation, Mr. Speaker.

The concerns we have with this Bill are numerous. We believe, notwithstanding the Minister's efforts, that this legislation is untimely. Just let me summarize. We will be opposing this Bill for the following reasons. First, we do not believe the principles of the statutory freight rate are being retained in this legislation.

Second, we believe the freight rate structure will provide for open-ended escalation without any consideration for farmers' profit positions or the value of grain. The Minister has stated his good intentions to bring in a safety net, but heretofore that has not been evident.

Mr. Pepin: I committed myself to the safety net.

Mr. Mazankowski: Third, we are opposed to the Bill on the basis that there is an upper limit of 31.1 million tonnes.

Fourth, we are opposed to this Bill because it excludes new crops and speciality crops. Again the Minister suggested changes, but we have not had that matter enunciated, and until we see that, it still remains one of our objections.

Fifth, we are opposed to this Bill because it is a costly bureaucratic mechanism.

Sixth, we are opposed to this Bill because it is inappropriate to impose further costs on the agricultural community at a time when farm commodity prices are declining and farm input costs are increasing.

Seventh, we have serious doubts about the monetary mechanism under service guarantees. Perhaps the experts could explain what is meant by some of these provisions in the Bill because we have not been able to read through the myriad of words, clichés and rhetoric. Maybe it is sufficient, but we have some doubts about that.

Eighth, we are opposed to this Bill because it will further militate against diversification and the further processing of agricultural production in western Canada.

Ninth, we are opposed to this Bill because there is no clear consensus in western Canada about how we should proceed.

As the Prime Minister has said on a number of occasions, he would not proceed unless there was a clear consensus. On February 13, 1981 the Prime Minister said:

> At the present time our policy is not to touch the Crow rate, but if there is a general feeling in the west, that the question must be reopened, then we would be happy to do so.

I say to the Minister there is not a consensus. Further, there was nothing mentioned in the last election campaign about dismantling the Crow. There was nothing mentioned in the Speech from the Throne about dismantling the Crow. Unitl there is that sort of clear consensus to move, I would suggest the Minister consider a postponement.

Tenth, we oppose this Bill because we believe this package is far too generous to the railroads.

Eleventh, we oppose this Bill because there is no provision that we can see in the Bill to reduce rates if costs should fall. That is what happened in energy. Look at the embarrassment in which we find ourselves now. A $70 per barrel price for oil was projected and everything was geared toward the increase, but there was never anything geared toward a reduction in the price. Perhaps the Minister might want to consider that scenario.

Twelfth, we are opposed to this Bill because of blended freight rates and the prospect of variable rates.

Thirteenth, we are concerned about the concentration of power in the hands of the Minister, this Minister or any subsequent Minister. We do not think the Minister should become a transportation czar.

Fourteenth, we are concerned about the potential erosion of power with respect to the Canadian Wheat Board.

In summary, those are the issues about which we are deeply concerned; other speakers will be elaborating on these and other points. But I must say that producers in western Canada view this process with suspicion, mistrust and anxiety. For them to give up something which they have had enshrined in statute for the regurgitated rhetoric that we see in this legislation is certainly not palatable, Mr. Speaker. I repeat, there is no consensus out there. This Government is not having to fulfil a promise it made during the election campaign or in the Speech from the Throne. I say that the Minister should seriously consider not moving ahead with this Bill until there are substantive changes to it which will meet the objectives that I have outlined and which others will be outlining in due course.

Mr. Les Benjamin (Regina West): Mr. Speaker, I want to commence my speech on what I consider to be a black day for Canada and a black day for western producers by saying that

our criticisms of the Bill and our long-standing criticisms of attempts to demolish the statutory grain rate, the Crow rate, have never in any way been meant in a personal way to the Minister. Anything my colleagues and I have to say is not meant personally. We look upon the Minister as being nothing more than the inheritor and victim of the Otto Lang and Jack Pickersgill user-pay policy which has continually helped to divide the country.

• (1230)

Statutory grain rates are one of a number of provisions in all regions of Canada designed to take into account our geography and our climate. They are designed to take into account where our people live, where they produce agricultural or manufactured products, and also our competitors in international markets, so that we obtain a reasonable share of exports. If we remove a benefit from one region, we cannot help but increase disunity in the nation and harm Confederation.

The legislation proposed by the Minister strikes at what is to Canadians west of Thunder Bay a charter, a part of Confederation and a birthright. Today's generation of farmers in western Canada were born after the Crowsnest Pass Agreement of 1897. That is the fundamental reason for this legislation being wrong.

At the outset I want to say on behalf of my Party that we have never opposed changes, improvements and rehabilitation of the rail transportation system. In fact, we were among the first to call for them. However, our second main reason for opposing the legislation is that grain farmers will have to pay more freight charges.

I think the Minister made a remark during his speech, if I heard him correctly, about providing $1 billion per year in aid to western agriculture. The Minister's legislation will mean that by 1991 grain producers will be paying well in excess of $1 billion in extra freight charges. When grain prices are continuing to fall and remain below the cost of production, I find it unconscionable for any Government to try to foist additional increased costs on our grain producers or, for that matter, on any other agricultural producer.

The benefits in the statutory grain rate for western Canada have kept us competitive in world markets, have gained billions of dollars every year in foreign exchange for the nation as a whole and have meant that consumers from coast to coast have had the benefit of the price of milling wheat, flour and bread being held down. This benefited all Canadians. Since the statutory rate is of benefit to the nation as a whole, surely the nation as a whole should pay the major portion of the cost of delivering grain to export positions and to Canadian consumers. Surely that is part of co-operative federalism.

The same thing applies to the Maritime Freight Rates Act, the Atlantic Region Freight Assistance Act, the At and East freight rates and the bridge rates. The same thing applied to tariff protection for industry, most of which was located in central Canada. This meant higher costs for all Canadian consumers, but all Canadians willingly shared in the cost of helping one another in different regions of Canada. This legislation attacks that principle which was established in the 1880s and 1890s and was continued by successive Governments. Now, in the name of providing guaranteed profits for railways and guaranteed losses for farmers, the Government attacks an essential instrument for national unity in the nation.

Of course, there are some people happy with the legislation. I am sure that Canadian Pacific shareholders and its board of directors are just delighted. Since the Minister's announcement on February 1, the value of Canadian Pacific Ltd. shares has risen by $745 million. That is a 30 per cent increase in the value of Canadian Pacific Ltd. stock. Naturally Canadian Pacific Ltd. is happy with the legislation. Naturally the coal industry in Canada is happy with the legislation. Naturally the Canadian manufacturers Association and the Chambers of Commerce are happy with it. None of them grows grain. Of the hundred and some organizations about which the Minister dragged in his futile effort to get consensus, over 60 of them do not grow grain or have anything to do with the production, delivery and sale of grain.

Grain producers of western Canada have been picked as the villains who caused the inadequacies in our transportation system. Grain has never occupied more than 19 per cent of the track capacity in western Canada to the Pacific Coast. Right now it is around 15 per cent, and in a year or two it will be down to 14 per cent. The mythology perpetuated by the Minister, his predecessors and other non-grain and non-agricultural corporations and organizations was that it was all the fault of grain producers that the railway system was in a deplorable condition and not meeting the needs of the nation.

The Minister talked about weighting legislative authority to get guarantees out of the railways. He has all the legislative authority he needs in the Canadian Pacific Railway Act, the National Transportation Act and the Railway Act. I am sure he knows as well as I that Section 262 provides that the railways "shall", not "may", provide suitable accommodation for all traffic offered. "Suitable accommodation" means tracks, railway cars, locomotives, tunnels and whatever else is needed. The Minister can enforce the legal authority he alrady has by placing telephone calls to the Presidents of each railway.

I want to acknowledge too the presence in the gallery today of Mr. Justice Emmett Hall. I want to quote him for the benefit of the Minister and my colleagues to my right. This is another reason we oppose the Bill. He said:

> If once tampering with the statutory rate is accepted or condoned or as an item on the bargaining table, all will be lost. For once the subject is on the bargaining table, it will only be a matter of time until it is lost step by step. There is no position to take except to adhere through thick and thin that the Crow rate is not bargainable.

We support that unequivocally. The one disagreement I have with my good friends in the Wheat Pools and in other farm organizations is their willingness to accept an increase in freight rate costs for grain producers at a time, under present economic conditions, when they cannot afford it.

While there are those who say there should be change and that they are prepared to see grain producers pay more in

freight charges, I have yet had a single grain producer tell me that he is willing to pay more freight charges. Most farm organizations which accepted this did so because they thought it was inevitable. They became resigned to it because they believed that the Government intended to do it anyway and they wanted to see what kind of a good deal they could get. This Bill shows them the kind of deal they are getting. Not only are they getting $1 billion or more in increased freight charges by 1991, but they are getting variable rates.

The Minister can dress up all he likes the language in the Bill, but a variable rate is a variable rate. Variable rates mean that there are another 1,800 to 2,000 kilometres of branch lines in the three Prairie Provinces slated for abandonment in the rest of this decade. I invite the Minister to go to places like Cardston and explain to the people there that they may lose their branch lines, delivery points and the millions of dollars invested in country elevators and in their community. Are these people supposed to get up and just walk away from that? Anyone who agrees to demolishing the statutory grain rates is not worthy of his or her position in this House, not worthy to represent the people in their constituencies and, in particular, not worthy of what Confederation, unity and co-operative federalism mean in Canada.

• (1240)

I now want to deal with the alternatives that we have been proposing for many weeks. I will surprise the Hon. Member for Vegreville (Mr. Mazankowski) by not saying a word about nationalizing Canadian Pacific Limited. Our proposal calls for three essential points. First, that the statutory grain rates remain in place for grain producers. Second, that any shortfall in proven out-of-pocket costs of the railroads in the transport of grain be paid directly to the railroads as a grain transportation subsidy.

I was glad to hear the Hon. Member for Vegreville elucidate the massive subsidies received by grain producers in Australia, Argentina, the United States and the European Economic Community. The Government is asking our grain producers to pay a billion dollars a year more by the end of the decade and to compete with the national treasuries of those countries. Surely that is not fair. It mistreats a region and a segment of our economy. That flies in the face of national unity and co-operative federalism.

We object to paying the railroad a shortfall which includes the ability for them to make a profit on the subsidy. If they made a profit on the commodity, one could argue in a different way or possibly accept it, but not allow the railroads to make a profit on the subsidy from the public purse, a 21 per cent return on investment. Does anyone know of people who get a 21 per cent return on their investment? This Bill provides another 20 per cent for what can euphemistically be called overhead. In my opinion, that is a straight add-on profit.

In committee the other day, one of the Minister's officials said to me that overhead is the cost of money. I thought interest rates were around 9 per cent or 10 per cent. I do not know what the rest is for; maybe water for the railroad President's whisky, his salary and a few things like that. That is the second part of our proposal, that the shortfall should be only the proven out-of-pocket costs of the railroad.

Third, we fully support public investment in the rehabilitation and upgrading of our railway lines. This should not be confined to British Columbia and Alberta because there are many other places in Canada where it is badly needed. We say that for the first time since 1881 we as a nation should cease to hand out capital to the railways or anyone else without getting something in return for that capital investment. Which other investor would provide money for capital without taking devidends or interest, bonds, debentures or equity shares? Surely my colleagues in the Liberal and Conservative Parties agree that would be a sound business practice. Implementing our alternative proposal would require no more money than the Government is prepared to spend under this legislation. It would be a lot more fair and sensible.

In view of what I have said, I move, seconded by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse):

> That all the words after the word "that" be deleted and the following substituted therefor:
>
> "Bill C-155 be not now read a second time but be read this day six months hence".

I will conclude my remarks by telling my colleagues that this is not just sentiment but an essential part of this country. If the statutory grain rates can be cavalierly done away with at the expense of the western grain producers, I warn my colleagues from other parts of Canada that the Maritime Freight Rates Assistance Act, the Atlantic Region Freight Assistance Act as well as the At and East freight rates will be jeopardy.

The user-pay principle will not stop at statutory grain rates. What will happen to the tariff protection of the manufacturing sector in Canada, particularly central Canada? If the Minister were to have his way, he would go for cost recovery of our airports, the Seaway, ports and highways.

There is not a single mode of transportation that has ever paid its own way. Ever since the wheel was invented, each mode of transportation has had to be subsidized. It is a public utility, something that everyone uses directly or indirectly. In many sectors of transportation there are natural monopolies which require public investment and control. To single out the grain producers of western Canada while all other sectors continue to get their subsidies and benefits is unfair. It should cause all thinking Canadians to say that we cannot and must not legislate in a manner which discriminates against one region while similar benefits are being received in other regions.

We believe that our railway system must be upgraded and modernized. The public must have greater equity in the railroads, both increased equity in Canadian National and begin to take equity ownership shares in Canadian Pacific, so that the people of Canada are eligible for a return on their capital investment and can have some say in it.

The Minister wants more guarantees and more authority. He has a board of directors for Canadian National which he appointed. If he sends a directive for them to follow as a

matter of Government policy, they have no choice but to do it. Similarly, with equity shares there would be Government representation on the board of Canadian Pacific Limited. The investment of the taxpayers of Canada would be guarded and protected and the maximum benefits obtained from that investment. Surely that makes eminently good, sound business sense.

We have no choice but to continue to expend billions of dollars on our transportation system. Spending on railway upgrading is not just for grain but potash, coal, sulphur and a host of other commodities, also for people, if this Minister will leave us a passenger train or two. It is a must for any Government to maintain what is both historically correct, proper and fair today. I am not suggesting that all of the measures that are on the books of Canada since Confederation are perfect. There are improvements that may be made. But to dismantle a part of the Charter that brought western Canada into Confederation is surely no way to gather Canadians together.

• (1250)

I hope, Mr. Speaker, that Hon. Members will look upon this as more than just a question as to whether or not the railways will be satisfied or whether or not one farm group or another farm group will be satisfied. I hope that the Government and the House will look upon it as a question of whether or not it satisfies the needs of Confederation. We believe, and I think history bears out, that the statutory grain rates, like many other measures in place on the books of Canada, are of benefit, are fair, are equal and are worthy of support and strengthening for the well-being not only of grain farmers and railway systems but of the entire nation.

I plead with the Minister to accept our motion so that everyone involved can come up with something better than this legislation. This will not be accomplished in only a few weeks in standing committee. Most fundamentally of all, Mr. Speaker, I hope the Minister and the Government will finally agree that maintaining the statutory grain rates for grain producers is essential, not only for the grain producers but for all the people of Canada.

The Acting Speaker (Mr. Blaker): I will read to the House the Hon. Member's amendment. The Hon. Member for Regina West (Mr. Benjamin), seconded by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), moves:

That all the words after the word "that" be deleted and the following substituted therefor:

"Bill C-155 be not now read a second time but be read this day six months hence".

The amendment is in order.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, as I rise to speak on this very important piece of legislation, I do so from many vantage points. First, as Parliamentary Secretary to the Minister of Transport I am in a rather good position to appreciate the effort that has gone into formulating the Government's western transportation initiatives in the last two and one half years, culminating in the introduction of Bill C-155. I have personally witnessed the co-operation, consultation and compromise reflected in this Bill.

From my second vantage point as a member from Canada's industrial heartland, I am excited about the economic opportunities that Crow rate reform will bring to all parts of Canada, and particularly to Ontario. The railways, with adequate compensation for the movement of grain, will now be able to make major capital expenditures. Over the decade these investments will ensure sufficient railway capacity to transport Canadian raw and processed products to our customers around the world. Growth in the railway transportation sector means jobs in Ontario, something that this side of the House has been emphasizing all along. This Bill means that there will be more hopper cars, more locomotives, more rail and more electronic equipment.

From my third vantage point as a native of rural Saskatchewan, I know how important the railway is to Canada's grain farmers. Without a first-class transportation system, the farmer, she or he—and I emphasize "she" because I believe many Members in the House are ignoring the fact that we have today many female producers—will never be able to capitalize on the tremendous opportunities of an expanding export market.

Speaking of exports, I speak from a fourth vantage point. I had the privilege, Mr. Speaker, of chairing a special parliamentary committee on a National Trading Corporation which culminated in a report tabled in the house called "Canada's Trade Challenge". It was in that committee that I learned how important export trade is to Canada. I learned what it means to be competitive.

The Hon. Member for Vegreville (Mr. Mazankowski) spoke about the Saskatchewan, Manitoba, and Alberta producers' need to be competitive. Well, Mr. Speaker, I ask you, if you are only price competitive but cannot deliver your products to market, what good is that competitiveness? This is why we are emphasizing the improvement of the grain transportation system in the West. When we say that we want our producers to be competitive, we mean not only price competitive but delivery competitive. We mean getting that product to the export markets in good shape.

Just a few weeks ago, I was home in Saskatchewan, as I visit the West regularly. I talked to many local farmers there. They were confused by the different stories that were being told about the Government's policy. They were quite naturally apprehensive and were fearing the worst. I discovered that there was also a lot of misrepresentation of the Government's intention. So in the time available to me, I intent to talk in a factual and straightforward manner about the Bill itself.

I believe that even the two Opposition Members who spoke today tried to instil fear and confusion in the western producer. I hope that with my factual presentation of what this Bill includes, I will dispel some of this confusion and fear.

I would like to break the Bill down into five areas. These areas are, first, what it does for farmers, and that is really what is important about this Bill; second, what it does for the railways; third, how the freight rates are established; fourth, the new grain transportation agency; and fifth, and I think probably what is most important, the review process. The review process will take place after the year 1985-86, so that many of the issues and concerns that are raised can be reviewed after a certain period of time. At that time, Parliament of the day can make further changes to bring about greater protection to the western producer.

These areas do not correspond exactly to the text of the Bill, but I believe that dividing it into these five categories makes it easier to understand and analyse the Bill.

First, what does the Bill do for the farmers? There is no doubt the Bill will bring about changes in the western grain transportation and handling system. There is no doubt that the farmer is being asked to pay a bit more for transportation; we are not denying that. But in return, Mr. Speaker, there are a number of provisions which work to his or her benefit.

First, again contrary to what the Hon. Member for Vegreville said this morning, there is a statutory basis for the new structure. Once the legislation is in place, only this Parliament can change it. There is very little scope for decisions by Order in Council, so farmers have the assurance of a stable and predictable system.

Second, farmers are guaranteed a permanent annual payment of over $650 million, the famous Crow benefit. It is payable to the railways and it is payable as long as the legislation is in existence. I believe it is safe to say that as a result farmers will never have to pay the full cost of transporting their grain.

Third, farmers will receive protection from expected inflationary cost increases in the future, again contrary to what the critics in the Progressive Conservative Party attempted to tell the producers this morning. For the next three years the farmer will only be asked to pay the first three percentage points of railway cost increases. Perhaps this calls for a simple illustration, but I see, Mr. Speaker, that you have given me the nod to indicate that my time has expired. May I call it one o'clock?

The Acting Speaker (Mr. Blaker): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

ENERGY

DISADVANTAGES TO QUEBEC OF PROGRESSIVE GASOLINE TAX

Mr. Gaston Gourde (Lévis): On Tuesday night, Madam Speaker, Quebec Finance Minister Parizeau refused to remove the 40 per cent automatic tax on gasoline in Quebec, even though spokesmen for businessmen and consumers had urged him to do just that. The Minister himself had acknowledged and promised that the tax was temporary and would end on March 31, 1983.

Mr. Parizeau seems to agree that the tax is unfair to people who live near our neighbouring provinces of New Brunswick and Ontario, since he has lowered the tax in the vicinity of those interprovincial boundaries. I am glad that Hull residents, for instance, will benefit from a partial tax reduction, but it is the best proof that we owe that tax aberration to a Minister who has run out of ideas.

Not satisfied with creating an unbelievable distorsion of some $200 million in Quebec's agri-food sector, as compared with Western Canada, the Minister is urging tourists to travel elsewhere in Canada. Madam Speaker, that is the way the Social Democrats conceive the economic recovery and how the separatists can be sure that none of our neighbours will come to steal our jobs.

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[*English*]

NATIONAL DEFENCE

CIVILIAN EMPLOYMENT PRACTICES AT CANADIAN FORCES BASE BORDEN

Mr. Ron Stewart (Simcoe South): Madam Speaker, in my riding we have yet another example of the stupidity and duplicity involved in the implementation of the Government's new job-creation programs.

Civilians working on contract at CFB Borden, many of them with seniority, have been let go and their jobs have been offered to those on welfare, or those whose unemployment insurance benefits have expired. Yet, many in the latter group are refusing the jobs. Eight of those refusing have been cut off from welfare payments and two others, who initially refused, accepted the jobs when told their welfare payments would cease.

The social services administrator said those refusing the jobs cited transportation problems, an excuse that was not legitimate. He also said others simply avoided going to the jobs when they were referred. He stated that 30 of the 200 jobs offered have been filled, and that one man is making $8.43 an hour washing dishes at the Base.

A Base spokesman has said the military are powerless to prevent the layoffs of existing workers because the Government has cut the funding for their employment.

We have the ridiculous situation of workers being laid off and having to apply for welfare and unemployment insurance, and those on these same social programs being offered their jobs.

The "stupidity" part of the program has become self-evident. The duplicity is that the program is called job creation when in fact it is nothing more than a job replacement scheme.

The Government should realize it is fooling no one with its terminology, and immediately put a stop to this shameful program.

* * *

HUMAN RIGHTS

EL SALVADOR—IMPRISONMENT OF LUTHERAN PASTOR AND DOCTOR

Mr. Bob Ogle (Saskatoon East): Madam Speaker, once again I feel I must protest against recent human rights violations in El Salvador. The Lutheran Church is a small denomination in El Salvador but it has done a great deal with refugees. This past week two Lutherans, a pastor and a doctor, took a Scandinavian visitor to the airport. On their return from the airport they were captured by police. One of them had been in prison for eight days and has now been released after being tortured. The other, Dr. Angel Ibarra, is still in prison.

I want to say to the House, and to all human rights groups in the world, that some kind of protest has to be made to the Government of El Salvador which seems to be institutionalizing once more the effort to stamp out all opposition—and not only all political opposition but also those involved exclusively in the care of refugees.

In light of this new incident and the rise of violence once again, I call on this House and all other groups in the world that have the same feeling toward human rights and the possibilities for that small country, to protest in the most vehement way we know against what is taking place there.

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[*Translation*]

NATURAL RESOURCES

IMPORTANCE OF EXPLOITING MINERAL WEALTH—NECESSITY FOR NON-TAXATION OF NORTHERN BENEFITS

Mr. René Gingras (Abitibi): As everyone knows, Madam Speaker, Canada's mineral resources are plentiful. Still, we have to compete with other producing countries. A lot of those mineral resources might be a source of wealth for our country if they were developed. More often than not, they are located in remote areas that are difficult of access and where the climate is unforgiving. The workers needed to do that job ought to be offered generous incentives to help them put up with life in exile.

Madam Speaker, I urge the Minister of Finance (Mr. Lalonde) to weigh all the consequences of his decision to tax the benefits available only to people who work in isolated northern regions.

Before they make their recommendations, I would also urge the officials of the Department of Finance—even though it is now tulip time in Ottawa—to visit the northern reaches of my riding where they will still be able to walk on the Hudson Strait ice bridges. That should give them a pretty good idea of what life is like in the north and of the fringe benefits needed to entice anybody to stay there.

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[*English*]

BANKS AND BANKING

DEMAND BY ONTARIO SECURITIES COMMISSION FOR INFORMATION

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the Ontario Securities Commission is demanding that the chartered banks make available information that, until now, the Inspector General of Banks has refused to make available to the public and to Members of Parliament. The Ontario Securities Commission demands that the banks advise what loans are non-productive, what loan losses are in detail, what foreign loans are outstanding, and in what countries, and a detailed disclosure of what foreign lending exceeds 1 per cent of bank assets when new issues are placed on the market.

This is information that Members of Parliament and the public generally should have, and the Ontario Securities Commission is to be complimented on doing things that the Inspector General of Banks should have done long ago. Madam Speaker, it appears the banks are prepared to co-operate and supply the information, and indeed some have already supplied the information without the requirement.

The Minister of State for Finance (Mr. Cosgrove) must now demand that the Inspector General of Banks take the same action that the Ontario Securities Commission has taken. For too long Parliament has been prevented from finding out how the system is really operating, on the excuse that the information is a matter of client confidentiality. If the Ontario Securities Commission can blast away the cobwebs, surely the Minister of State for Finance should be able to do the same.

* * *

HEALTH CARE

AVAILABILITY OF DIAGNOSTIC SERVICES FOR COMPANY EXECUTIVES

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, the recent report of an

exodus of executives for medical checkups in a clinic outside Canada is an example of a practice which is not at all unusual among Canadian executives, and among those who can afford it.

They are attracted to foreign medical centres for a variety of reasons, the principal one being convenience as far as the efficient use of time and the availability of sufficient sophisticated equipment to carry out a variety of tests in one location are concerned. The disadvantages of such investigative and diagnostic management in a foreign country is the lack of available data of the previous state of health, and the absence of physicians who are familiar with the health status of the patient.

In most of the Canadian settings all of these tests and examinations are available and are carried out with great expertise, but they have one principal drawback, that is, the inconvenience that so many experience under our health care system such that it is impossible for the most part to plan these tests in a rapid sequence without periods of waiting and returning to one or more institutes, thereby disturbing the routine of the individual involved.

Nevertheless, it is a concern to me that there is considerable revenue lost from this category of people to the health care services of this country because it is difficult to organize such a fast paced high cost diagnostic service. In Canada these services are presently integrated into the operations of very busy and overloaded hospitals, and each patient must wait his or her turn in different departments, in one or more buildings, and frequently has to wait for long periods of time.

* * *

UNEMPLOYMENT INSURANCE

DENIAL OF SICKNESS BENEFITS

Mr. Doug Lewis (Simcoe North): Madam Speaker, last evening I talked with one more constituent who is a victim of the unfair unemployment insurance regulations the Liberal Government refuses to change.

For some strange reason sickness benefits are only paid during the first 25 weeks of a benefit period. My constituent was laid off in November, 1982. On April 12, 1983, he had an operation on his knee. Because his leg is in a cast he cannot work. The Manpower Office could not find him a job before the operation, and it still cannot. But there is one thing it can do. It has taken him off benefits because he is not available for work.

When will the Liberal Government come to its senses and make the unemployment regulations fair for all Canadians? Surely a person who cannot find a job because of the Liberal recession is entitled to full sickness benefits under the Unemployment Insurance Act so long as that sickness occurs during the benefit period. We urge the Government to revise the unemployment insurance regulations so that they are more fair and realistic for all Canadians.

S.O. 21

BANKS AND BANKING

BANK OF MONTREAL EMPLOYEE COMPENSATION OFFER

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, the Bank of Montreal has offered a 1983 compensation program that is nothing less than an insult to its employees.

These are the same employees, who, over the past five years, have helped the Bank amass profits of nearly $1.3 billion. Last year alone the Bank made $257 million, or nearly $8,600 per employee. That is over half of the average income of employees represented by the Commercial Workers Union and the Canadian Labour Congress Union of Bank Employees.

Under the new compensation program there will be no general wage increase whatsoever for all bank employees. The distribution of any increases is to be based solely on managerial discretion. The Bank's intention to pick and choose winners and losers amongst its employees unilaterally is not only repugnant and divisive in terms of staff morale, it also ignores completely the fact that everyone continues to face increases in the cost of living. Furthermore, the fact that a high proportion of those affected are women earning an average of $15,000 annually means that the compensation program would reinforce pay discrimination in the work force.

• (1410)

All the employees are asking for is a fair deal, which takes into account the financial health of the Bank and the general economic environment. The Bank's proposal overlooks both factors totally. Bank workers are not unreasonable people. They simply want some indication of fair play and honest negotiations on the part of their employer. This is another example of the Bank's lack of conscience and its insensitivity toward its employees.

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CANADIAN PACIFIC RAILWAY

COMPANY'S GROWTH—ASSISTANCE PROVIDED BY GOVERNMENT

Mr. Gordon Taylor (Bow River): Madam Speaker, in 1881 the people of Canada, through the Canadian Government, entered into an agreement with the Canadian Pacific Railway Company under which the CPR agreed to "perpetual and efficient operation of a railway" in this country, and the Canadian Government gave the CPR operating rights, plus $25 million, and 25 million acres of land, including mineral rights. From this start CPR has expanded into a giant corporation with assets in 1982 amounting to more than $17 billion.

In our lifetime the CPR reneged on passenger service, has reneged on branch line and mainline maintenance, and has reneged on even buying its own hopper cars for hauling grain, all without any penalty by the federal Government. The mineral rights alone in the 25 million acres of land have

brought millions to the CPR, but the Railway adamantly refuses to spend any of this on transportation.

Now this Liberal Government is again giving the people's money—almost a billion dollars a year—to the railways. The Crow is being replaced by a complicated bureaucratic price formula primarily for the benefit of the railways and the Government. The interests of the producers are secondary, and the potential of the livestock and hog industry in western Canada is completely negatived.

* * *

CANADIAN WHEAT BOARD

COST TO FARMERS OF DEMURRAGE PAYMENTS

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, in 1981-82 prairie farmers grew a record crop. Grain exports reached 27 million tonnes, 15 per cent over the previous record set in 1979-80. Yet there is an item in the financial statements of the Canadian Wheat Board that continues to receive hardly any consideration, that is, the cost of demurrage. That item has often been downplayed as of minor importance in comparison to the total balance of the Board's operational expenses. But charges paid to vessel owners for delays in loading beyond a normal period continued to be high and totalled over $4 million for handling wheat alone in 1981-82, a substantial increase from $1.5 million in the previous year.

The Wheat Board does not consider last year's demurrage cost excessive as there were previous years when some $20 million was paid as a penalty for delays. Yet the fact is that the demurrage payments of thousands of dollars a day are incurred year in and year out, a cost that ultimately is passed on to the farmers.

It is of the utmost importance that the Canadian farmer, already under the tremendous pressure of high interest rates combined with Liberal Government Fuel costs, be no longer penalized by the inefficiency of the system designed to operate and facilitate the flow of grain, a fundamental source of our national wealth.

ORAL QUESTION PERIOD

[*English*]

THE SENATE

STATUS OF SENATOR CONVICTED OF INDICTABLE OFFENCE

Mr. Howard Crosby (Halifax West): Madam Speaker, my question is for the Prime Minister and concerns the status of Senator Irvine Barrow. A Supreme Court jury in Nova Scotia convicted Senator Barrow of a violation of the Criminal Code of Canada. The violation is an indictable offence, which must be considered a felony and a crime for the purposes of the British North America Act. Will the Prime Minister confirm whether Senator Barrow's conviction means that his place must become vacant by virtue of the British North America Act, or does the other place decide his status? I also ask the Prime Minister what role his Government will play in determining Senator Barrow's status, and what responsibility he has in this matter.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member sent me notice of the question but it was just at the beginning of Question Period and I have not had time to look into the matter; particularly, I have not read the judgment. The Hon. Member says that the Senator was convicted of a felony. The Hon. Member may be more wise in law than I am, but I do not know of any definition of "felony" in the Criminal Code.

Mr. Blenkarn: "Indictable offence" is what he said.

Mr. Trudeau: Well, I heard him say the word "felony". Now I have more people getting into the act; I hope you will recognize a supplementary question, Madam Speaker.

I do know that the Senate and House of Commons Act speaks for itself. The qualifications of a Senator are clearly defined. As to the latter part of the question—will the Government be taking any initiatives—I believe it is for the Senate to determine any question relating to the status of its own Members. That is my preliminary answer. I know of no way in which the Government can take or should take any initiatives as regards that body.

REQUEST FOR INVESTIGATION OF CIRCUMSTANCES SURROUNDING CONVICTION

Mr. Howard Crosby (Halifax West): Madam Speaker, I can appreciate that the Prime Minister has not had an opportunity to consider the conviction rendered against Senator Barrow. I point out to him that there are published reports in Halifax which indicate that the Senator has said there is "no problem" with respect to his conviction and he can take his seat in the Senate. I suggest to the Prime Minister that the public may be outraged if there is no action taken. Therefore, will he conduct an inquiry into the circumstances surrounding the conviction of Senator Barrow and report to this House as quickly as he can, so the public will know what the standards are for parliamentarians in these matters and we will not be left to speculate on what Senator Barrow's fate will be while he pursues other legal remedies, such as an appeal?

Right Hon. P. E. Trudeau (Prime Minister): Well, Madam Speaker, I find the suggestion of the Hon. Member rather amazing, that the Government should take the initiative to inquire into the status of Members of Parliament. If he is suggesting that we have that duty for the Senate, he probably would suggest we have that duty for the House of Commons. Yet I would think Members opposite particularly, as well as Members on our side, would be incensed if they thought it was

the duty of the Government to decide whether an Hon. Member is sitting legally or not.

In so far as the case at hand is concerned, Madam Speaker, I think the judgment has just been rendered. I do not even know if there has been or will be an appeal lodged. I think it would be a matter of elementary decency to wait and see if the man has been convicted without recourse to appeal.

Mr. Crosby: With all due respect, Madam Speaker, I think the Prime Minister is avoiding the issue. Under the British North America Act, which is the law of the land, a Senator convicted of certain crimes must vacate his seat in the Senate. This will now be a matter of public speculation, and I want the Prime Minister to look into it.

Madam Speaker: Order. I am myself consulting whether I should even allow the question because it does concern a Senator in the other place, and in light of the answer which has just been given my impression is that a question concerning that should not be asked in this House but in the other one.

Mr. Crosby: Madam Speaker, my question does not concern the ultimate fate of Senator Barrow, but just the process by which his fate is determined.

GOVERNMENT POSITION

Mr. Howard Crosby (Halifax West): Madam Speaker, to avoid public speculation on Senator Barrow's fate, will the Prime Minister at least inquire into the matter, decide what the position of the House of Commons is with respect to this matter, and at the same time tell us what course of action will be taken by him and his Government?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have received since the first question a copy of the relevant Section of the British North America Act, Section 31. I read Subsection (4) and it says:

> The Place of a Senator shall become vacant . . . If he is attainted of Treason or convicted of Felony or of any infamous Crime;

I repeat, Madam Speaker, perhaps the Hon. Member opposite is learned in the law but I do not know that the judgment condemned the Senator of treason or of felony.

Mr. Nielsen: Or of any infamous crime?

Mr. Trudeau: Whether there is an infamous crime or not, I suppose would be for the Senators to look at. I am really surprised that the Hon. Member would want this House to begin to judge the suitability of Members sitting in the other place. That is what he is suggesting, Madam Speaker.

An Hon. Member: Why don't we just judge the whole works?

Mr. Trudeau: And the consequence of that would be that Members of the other place would exercise the same right over Members of this House.

Mr. Broadbent: Oh, no; we are elected.

Mr. Trudeau: Perhaps they would want to start with the Hon. Member who has asked the question.

* * *

• (1420)

AIR CANADA

DISCHARGE OF CHAIRMAN'S DUTIES

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Minister of Transport. In view of the on-going revelations about Air Canada, and since the Minister has made no statement whatsoever about the criminal investigation, can the Minister assure this House that the financial difficulties of the Chairman of Air Canada in the summer of 1982, involving the bankruptcy of a company and several hundreds of thousands of dollars, did not interfere with the discharge of the Chairman's duties as Chairman of Air Canada?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I can only repeat what I have said a dozen times at least in the last two months, that my instructions from the Minister of Justice are not to comment on this inquiry. I can only assure my hon. friend that the company is operating well, the record of safety is maintained, that it shows a better financial situation in the first months of this year than in last year, and that the traffic is not impaired, nor are the activities of the company, by the events which he has mentioned, namely, the inquiry by the RCMP.

Mr. Nowlan: Madam Speaker, no Minister has made any statement whatsoever in this House about the status of the criminal investigation. The reason I am asking these questions is to find out how long the Government is going to let this matter fester.

SELECTION OF HEADQUARTER'S SITE—CHAIRMAN'S ROLE

Mr. Pat Nowlan (Annapolis Valley-Hants): I would like to ask the Minister specifically if he can assure the House—and we do not know what the investigation is—that the Chairman of Air Canada, Rene Amyot, had no business or personal interest whatsoever in any of the sites being considered by Air Canada for its new headquarters?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I find this line of questioning to be extremely out of place. The Hon. Member surely knows that the reason that no Minister has made a statement on this is because it is entirely against parliamentary tradition for us to make statements on matters which are before the courts or under investigation. This is a matter under investigation, Madam Speaker, and that is all we can say about it. And that is all my hon. friend should say about it.

Oral Questions

AUTOMOTIVE INDUSTRY

TAX IMPOSED ON CANADIAN MANUFACTURED AUTOMOBILES

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister on the subject of industrial strategy, which the Prime Minister has been promising for some time. Currently, Madam Speaker, Canadians in three different Provinces, Nova Scotia, Quebec, and Ontario, are involved in the production of automobiles. Currently, also, some 15,000 automobile workers who would be normally working are on lay-off. Would the Prime Minister tell us what kind of strategy, in these circumstances, could cause the Government to produce a policy which imposes a tax veering from $100 to $200 more on automobiles produced in these Canadian communities than it does in terms of the taxes it imposes on cars imported from Japan?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, the Leader of the New Democratic Party ought to know that as far as taxing goods that are imported or produced in Canada is concerned, there are international rules that must be observed. These rules are included in general agreements on trade and are negotiated from time to time, and to go against the rules would be a form of discrimination which might result in retaliatory measures being taken by the countries that are party to these agreements, against our country, so that taking such action would be more likely to harm the development of our trade than be of any benefit to us.

[*English*]

Mr. Broadbent: Madam Speaker, I say to the Minister that the current tax situation is discriminatory, all right, and it is discriminatory against Canadian workers who do not want preferential treatment but want Canadian companies to be treated precisely in the same way by our tax laws as are producers and workers in other countries. We are not asking for preferential treatment for Canadian workers. We are asking for justice for Canadian workers.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Madam Speaker, considering that the Minister of Finance in a letter sent last November 9 indicated that the Government was going to change its tax policy in moving toward a form of fairness, why has the Government backed down on this? Why has it changed its mind?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, unfortunately, I did not see this letter from the Minister of Finance, and I would therefore ask the Hon. Member to be patient. The Minister of Finance will be back next week, and the Hon. Member will then be able to put his question directly to the Minister. If the Minister of Finance has made formal commitments, he could indicate to the Leader of the New Democratic Party why, as alleged by the Leader of the New Democratic Party, he has not acted on those commitments.

[*English*]

Mr. Broadbent: Madam Speaker, I intend to follow that up with the Minister of Finance.

RATIONALE FOR IMPOSING TAX

Hon. Edward Broadbent (Oshawa): Given what the Minister has just said in reply to the first question, would he be a little more precise and explain to the House what kind of rationale lies behind the Government's tax policy? What is the international rule to which he is alluding that would cause the Government—and I repeat the point—to have a tax policy which imposes $100 to $200 less of a tax burden on imported vehicles compared with vehicles produced by Canadian workers?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I wish the Leader of the New Democratic Party would give me a specific example and tell me whether he is perhaps referring to the sales tax.

Mr. Broadbent: The federal sales tax.

Mr. Bussières: Madam Speaker, the Hon. Member knows perfectly well that a proposal for reform in this respect was tabled a few months ago by the previous Minister of Finance, the proposal being to apply federal sales tax to the wholesale instead of the manufacturer's price. One of the points made by the Minister of Finance in support of this reform was that it would be possible to deal with goods produced in Canada on the same level as imported goods, and if the House of Commons were to give its support quickly to this sales tax reform, we would then be able to resolve the problem referred to by the Hon. Member. The Government has acted by tabling a proposal for federal sales tax reform in Parliament, but Opposition Members have asked for broader consultation so that industry can obtain some adjustments. We have agreed with the Opposition proposal for broader consultation, and now the same Opposition Member is saying that we have not acted quickly enough to pass legislation, although the fact of the matter is that we acted as we did at the request of the Opposition.

* * *

[*English*]

SUPPLY AND SERVICES

PURCHASE OF CANADAIR WATER BOMBERS FOR USE IN YUKON

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is directed to the Minister of Supply and Services.

The Minister of the Environment is credited with giving us the Canadair water bomber program as the first of the special recovery projects. I would like to ask the Minister, who has been involved in the purchase of four Canadair water bombers at a cost of $6 million each for the Yukon and the Northwest Territories, for an explanation. The fire season in the Yukon starts April 1 and there is ice on the lakes through April, most of May, and sometimes into June. How does the Minister expect fires to be fought in Yukon before the ice melts and the water bombers can be used? Or is he just going to let the Yukon burn?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, again I am amazed at the particular attitude of the hon. lady relating to the water bombers. She seems to be developing a vendetta against a piece of Canadian technology which has been received very well in the international arena. As well, Madam Speaker, it is a piece of technology which has been very successful in making the Province of Quebec the leader in protecting its forest resources. Of course we all recognize in Canada that a large portion of both our direct and indirect employment is owing to the forest industry, and we should seek every possible method of protecting that industry. I can assure the hon. lady, Madam Speaker, that, whoever provides her with the information, either she is misinterpreting it or she is inadvertently misleading this House.

REBUILDING OF ENGINES IN MIAMI

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is directed to the Minister of Supply and Services. We are not talking about Quebec. We are talking about Yukon, an area of the country where the Leader of the Opposition comes from, and where I have spent a lot of time.

We have ten-year averages for forest fires in Yukon. The ten-year average for Yukon has been two in April, 15 in May, and 31 in June. In the Northwest Territories, on a ten-year average, there have been two in April, 15 in May, and 80 in June. As of yesterday, there were three forest fires this year in Yukon.

The Minister has not addressed the question of how he is going to use his water bombers.

I have another question for the Minister. Canadair uses old Pratt & Whitney engines which have not been produced for 15 years. They have been contracting with a Miami company to rebuild these engines to Canadair's specifications.

Madam Speaker: Order. The question of the Hon. Member is becoming a bit long. Would she go directly to her question?

Miss Carney: My question, Madam Speaker, is the following. Of what benefit to Canada is the rebuilding of aircraft engines in Miami?

• (1430)

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, with reference to the Yukon, the hon. lady herself admitted that the bulk of the fires took place during the month of June, at a time when indeed the lakes are clear of ice.

Mr. Nielsen: No.

Some Hon. Members: Oh, oh!

Mr. Blais: As well, if the hon. lady has read the reports on the water bombers she will know that in periods when there may be ice on the lakes there is a capacity of that aircraft to use chemical retardants.

Not only that, the airstrip that is required for the water bombers is about 3,500 feet, which is about 1,500 feet less than the length required for the DC-8 which is also employed in British Columbia for the same purpose.

Mr. Nielsen: A DC-8?

Mr. Blais: Madam Speaker, the aircraft that is used in British Columbia is much inferior. It requires another 1,500 feet of airstrip in order to be able to serve the purposes for which it is required.

USE OF CHEMICAL FIRE RETARDANTS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is also directed to the Minister of Supply and Services. He has spoken about the need to use chemical retardants in the Yukon. May I point out that the reason given by the Department of the Environment for using the water bombers is a $93 million savings in chemical retardants. If he is going to save $93 million in chemical retardants by using free water, can he explain why he is now going to use chemical retardants in the Yukon?

Hon. J.-J. Blais (Minister of Supply and Services): Because, Madam Speaker, the aircraft has the ability to use water in periods when there are high fire incidents, and indeed is able to use the lakes within the Yukon or any place else in Canada. In the periods of time when in areas where they indeed cannot make use of water—

Mr. Kempling: Try ice cubes.

Mr. Blais: —it also has the capacity to use chemical retardants. It can do that much more competently than any other aircraft that is developed for the use of fire retardants. That is the reason why.

Oral Questions

FISHERIES

ATTACK ON FISHERY PATROL VESSELS IN NOVA SCOTIA—REQUEST FOR REVIEW OF LOBSTER FISHING REGULATIONS

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of Fisheries and Oceans. The burning and sinking of a fisheries patrol vessel yesterday in Nova Scotia was the fourth in a series of protests by fishermen over the stringent enforcement of lobster trap regulations by federal fisheries inspectors. In view of this violent revolt against bureaucratic controls, will the Minister undertake a complete review of the laws concerning this fishery as established by order in council, in the hope of giving some relief to the fishermen from what they consider oppressive and insensitive rules?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I would ask for the solid and unanimous support of all interested Members in condemning in the most absolute terms the criminal actions that have been perpetrated yesterday against the officers of the Department.

It is my duty to be most sensitive to the representations of the fishermen. As the Hon. Member may know, we have made several changes that have been suggested by the law abiding fishermen, and those regulations have been suggested by the fishermen themselves. It is my information that over 95 per cent of them support them. That is why, when those vessels were damaged—one was damaged and the other burned and sunk yesterday—several fishermen spontaneously offered the Department their vessels so they could enforce the regulations because, if there is an over-exploitation of lobsters, it would take many years to rehabilitate the stocks. I am sure I have the support of all Members when I say to those people who committed those criminal acts that, to the contrary, instead of attracting the sympathy of the people, I will become as tough as possible in enforcing those regulations which are meant for the protection of the income of our law abiding fishermen.

Some Hon. Members: Hear, hear!

Mr. Crouse: I am sure the Minister will understand that no one condones illegal acts. But sometimes, in frustration, the fishermen, when they do not receive any consideration from the federal Department, do not always act wisely.

SEIZURE OF LOBSTER TRAPS

Mr. Lloyd R. Crouse (South Shore): I am sure the Minister is aware that the inspectors have been seizing, also illegally, the traps of fishermen that they have found in the ocean where the licences on those traps have been washed away by the storms.

In light of the obvious fact that present regulations covering these fishermen are not acceptable, will the Minister undertake to consult with his counterpart in Nova Scotia, as well as with representatives of the fishermen and the industry, in the hope of establishing what I would call sensible regulations covering Nova Scotia lobster fishermen?

Will he also tell the House the approximate number of lobster traps that have been seized illegally by his own inspectors and stored in Yarmouth, Nova Scotia, since the opening of the season?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I would like to assure the Hon. Member that it is my duty, as the servant of the fishermen, to listen to their complaints and make proper adjustments whenever the regulations include unnecessary irritants. If the Hon. Member has any suggestion to make to me which could achieve the exact same objectives as those we have set since 1968 at the request of the fishermen, I would give it the highest consideration. But what should be understood is that, contrary to attracting my sympathy, those who have taken those violent actions will not inspire anything but total and absolute denunciation.

With respect to the number of traps that have been seized, I will not comment on the details of the RCMP investigation. It is their work, and they will take whatever proper action they see fit. It is not the responsibility of the Minister of Fisheries and Oceans to comment on that.

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HEALTH

PROPOSAL TO BAN CIGARETTE AND LIQUOR ADVERTISING ASSOCIATED WITH SPORTS EVENTS

Mr. Joe Reid (St. Catharines): Madam Speaker, my question is directed to the Minister of National Health and Welfare. She will have received an expression of concern from the Council of Sports Executive Directors. For years they and the Government have been encouraging a wider degree of support for sport through the private sector.

Is the Minister serious about banning liquor and tobacco commercials altogether, or does she propose to ban only those related to sports or activities of a recreational nature? I would like to have a response that I might be able to give to that executive council.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I did not receive notice of that question and I am not in a position to answer. I do not have the information to answer the Hon. Member properly. I prefer to get back to him as soon as possible.

Mr. Reid (St. Catharines): I did not say that I gave her notice of the question. I indicated that the executive council had directed a communication to the Minister several weeks ago with respect to the proposed ban on tobacco and alcohol advertisements in commercials related to sports.

POSSIBLE FINANCIAL LOSS TO SPORTS ORGANIZATIONS

Mr. Joe Reid (St. Catharines): Madam Speaker, since we have encouraged this kind of private sector support, and there are millions of dollars involved if this proposed and published ban proceeds, will the Minister, with National Revenue

support, pick up the difference or the loss that would be suffered as a result of the proposed ban?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I have to repeat to the Hon. Member that I have not received notice of this question. I apologize to him. I am not in a position to answer it. I do not even understand exactly what he means. If he will be kind enough to advise me at the door and give me more information on the case, I shall be pleased to get the information from him.

* * *

HOUSING

MINISTER'S ANNOUNCEMENT RESPECTING $3,000 GRANT PROGRAM

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is directed to the Prime Minister. If a senior member of his Cabinet announced in the House an extension of a major program to stimulate the housing industry, assist the forest industry, and enable people to afford a new home, and then, only 13 days later, had to announce in the House that this program was no longer in effect, would he not have to admit that the people of Canada were misled, deceived, or perhaps even duped?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Minister already answered the question yesterday, and I think he indicated that, although the program was terminated, he would assess the degree to which people were led to have false expectations. I know insofar as the text of the budget itself is concerned, the Minister added another $30 million, and that is it. When the $30 million is expired there is no more money.

• (1440)

Mr. Nielsen: That is not what was said yesterday.

Mr. Trudeau: People may have assumed that the program would go on for a long time; but that is not what the Minister of Finance promised. What the Minister responsible for CMHC said to the House yesterday was that the program was finished, that he would try to assess the extent of the problem and see how he could solve it. Perhaps he can solve it with the money already available, which makes the question hypothetical. If not, we will hear from the Minister as to what other resources he might have access to, but that is a hypothetical situation. The Minister is still in the process of examining the size of the problem and the extent to which it exists.

Mr. Riis: Madam Speaker, perhaps the reason many Canadians assumed that the program would be available is that the Minister of Finance, in his budget statement, said that he was "allocating $30 million more to the Canadian Home Ownership Stimulation Plan, which should be sufficient to extend this program until about the end of May". There is no way the people of Canada could be convinced that May 6 is the end of May.

AVAILABILITY OF FUNDS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is for the Minister of Public Works. Considering there are tens of thousands of Canadians who listened to the Minister of Finance very carefully on budget night and had assumed that if they were to put in foundations toward the end of May they would receive compensation, would the Minister make a statement in the House today as to when the people of Canada would have a definitive word from the Minister regarding funds available for an extension of the program?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, following questions and representations from the Hon. Member's own Party—all Parties, in fact—I indicated that we would try to find ways to accommodate those who live in isolated or northern areas. It was very much in their name that I requested the program be prolonged beyond the end of April. But in all cases, in October when the Minister of Finance announced the $100 million, and on the night of the budget when he announced the $30 million, the Minister of Finance made the situation very clear. I informed the building industry in late March or early April that this was a program that was being administered by what is called "to budget" and not to a fixed date. That is wording everyone in the industry understands. In fact I suspect that this may explain a good part of the rush that we saw in April.

I said yesterday that we were having an assessment made of the size of the problem, not because we cannot count numbers of paper applications, but because an application is certified as valid and to be honoured when the inspection takes place and the footings are examined by inspectors. This is a long process, but I expect that by the middle of next week I will be in a position to advise what route to take. Again, I hope very much that we will not have major disappointments. We were trying to encourage the housing industry. This we have done. We were trying to help Canadians obtain homes. This has been successful to the tune of over three quarters of a billion dollars.

* * *

[*Translation*]

INDUSTRY

REASONS WHY CORPORATIONS AVOID LOCATING IN QUEBEC

Mr. Claude Tessier (Mégantic-Compton-Stanstead): Madam Speaker, I could put my question to the Minister of Industry, Trade and Commerce or the Minister of Transport, but as it concerns mostly the Quebec Government, I shall address it to the Right Hon. Prime Minister. PQ MNAs are now writing us to ask that we ensure the development of the aeronautics industry in Quebec, and they refer specifically to

the radar updating and helicopter production projects of the Federal Government. Can the Prime Minister tell us why companies in this field are not interested in developing in Quebec and even less in locating in that province and why they resist any federal attempt to safeguard the economic interests of Quebec?

Right Hon. P. E. Trudeau (Prime Minister): Well, Madam Speaker, it is probably because a number of companies have come to realize, like some P.Q. Members themselves, according to what the Hon. Member said in his question, a fact that the voters have recognized for quite some time, namely that the P.Q. Government is hindering the economic future of Quebec. We should be thankful that some P.Q. Members realize that the Federal Government promotes technological development in Quebec and that asking Federal Members of Parliament for help is a better solution than asking their own Government!

* * *

[*English*]

NEW EMPLOYMENT EXPANSION AND DEVELOPMENT PROGRAM

TREATMENT OF APPLICATION MADE BY ENGINEER

Mr. Bill Kempling (Burlington): Madam Speaker, I have a question for the Minister of Employment and Immigration. I have a constituent who is a professional engineer. There is a job available with the Halton region for his services that will be partially paid for under the NEED Program. Upon visiting the Manpower offices to submit his name for the job, he was advised that he did not qualify because he has two more months of U.I. benefits available to him, after which he must then apply for welfare. In other words, providing he is unemployed, and has exhausted all his benefits and has applied for welfare, only then will he be qualified to apply for the job under the NEED Program.

Does the Minister not agree that these are degrading criteria when an unemployed engineer cannot qualify for a job requiring his professional services until he has exhausted all his benefits and been accepted for welfare? Surely this is wrong and must be changed.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I refer the Hon. Member back to the various documents we put forward under the NEED Program which indicated that its first priority was to provide alternative jobs for those who had exhausted UI benefits. The logic of that, I think, is quite clear. For many of those who had exhausted their benefits and had no other forms of income, working with the Government of Ontario and other provincial Governments would assure they had income and a job at the same time.

For those who would still be able to benefit from unemployment insurance, they still have income coming into the home and, therefore, have less of a priority. But I want to make clear, Madam Speaker, that does not prevent them from working on these projects. Each project put forward under the NEED Program can bring in skilled people, whether they are engineers or tradesmen who are necessary to help make the project operate. Therefore, they are eligible under those particular conditions.

Mr. Kempling: Madam Speaker, I am aware of all of that.

Madam Speaker, I read the Minister's release of May 10. The difficulty is that no one in Toronto, Hamilton or Burlington knows anything about it. I talked to people on the phone this morning. Is the program set forth in the Minister's memo of May 10 that would allow this engineer to qualify for that project in force today, right now? If it is, I will call those offices and inform them, if the Minister of Employment and Immigration cannot.

Mr. Axworthy: Madam Speaker, those regulations were in force at the time and telexes were sent to all regional centres to inform them of that fact.

Mr. Kempling: They do not know about it.

Mr. Axworthy: If there is a problem in this particular office in Burlington, I will certainly check into it. But I want to assure the Hon. Member that the new set of criteria is available. They have been sent to all the regions and they should know about it. If not, we will find out why.

* * *

AVIATION INDUSTRY

POSSIBLE CANADIAN ROLE IN AIRBUS PROJECT

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, I have a question related to the one asked by the Hon. Member for Megantic-Compton Stanstead, for the Prime Minister. Can the Prime Minister tell the House whether the Canadian Government is engaged in or considering any negotiations with respect to Canadian participation in the launching of the A-320, a 150-passenger airbus aircraft? If the Government is so engaged and considering such negotiations, what industrial benefits are expected to accrue to Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I know that several months ago the Government was approached to look at the possibility of being part of a consortium, I believe of the British, French, and German Governments regarding a new airbus. I do not know whether it is the A-320 or what, but I do know there were exploratory talks. I can assure the Hon. Member that there has been no decision taken, and for the details of where those talks are at I will take notice of the question or ask the Hon. Member to address his question either to the Minister responsible for industry or perhaps to the Minister of Transport. I am not quite sure which of the two Ministers is responsible for this.

• (1450)

Mr. Nielsen: Perhaps the Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion will read the Prime Minister's remarks in *Hansard* tomorrow and the able to inform the House.

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INDUSTRY

INQUIRY RESPECTING CANADIAN GENERAL ELECTRIC CONTRACT

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, I have a further question for the Prime Minister. Has the Government approved a five-year EDP contract involving Canadian General Electric in Peterborough in the amount of $12.5 million, which is expected to generate 2,000 new jobs? Are the 2,000 jobs spread over the five-year period, or are 2,000 jobs generated each year of the approved contract?

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I understand that action has already been taken by the Department. A formal answer will be given to the Leader of the Opposition as early as tomorrow.

[*English*]

APPROVAL OF CONTRACT

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, obviously the Parliamentary Secretary is not in a position to answer the specific question which was: has the Government approved such a contract? That is the answer I will be expecting tomorrow.

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the important thing is to check with the Department to what extent the project has been approved, because new facts have come to its attention within the last few weeks, and in order to provide an official answer, I shall have to check with the Department to determine exactly whether or not it has now given its approval.

* * *

[*English*]

MEDICAL CARE

P.C. LEADERSHIP CANDIDATE'S VIEWS

Mr. D. M. Collenette (York East): Madam Speaker, my question is directed to the Minister of National Health and Welfare. Does the Minister's Department have any studies which support the contention that 85 per cent of Canadians can afford private medicare, as proposed by Mr. Peter Pocklington?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I heard on the news this morning, like everybody else I suppose, that Mr. Pocklington thinks 85 per cent of Canadians can afford medicare. I thought that gentleman, whom of course I do not know, was a good businessman. He will be a terrible Leader of the Opposition if he does not understand the complexity of twentieth century society.

Since when would the Government, with taxpayers' money, assume all the high risk which, by the way, generally amounts to one-third of a given population, not to 15 per cent? Since when would the Government, with taxpayers' money, assume all the high risk, leaving just the non-high risk group for the private sector to protect against supposed health problems? I think this is an unacceptable attitude. Maybe it is the one of all the other candidates for the Tory leadership. We do not know yet.

Madam Speaker: The Hon. Member for Dauphin.

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CANADIAN TRANSPORT COMMISSION

RULINGS ON RAILWAY BRANCH LINE ABANDONMENTS IN MANITOBA

Mr. Laverne Lewycky (Dauphin-Swan River): Madam Speaker, I thank the House that my constituency is Dauphin-Swan River as of yesterday, because of its unanimous consent.

My question is directed to the Minister of Transport. Could he indicate what is the value of hearings before the western division of the Canadian Transport Commission which have taken up a considerable amount of time on behalf of all intervenors—farmer-producers, businessmen, workers, and Members of Parliament—when these hearings always end up with a line being lost? How does the Minister explain that since 1975 some 17 hearings in Manitoba have all ended up, each and every single time, in favour of the railways, CP or CN, abandoning a line? Can the Minister explain this tarnished record of the western division of the CTC?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am rather surprised by the question. At the moment we have kept in Canada 88 per cent, if I remember well, of the branchline system we had in the 1930s. I would have thought that this was a very high record of approval on the part of the CTC for the maintenance of these branchlines.

Madam Speaker: The Hon. Member for Dauphin-Swan River.

Mr. Lewycky: I just point out to the Minister that 100 per cent of all submissions has been in favour of the railways.

REQUEST FOR PROTECTION OF SUBDIVISIONS

Mr. Laverne Lewycky (Dauphin-Swan River): Madam Speaker, my supplementary question is directed to the Minister of Transport. Could he assure us that constituents and others appearing before the hearings of the CTC, who have complained that the CTC is like a three-ring circus coming into town, that it sets up a hoop and everyone has to run through it, will not have to go through this experience? Could he give me some assurance that subdivisions such as Erwood, Oakland, Rossburn, Ste. Rose, and Winnipegosis, Manitoba, which are in the process of being abandoned, will be protected? Could the Minister give us some assurance on that matter?

Hon. Jean-Luc Pepin (Minister of Transport): No, Madam Speaker, because if I were to do that I would pre-judge the decision of the CTC, and obviously that is not the right thing to do.

* * *

LABOUR CONDITIONS

STUDENT EMPLOYMENT PROGRAM—DEPARTMENTAL CRITERIA

Mrs. Jennifer Cossitt (Leeds-Grenville): Madam Speaker, my question is directed to the Minister of Employment and Immigration and pertains to the unemployed youth in my constituency. In past years it has been customary to hire local students for any summer positions available through the Department of Immigration, but this year the local students have been denied that opportunity because of the new selective hiring criteria imposed on summer jobs through the new career oriented Student Employment Program. These jobs formerly went to residents of the area who were qualified, but now they are being awarded to students from as far away as Toronto because local students do not meet the requirement that they be enrolled in a law or security program course.

Will the Minister explain what are all the reasons why these criteria were changed? What is the justification for the change which resulted in local students being denied the opportunity of summer employment by the Department of a Minister who tells us that he is concerned about our unemployed youth?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I do not know the specific case. I would be pleased to receive it from the Hon. Member. However, I would point out that under the Student Employment Program this year about one-third of the positions are intern programs where we have made arrangements with various organizations to take students on a career training program so that, not only will they work during the summer but they will work in jobs related to their educational background. That may provide a partial explanation, but I would ask the Hon. Member to give me a specific case so that I can look into it and get back to her with an answer.

REQUEST THAT MINISTER TAKE ACTION

Mrs. Jennifer Cossitt (Leeds-Grenville): Madam Speaker, I appreciate that response, but local employment offices were not made aware that changes were being made in this respect. What was happening was that local referees were sent to the Department of Immigration and were told that their applications would not be accepted, that they had to come through COSEP from Toronto. Will the Minister take some sort of corrective action in this regard?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I can only repeat that whatever action is taken must be based upon the facts of the case. As soon as I receive those facts fully, I will look into them and report back.

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RAILWAYS

BRANCHLINE REHABILITATION—AWARDING OF CONTRACTS

Mr. Doug Neil (Moose Jaw): Madam Speaker, my question is directed to the Minister of Transport. It concerns the awarding of contracts for the rehabilitation of prairie branchlines. In view of the fact that the money being spent on the rehabilitation is taxpayers' money, could the Minister tell the House whether or not the Government, or his Department, has any input to or control over the awarding of the contracts?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I could not say that. I know only that the decisions on branchline rehabilitation—which one will be rehabilitated this year as opposed to the one that will be rehabilitated next year or later on—are jointly made by the railways, my Department, and others. I would have thought that the contracts would be given by the railways. I am not sure, but I will find out.

I know something else, that there are limitations to the freedom of the railways because they have agreements with employees that they have first choice for employment in certain types of work. That is a limitation to the contracting out approach to these works.

REQUEST THAT MINISTER EXAMINE CONTRACT SYSTEM IN SASKATCHEWAN

Mr. Doug Neil (Moose Jaw): Madam Speaker, I was not concerned about the rights of employees. I was concerned about the awarding of contracts to outside contractors. It seems to me that if taxpayers' money is being spent the Department should have some control. It has been brought to my attention, particularly in Saskatchewan, that in most instances the contract is awarded to the highest tender. If this is what happens, there is something wrong with the system. I would ask the Minister to look into it.

Hon. Jean-Luc Pepin (Minister of Transport): I will look into it, Madam Speaker, and report back.

VETERANS AFFAIRS

REVIEW OF WAR VETERANS ALLOWANCE ACT

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is directed to the Minister of Veterans Affairs. In January, 1983, the Royal Canadian Legion reported the disappointing response it received from the Minister with regard to changes it felt necessary should be made to the War Veterans Allowance Act. As it is apparent that this Act will not be open for review for approximately two years, what plan of immediate action does the Minister have in mind to deal with the many inadequacies in the legislation?

• (1500)

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, as the Hon. Member is aware, the War Veterans Allowance Act is presently under review. I am not sure of the origin of the indication that it will be two years before the Act will be opened. In fact we anticipate that the first report will be received by mid-summer. I anticipate legislative proposals will be ready for consideration either in the Fall or, at the latest, early next Spring.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Lewis: Madam Speaker, this being Thursday, I would like to ask the Parliamentary Secretary to the Government House Leader to give us some idea of the business for next week, right through until next Friday if possible.

Mr. Smith: Madam Speaker, tomorrow we will be resuming debate on Bill C-155. On Monday we will again resume debate on Bill C-155. On Tuesday we will go to Bill C-151, the borrowing authority. Wednesday will be Private Members' day. Thursday will be confirmed early next week.

Mr. Deans: Madam Speaker, can the Parliamentary Secretary confirm that the Government has given up on the sports pool legislation and on Canagrex?

Mr. Smith: No, Madam Speaker, we have not given up either of those Bills. I am sure they will be passed before too long.

Mr. Deans: Madam Speaker, can the Parliamentary Secretary inform the House approximately when the Government House Leader would be prepared to call either or both of those pieces of legislation? At the same time, will he be kind enough to investigate on behalf of the house the reasons Bill C-653 has been so delayed in committee?

Mr. Smith: Madam Speaker, I will be happy to look into the latter matter. As to the progress of legislation, it depends largely on the amount of co-operation we get from the other side of the House. With a little more co-operation these Bills will all be moving along.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, can the Parliamentary Secretary tell us which matters of Private Members' Business will be considered on Wednesday next?

Mr. Smith: Madam Speaker, I cannot advise the Hon. Member of that, but as soon as that information is available it will be conveyed to him.

Mr. Munro (Esquimalt-Saanich): Madam Speaker, will he ensure that as soon as it is known what Private Members' Business will be considered next Wednesday, Members will be notified in their offices, notification will be placed in the lobbies and also in the elevators?

Mr. Smith: Madam Speaker, it is not up to us to post that information in the Opposition lobby. It is conveyed to the Opposition Whips and it is up to them to post it in the Opposition lobby.

Mr. Nielsen: It is up to the Table.

Mr. Smith: We always notify Members opposite as soon as that information is available.

Mr. Skelly: Madam Speaker, I wish to ask the Parliamentary Secretary a question pertaining to the responsibilities of the Parliamentary Secretary concerning the Chief Electoral Officer. Is it the intention of the House Leader to place before the House some legislation that would allow fishermen and other transients on the coast of British Columbia who happen to be away from their home poll at the time of an election to have the opportunity to absentee vote? This question has been raised numerous times. It is my understanding that that material will not be laid before the House in the next session. Will the Parliamentary Secretary inquire into this matter and let us know whether this anomaly in the Elections Act that disenfranchises thousands of people on the coast of British Columbia will be removed in time for the next election?

Mr. Smith: Madam Speaker, amendments to the Elections Act are normally dealt with in the second session of each Parliament.

Mr. Nielsen: Are we going to have one?

Mr. Smith: I can assure the Hon. Member that his representations will be taken into consideration.

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PETITIONS

MR. TAYLOR—REQUEST FOR PASSAGE OF BILL C-671

Mr. Gordon Taylor (Bow River): Madam Speaker, I have great pleasure in presenting petitions from another 500 Canadians, now totalling over 3,900, asking that the Government move rapidly to bring Bill C-671, an Act respecting the execution of Clifford Robert Olson, to Parliament and that Parliament pass this Bill. Some of these petitioners do not believe in the reinstatement of capital punishment, but all

believe that the terrible murders of 11 young people by Clifford Robert Olson and the fact—

Madam Speaker: Order. The Hon. Member is not now describing a petition. He should do that very briefly. We need not know about the background of all petitioners.

Mr. Taylor: The petitioners pray that this man be executed. In no way would women and children be safe if this man were ever released on parole. In duty bound, your petitioners will ever pray that this ancient and undoubted right of the people to present a petition be granted.

MR. STEVENS—EXTENDED AREA TELEPHONE SERVICE FOR AURORA, ONT.

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I have the honour to present to the House a petition signed by some 4,000 Aurora area residents, many of whose names I recognize. The petition is addressed to the House. It asks the House to note that extended area service for telephones in our area is needed. It asks the House to take the matter up with Bell Canada, the CRTC and, in particular, that the CRTC be asked to require Bell Canada to implement extended area service in the Aurora area.

Expressed simply, today it costs more if you call Toronto for nine minutes than if you take a bus to Toronto. This has got to be rectified.

ABSENTEE BALLOTING FOR DISENFRANCHISED VOTERS

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I have the honour to present a petition from a large number of individuals who live on the coast of British Columbia and who in past elections have been disenfranchised by the cumbersome proxy procedure in the federal Elections Act. They and other individuals, through this mechanism of a petition, request that the Government, in time for the next federal election and in concert with the new Constitution that allows all Canadians the right to vote, seek that the Government bring forward amendments to the Elections Act that would allow these individuals the right to absentee votes.

Mr. Jim Fulton (Skeena): Madam Speaker, I have a petition to file before the House for very similar reasons to those of the Hon. Member for Comox-Powell River (Mr. Skelly), relating specifically to those people whose occupation, such as fishing, mining and the lumber industry, and who by reason either of seasonal lay-off or depending on when the election was called, are disenfranchised under the present set-up of the federal Elections Act. The petitioners in this petition pray that the House of Commons will take the necessary steps to allow direct absentee balloting at the next federal election.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,475, 4,777, 4,778 and 4,779.

[*Text*]

MORTGAGES HELD BY PETRO-CANADA

Question No. 4,475—**Mr. Andre:**

Did the 1981 Annual Report of Petro-Canada indicate a figure of $16,479,000 in mortgages and other investments included in Petro-Canada's assets and, if so (a) how much of this amount is mortgages (b) what are the names of the beneficial owners of the properties against which the mortgages are registered and what is the amount of each mortgage and the interest rate on each mortgage?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Petro-Canada reports as follows: Yes. (a) Of the $16,479,000, $6,900,000 is mortgages including mortgages proper and mortgage assistance. (b) The requested information is considered to be of a managerial and administrative nature between Petro-Canada and the Corporation's employees and, therefore, cannot be released to the public.

MARRIED QUARTERS AT CFB GAGETOWN

Question No. 4,777—**Mr. Howie:**

1. How many permanent married quarters are in the establishment at CFB Gagetown?

2. How many married personnel are stationed at the base?

3. Are there any restrictions on what ranks may rent PMQ's at this base and, if so, what are the restrictions?

4. What was the average monthly rent paid in (a) 1981 (b) 1982 for a three-bedroom rowhouse style PMQ, or the equivalent, at the base?

5. What was the average monthly rent paid in (a) 1981 (b) 1982 for a three-bedroom detached house at the base?

6. Will PMQ rents at Gagetown be raised in 1983 and, if so (a) for what reason (b) by what amount, on average?

7. Have any rental credits been established at the base to help offset the increased financial burden imposed by having PMQ tenants pay for their own heating fuel?

8. What is the usual fuel used for heating PMQ's at the base?

Hon. J. Gilles Lamontagne (Minister of National Defence): 1. There are 2,203 permanent married quarters at CFB Gagetown.

2. There are 1,909 married personnel.

3. None.

4. (a) $168, (b) $178.

5. (a) $245, (b) $260.

6. Shelter values may increase depending upon the outcome of the 1983 CMHC appraisal of DND MQs. Any increases in shelter charges paid in 1983 by occupants will, however, be limited to a maximum of 5 per cent above current charges.

7. Yes, for all houses with insulation below CMHC standards where the occupants are paying directly to commercial suppliers.

8. Oil.

MARRIED QUARTERS AT CFB PETAWAWA

Question No. 4,778—**Mr. Howie:**

1. How many permanent married quarters are in the establishment at CFB Petawawa?

2. How many married personnel are stationed at the base?

3. Are there any restrictions on what ranks may rent PMQ's at this base and, if so, what are the restrictions?

4. What was the average monthly rent paid in (a) 1981 (b) 1982 for a three-bedroom rowhouse style PMQ, or the equivalent, at the base?

5. What was the average monthly rent paid in (a) 1981 (b) 1982 for a three-bedroom detached house at the base?

6. Will PMQ rents at Petawawa be raised in 1983 and, if so (a) for what reason (b) by what amount, on average?

7. Have any rental credits been established at the base to help offset the increased financial burden imposed by having PMQ tenants pay for their own heating fuel?

8. What is the usual fuel used for heating PMQ's at the base?

Hon. J. Gilles Lamontagne (Minister of National Defence): 1. There are 1,705 permanent married quarters at CFB Petawawa.

2. There are 1,696 married personnel.

3. None.

4. (a) $170, (b) $180.

5. (a) $222, (b) $235.

6. Shelter values may increase depending upon the outcome of the 1983 CHMC appraisal of DND MQs. Any increases in shelter charges paid in 1983 by occupants will, however, be limited to a maximum of 5 per cent above current charges.

7. Yes, for all houses with insulation below CMHC standards where the occupants are paying directly to commercial suppliers.

8. Natural gas.

MARRIED QUARTERS AT CFB VALCARTIER

Question No. 4,779—**Mr. Howie:**

1. How many permanent married quarters are in the establishment at CFB Valcartier?

2. How many married personnel are stationed at the base?

3. Are there any restrictions on what ranks may rent PMQ's at this base and, if so, what are the restrictions?

4. What was the average monthly rent paid in (a) 1981 (b) 1982 for a three-bedroom rowhouse style PMQ, or the equivalent, at the base?

5. What was the average monthly rent paid in (a) 1981 (b) 1982 for a three-bedroom detached house at the base?

6. Will PMQ rents at Valcartier be raised in 1983 and, if so (a) for what reason (b) by what amount, on average?

7. Have any rental credits been established at the base to help offset the increased financial burden imposed by having PMQ tenants pay for their own heating fuel?

8. What is the usual fuel used for heating PMQ's at the base?

Hon. J. Gilles Lamontagne (Minister of National Defence): 1. There are 946 permanent married quarters.

2. There are 2,115 married personnel.

3. None.

4. (a) $165, (b) $175.

5. (a) $219, (b) $232.

6. Shelter values may increase depending upon the outcome of the 1983 CMHC appraisal of DND MQs. Any increases in shelter charges paid in 1983 by occupants will, however, be limited to a maximum of 5 per cent above current charges.

7. Not at the present time. However when CFB Valcartier converts to direct metering of heating fuels during the next year, a rebate will be available for all houses with insulation below CMHC standards where the occupants are paying directly to commercial suppliers.

8. Oil, but with conversion to natural gas planned in the next year.

[*English*]

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

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of the motion for Mr. Pepin that Bill C-155, to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport; and the amendment thereto of Mr. Benjamin (p. 25389).

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Madam Speaker, when I called it one o'clock, I was about to explain how under Bill C-155 farmers will receive protection from excessive inflationary cost increases in the future. The best way to do this is probably to give a concrete example.

• (1510)

Let us say that the freight rate is now 15 cents per bushel, the approximate amount of the present Crow rate, and the real cost of transporting a bushel of grain today is 75 cents. Because of inflation, let us say that the real cost goes up to 85 cents per bushel. The question to be asked is, does the farmer pick up the additional 10 cents increase for next crop year? The answer, Mr. Speaker, is definitely not. His or her increase is only 3 per cent as protected by the Bill, which works out to

about an additional 2 cents per bushel for the farmer. So instead of paying 15 cents per bushel, the farmer would end up paying 17 cents per bushel.

That is pretty good protection against inflationary costs for the farmer, and yet the critic from the Conservative Party this morning said that they will vote against this Bill because that kind of inflationary protection is not built into the Bill. I believe I have just demonstrated that that protection is built into the Bill.

There is an additional measure of protection in the form of a safety net. This is not at present in the Bill but will be proposed in committee, as the Minister indicated in his speech. This mechanism will simply ensure that freight rates never go above a fixed percentage of the price of grain, so if grain prices take a sudden drop, the farmer is again protected. This is one of the big concerns that I have heard from farm groups who visited Ottawa, from individual farmers when I visited out West, and through the letters I have been receiving, and I have been receiving two to three hundred letters per week, Mr. Speaker.

Fifth, additional crops will be added to the list of those eligible for the statutory rate. Some products may also be added. Already the legislation provides for the addition of canola and linseed oil and meal, and more will be proposed in committee. This will encourage farmers to diversify into new crops and help remove the disparity between the raw seed and the product in a number of cases.

Sixth, the Canadian Transport Commission, not the railways, will set the specific freight rate every year by April 30, based on allowable costs. The railways will not be able to pass on costs that are not specifically allowed, another concern that has been expressed to the Government by many western farmers.

Seventh, there are strict railway performance and investment guarantees which I will describe in a moment. As a result, farmers can be assured of efficient service and adequate capacity to move their grain.

Finally, there has been a lot of concern about the 31.1 million tonne ceiling. That is the record amount of grain moved in 1981-82. Mr. Gilson had to find a base somewhere and he struck that crop year as the base year. Over that amount, farmers are expected to pick up the full cost of moving grain; but in order to avoid a disincentive to additional production, there will be a single blended freight rate which applies to every bushel of grain moved in a given year.

I must say, Mr. Speaker, that the Members of the NDP have not explained this Bill to the farmers in an adequate fashion. I believe that we as elected representatives, whether we agree with a piece of Government legislation or not, have the duty and responsibility at least to interpret it accurately and pass on that interpretation to the people it affects.

I have outlined the many benefits that the Bill will bring to the producers. Let me go on and explain what the Bill will do for the railways. Mr. Speaker, some would say the railways have gained a financial windfall without any reciprocal obligations. Nothing could be further from the truth. The railways no longer have to subsidize the transportation costs of the western grain farmer, as they have for more than a decade. In return, however, this Bill imposes very strict controls and obligations on the railways.

First, the Bill provides that the railways will not be fully compensated for moving grain until crop year 1986-87. This means a $340 million loss over the next four years.

Second, the Canadian Transport Commission, not the railways, will determine what the annual freight rate should be. Every four years the CTC will be required to do a comprehensive review of railway grain transportation costs and revise them if necessary.

Third, the railways are paid only for the tonnage they move, nothing more.

Fourth, the Bill provides for a system of penalties against the railways. If tonnage targets are not met and the railways are to blame, they could face a penalty which, if in place today, could cost both railways up to $45 million. To demonstrate that that is actually so, Mr. Speaker, I would quote from page 10, Section 21(2) of the Bill which reads:

> The sanctions ... shall, in respect of any railway company, consist of a reduction in the government payment to the railway company ... as prescribed by regulations made by the Governor in Council, not exceeding an amount that, in the opinion of the commission, is equal to 40 per cent of the contribution toward the constant costs of the railway company—

And it goes on. The railways will be obliged to report annually on their past, present and future capital investment plans related to grain movements. This is spelled out very clearly in Section 29 of the Bill, which reads:

> Each of the railway companies shall annually submit to the Minister, the Administrator and the Committee a statement showing
>
> (a) the investments in railway equipment and plant for the movement of grain made by the company during the calendar year preceding the calendar year in which the statement is submitted;
>
> (b) the general investment plans of the company in respect of railway equipment and plant for the movement of grain during the calendar year in which the statement is submitted and the next calendar year; and
>
> (c) the expenditures by the company related to the maintenance of grain dependent branch lines during the calendar year preceding the calendar year in which the statement is submitted.

Under this Bill, the Minister of Transport (Mr. Pepin) can withhold funds from the railways if their capital investment programs for grain transportation are inadequate.

Faced with this environment, the railways will have both a financial and legal incentive to move grain efficiently. I might point out, however, that their recent performance has not been bad. Over the last few years the railways have moved record tonnages each year, even with the heavy losses being incurred. But they cannot be expected to continue, especially as other more lucrative traffic picks up and starts filling the available capacity.

I would like to spend a few minutes explaining to the Chamber how the freight rates will be established according to this Bill. Freight rates have been a major concern. Farm organizations such as the Wheat Pools have said that they want them to remain distance related. As a general rule, they will be distance related under the provisions of the Bill.

What about the variable rates, Mr. Speaker? This may be the most misunderstood aspect of the legislation. Rates which are higher than the basic distance related rate scale are not permitted, so the only possible variable rates are lower rates. Under what conditions are lower rates permitted? Clause 45 of the Bill is quite explicit on this point. I do not have time to quote from the Bill, but Hon. Members can look it up.

It is clear that if farmers do not want variable or lower rates, then they have the power to block them. Furthermore, in the first three years lower rates can only be applied during weekends or off-peak seasons. They cannot be applied to specific branch lines or specific areas except for contiguous points where the two railways operate side by side. This is spelled out in the Bill in Clause 46.

When I was out in Saskatchewan recently, Mr. Speaker, it was pointed out to me that there really are variable rates now.

The Acting Speaker (Mr. Corbin): Order, order. I have been listening attentively as usual to the Hon. Member and I would like to quote for his edification Beauchesne's Parliamentary Rules and Forms, Fourth Edition, page 276, Citation 381:

> The second reading of a Bill is that stage when it is proper to enter into a discussion and propose a motion relative to the principle of the measure. On the motion for the second reading, it is out of order to discuss the clauses of the Bill.

Now, the Hon. Member has been shifting from a general discussion of the Bill to a discussion of particular clauses. I would invite him to adhere to our procedures.

• (1520)

Mr. Flis: I respect your reprimand, Mr. Speaker. That is why I have been referring to these as sections, not clauses.

Let me go on to explain the new Grain Transportation Agency. A Grain Transportation Agency Administrator will be established with specific responsibilities for promoting system efficiencies, monitoring performance and, in co-operation with the Canadian Wheat Board, rail car allocation. Let me emphasize that we are not creating a large new bureaucracy. The Grain Transportation Agency will take over the function and staff of the existing Grain Transportation Co-ordinator.

Producers and members of the grain industry want to be involved in efforts to improve the system as they wanted to be involved in formulating this legislation. They will have that opportunity through a senior Grain Transportation Committee. The Committee's role will be to advise the GTA Administrator and the Minister on any and all matters related to grain transportation and handling. Producers will be represented on the Committee not only through their grain companies but through directly elected representatives as well. I do not have time to list them.

The block shipping system of the Canadian Wheat Board will remain. In fact there will be no changes to the roles or functions of either the Wheat Board or the Canadian Grain Commission.

Rather than enumerating the duties and functions of the Committee and the Administrator of the Grain Transportation Agency, I will refer Members to the appropriate clauses of the Bill.

Finally, Mr. Speaker, everyone knows that the Government has made specific provision in the legislation for a review in 1985-86.

In conclusion, Mr. Speaker, I think this Bill deserves the support of the House. Very few people will be 100 per cent satisfied with what it provides. We have seen that there are deep differences of view on certain aspects of this question, so it is physically impossible to satisfy everybody 100 per cent.

The Acting Speaker (Mr. Corbin): Questions, comments, debate.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I never dreamed that I would be in the House on a day when we would be discussing what many western farmers have regarded for years as the Magna Carta of the grain industry. For years farmers have felt that no Government dare tamper with the Crow rate. There are many uncertainties and many areas where prices have been shooting up in the grain industry. In the past the farmer felt that with the Crow rate he had at least some security.

I listened to the NDP spokesman on transportation. I know that the NDP has been trying to cuddle up to labour to get its support over the years. They complain about the high cost of transportation but I do not think I have ever heard them refer to the wages a train engineer receives. I have a few neighbours who are engineers on trains and I am told they make $300 per day. The NDP associates itself with the unions that represent the people who demand and get that money. In the end the wages come out of the farmers' pockets, from what he receives for the grain he sells. I am told that the average engineer earns something like $52,000 per year but we never hear about that aspect of the cost.

I am very sad to see what is happening today. Someone has said that it takes a lot of courage to introduce a Bill of this nature. It also takes a lot of courage to defy the pressures that come with it. It does not take so much courage to assure the railways that they will have a profit of 20 per cent plus, but that will taken out of the pocket of the farmer. On April 21, 1983 the *Western Producer* carried the headline: "Crow changes will de-people the farms".

Every time railway employees strike for higher wages, the railways just reduce the number of employees. They turn to mechanization and are still able to operate. The same thing will happen on the farms. When costs are increased in any area some people will fall by the wayside and there will be a depopulation of many of the small villages. Some of them will disappear. A better railway system may result but at a very heavy price.

We have had surpluses before, Mr. Speaker, but we have always managed to move the grain in spite of the fact that some people claimed we had an inadequate railway system. There is nothing in the Bill to guarantee that there will not be strikes. There might be a terrific railway system but there will

be strikes, or there is no guarantee that the producer can deliver the grain.

An Hon. Member: If there is grain to move.

Mr. Korchinski: My colleague suggests that the farmer might not be in a position to have grain to move, and that is true. I have been getting calls from people in my constituency and they tell me that in many areas grain is not moving because it is frozen. There is no demand for it. So it does not matter how efficient the railway system is, if there are no customers grain will not be moved.

While I am on the subject of frozen grain, I hear a lot of comment to the effect that farmers will diversify. Commodity groups tell us that they will diversify. I represent an area that has diversified, Mr. Speaker. When I was campaigning for election in 1957 there were mountains of grain in my constituency and farmers did not know what to do with it. The Liberal Government could not cope with the problem. It was not that there were not enough boxcars or railway lines in those pre-abandonment days; we simply did not have the customers.

When the Conservative Government took over, one of the things it said it was going to do was diversify and cut into the mountains of grain. We set up community pastures in many areas, using sub-marginal lands. We used up a lot of that grain. We also entered into contracts later with Mainland China. We were chastised for taking that action, but we did move the grain. We knew it was necessary. We also ended up with a lot of cattle and we fed them a lot of that grain. The cattle population increased by leaps and bounds. Saskatchewan had a cattle population of 1.3 million. Because cattle prices went down, it later dropped to something like 600,000 or 700,000.

• (1530)

Why did these people not stay in the cattle business? They had frozen grain and it was cheap. The simple reason was that there was no money in that business. To suggest that somehow there is going to be a transformation and a lot of wonderful things are going to happen to western Canada is somewhat deceiving, as we know because we have travelled that route before. Had we not, then I would say: yes, perhaps there is some measure of truth to the comments made. But I have to tell my people that I do not believe that what the Government is saying will happen. I see too many closed feed lots. I get calls from people who have frozen grain. I know it can be sold, and these farmers would like to dispose of it at lower prices. When interest rates were as high as 23 per cent, they were willing to dispose of it even at a reduced price so they could save money on interest rates. But there were no takers for the simple reason that there was no profit in the cattle business.

Now, I am told also that there will be a lot of diversification. Well, I happen to come from and represent a very good farming district. That district has diversified. We grow wheat, oats, barley, rye, flax seed, rape, canola, bird seed, you name it. We have diversified. We have done everything. Alfalfa, sweet clover—

Mr. Gustafson: Sunflowers.

Mr. Korchinski: Sunflowers are not in my area, thank you. But in the southern part I know they grow sunflowers. So we have done everything possible to diversify, but we do not have the extra markets. We have tried it. The south Saskatchewan River dam was built with the idea that there were going to be market gardens in that area. There are forage crops, irrigation, but not very much else. The water is there. We had high hopes for the area, but it did not quite materialize the way we had hoped. So for anyone to suggest that somehow there is going to be a magic transformation in western Canada is, to say the least, deceptive. What we will have is a bigger bill to pay for transportation.

I can understand the commodity groups, for example, the potash producers, or sulphur or chemical producers, or for that matter the cattle producers, wanting cheaper grain. After all, they know they cannot make money at the present time. Of course, there was all kinds of pressure. It was interesting that the Minister introduced his Bill in French. Obviously this was intended for another part of the country, to reassure them that nothing would happen. Although we are told in western Canada that we will have diversification and our cattle population is going to grow, obviously there was an assurance going out there that things were going to be just fine. Although this Bill will affect western Canada particularly, it was not until the pressure from the Quebec caucus was applied to the Minister that changes were brought about. Why is it necessary to have pressure from another part of Canada so that wheat farmers can be heard? Why? The Minister might say, well, perhaps the Conservative caucus is not exactly united on this issue. Well, it just so happens that the Conservative caucus is full of Members from rural Canada. We represent different interests. I would expect every Member to stand up and defend his own particular constituency and represent it adequately.

Some Hon. Members: Hear, hear!

Mr. Korchinski: If a Member comes from a cattle producing area, I would expect him to say, yes, I do represent that area. I well know the situation in Alberta and Manitoba is different from Saskatchewan, and I expect every one of those Members to do a good job of representing his constituents. It so happens that the Liberal caucus has western representatives from the cities. I do not know, maybe they represent the dog and cat population out there, or whatever. But they have no idea what it is like, and neither does the NDP.

Mr. Tessier: Say your message in French.

Mr. Korchinski: I see in the Bill reference to variable rates. Well, they will be the most damaging to the area which I represent, that is, the northern part of Saskatchewan. We have the greatest distance from our area to the West Coast or the East Coast. The Minister came out with an assurance that he would put the Port of Churchill to maximum use.

Mr. Pepin: Yes.

Mr. Korchinski: They say that because we are closer to that port. But over the years what is the history of this Government? It has placed a lot of stock in representations from the Wheat Pool. Well, I belonged to that pool organization. I used to be chairman of the local pool in my little community so I know all about that organization. But they have terminals on the West Coast and the East Coast and their interests are not in Churchill. I say this openly, not in defiance, but it is a fact. It does not really matter to the National Harbours Board as long as it can satisfy a few pressure groups.

I look at the Bill and I see that the Government will be responsible for transportation over the stretch between Thompson Junction and Churchill. What has Thompson Junction got to do with it? If the Government had come to the edge of the farming community then it would make sense. But where is Thompson Junction? It is a mining community. If the Government had come to Hudson Bay, or, to say the least, Le Pas, then I could see the wisdom. But Thompson Junction? The farmers have to take their product to a mining community and from there on the Government will take it over.

There is an article in one of my local papers which says that the U.S. has 25,000 miles of inland waterways, which is a cheap way to move products. The Mississippi-Missouri system contains 9,000 miles of inland waterways with a nine foot draft. This river system is maintained by the U.S. Government. Fourteen states are within 300 miles of the waterways. In 1977-78, grain rates were between 12 and 18 cents per bushel. How in the world are we going to compete against that type of situation, Mr. Speaker? I look at other countries, Mr. Speaker. The Hon. Member for Vegreville (Mr. Mazankowski) dealt with that subject very well. He referred to Argentina and Australia. They are within 200, 300 or 400 miles of any waterway. Water transport is very cheap, not so with railway.

• (1540)

A question was raised just this afternoon with reference to rail line abandonment. We have no assurance, despite the fact that there will be additional cost, that these lines will not be abandoned. As a matter of fact, the variable rates ensure that there will be greater abandonment. That is ensured because those rail lines which cover a greater distance will simply have to disappear because the cost factor itself will cause people to move away or to transport goods in other ways. Therefore, there will be a loss of traffic. There will be a railway system but not enough traffic. Consequently, there will not be another application.

It seems passing strange that the Minister of Finance (Mr. Lalonde) a few days ago introduced a so-called recovery budget, and here we have the Minister of Transport (Mr. Pepin) going all out to take away money from those people who happen to be great spenders. They are locked into the system. They have to spend money on fuel, fertilizer, chemicals. If they do not, they do not get a crop. They have to update their machinery. Let me tell you, you do not have to beg a farmer to spend money; he will. He will go all out to be as efficient as possible, and he will try every method.

I wonder where we are heading. Some people suggest that there is a revolution going on, and this will revolutionize our industry. I am afraid that that word "revolutionize" might mean that there will be a revolution, because all I can see is that if any farmers survive these times, they will probably have very, very large farms. The net result is that the smaller farmers will fall by the wayside, and the big operators will still survive. There will then be only large landowners left, and there will be great distances between farms.

There are some pretty big tractors nowadays pulling some pretty wide cultivators. It does not take very long to cultivate a field. These new farmers are going to be efficient, but simultaneously with the emergence of these huge land possessors, huge unemployment lineups will start forming. I wonder how patient the Canadian people will be when they hear or read reports about these landowners. I sometimes wonder whether we will not reach the day when the Canadian people will say, "enough is enough", and we will have to split up some of those land possessions.

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member but his time has expired. If the Hon. Member were to seek unanimous consent, perhaps he will be allowed to continue his speech. Is there unanimous consent?

An Hon. Member: No.

The Acting Speaker (Mr. Corbin): There is not unanimous consent.

Mr. Orlikow: Mr. Speaker, I would like to ask the Hon. Member for Mackenzie (Mr. Korchinski) a question. He blamed railway workers, particularly railway engineers. He implied that they were an important factor in the high cost of transporting grain. Does the Hon. Member not realize that, as a result of dieselization and other programs, the number of railway workers in Canada has been reduced in the last 25 years from 200,000 to less than 100,000, and that most of the workers who work for the railway make less than half the amount he talked about, make less than $20,000 a year, and that there are only a couple of thousand engineers, at the most, who may make the over $50,000 which the Hon. Member ascribes to them, although I doubt that they do? Because of the increased power of the engines, the number of hopper cars and freight cars which a train can haul has more then doubled. We have trains of 150 or more cars, so there are fewer engineers needed. If he knows all these things, why does the Hon. Member draw the red herring of supposed high wages over this trail? Does he not realize that if the farmers are going to get the support which they need to stop the implementation of this bad proposal of the Minister of Transport (Mr. Pepin), they will need all the friends they can get, and many of their friends are railway workers who elect Members of Parliament, who should be with them rather than against them? The Hon. Member's kind of argument does not help very much.

Mr. Korchinski: Mr. Speaker, I do not know whether the Hon. Member knows this or not, but my father once worked on the railway, so I feel quite safe in commenting on the railroad workers. I also remember strikes, Mr. Speaker, and after the strike was settled, after Members of Parliament had to come back and introduce legislation to put these people back to work because of the tie-up in transportation, the first thing that happened was that the railway companies immediately went to work and started cutting down on the number of people they employed. They did so because if they had to pay these people the amount of money they had agreed on they would have to find it somewhere. The end result was that very soon unemployment increased, attrition increased and soon the day came when the railways started buying bigger units. They were forced into that. After a while these workers would talk about a strike, but they would suddenly pull back.

I am sure we all can recall that that is precisely what happened a few years ago. Although they threatened to strike, they soon realized that after they had struck the first time, they were sent back to work, but the railways in the end became more and more efficient and the workers eventually lost their jobs. So while they threatened and used every mechanism possible, they then turned around and agreed to terms which were acceptable to them and to the employer.

Mr. Orlikow: Mr. Speaker, the Hon. Member talks about the increased efficiency of the railways which led to less employment. Of course that happened. In the same way, with the increased efficiency on the farms we have seen the disappearance of the quarter-section farm, then there was the half-section, the one-section and now we have farms which are two, three, four sections and bigger.

I would like to ask the Hon. Member one specific question so we will get the record straight. Does the Hon. Member not realize that the substantial majority of the railway workers make less than $20,000, probably closer to $15,000 a year which, the cost of living being what it is today, does not give them a very high standard of living? Should he not modify that figure of $52,000 which he ascribes to the engineers and, by implication, leaving the impression that nearly all railway workers receive over $50,000 a year?

Mr. Korchinski: Mr. Speaker, I am not commenting on any other wage or salary. I make reference to one particular group. I believe that the Hon. Member should be fair about it. I realize that there are people who are making less, but I am suggesting to the Hon. Member that that is a factor. I believe he should be fair about it because nobody dares to talk about things like that. All they will talk about is Macdonald's salary, and so on, and I even hear comments about the salary of Members of Parliament. I am suggesting here that these people are making more than a Member of Parliament.

Mr. Blaikie: Mr. Speaker, I believe it is unfortunate that the Hon. Member for Mackenzie (Mr. Korchinski) has chosen this opportunity of a debate on the change in the Crow rate to vent his spleen about grievances he has against railway workers over the years. I would remind the Hon. Member that we have not had a strike for ten years. The last strike occurred in 1973, the one previous to that was in 1966, and I believe the strike before that was in 1951. There have been three strikes during my lifetime, which is not very many.

• (1550)

Indeed, many of the railway workers were born and raised on farms in Saskatchewan and Manitoba. They know the world of agriculture.

Mr. Thacker: Question.

Mr. Blaikie: The Hon. Member for Lethbridge-Foothills (Mr. Thacker) was a member of the committee for parliamentary reform so he should know that this is a time not just for questions but also for comments.

Mr. Thacker: Short and succinct.

Mr. Blaikie: Perhaps he would be quiet and let me make my comments. I think it is very unfortunate that the Hon. Member for Mackenzie is trying to drive a wedge between railway workers and grain producers in this country. We know of the difficulties and tensions that have arisen during times when the railways have gone on strike. No one has experienced that more painfully than my own Party which was originally a coalition of farmers and workers. I think the Hon. Member for Mackenzie is completely wrong in using this debate as an opportunity to try to aggravate those tensions when I sincerely believe that railway workers want to see justice done to the Canadian farmer and will support the retention of the Crow rate as long as the railways receive the money necessary, as would happen under our plan for upgrading rail lines.

Mr. Kristiansen: Mr. Speaker, I have a question for the Hon. Member for Mackenzie. Is he really so naive—I am using the term politely—to believe that a corporation like the CPR, knowing that it can use technology to reduce its labour content and become more competitive, would restrain itself from taking those cost-cutting and efficient measures simply because it does not want to reduce the number of employees it has out of the goodness of its heart? That was the obvious suggestion in his remarks when he said that the railway only modernizes and reduces its labour content after a strike or a set of negotiations which raises labour costs.

Does he really believe that Canadian Pacific or any other major private employer is so financially stupid or irresponsible to its shareholders that it will not utilize whatever modern means are available at any time in order to reduce its costs and become more competitive in its business?

Mr. Korchinski: Mr. Speaker, I am neither naive nor stupid because I realize that the railways will be efficient since they have done that very thing over the years. CN would not come before Parliament asking for $600 million, or whatever its shortfall is, without expecting Members of Parliament to ask it whether it has attempted to become more efficient.

There is nothing within the penalty clause that suggests that the railways have to deliver grain. As a matter of fact, if CN decides not to deliver it, it will not. If it has a shortfall, it will come before Parliament. Where is the penalty there?

I expect the railways, like every other segment of our economy, will try to become more efficient. The NDP is a motherhood type Party which has always wanted to associate itself with the good aspects of all issues. Members of that Party want to be on the side of the unions and on the side of the farmers at the same time. Whose side are you on? Are you on the side of the farmers who have to pay the rates or are you not?

[*Translation*]

Mr. Jean-Guy Dubois (Lotbinière): Mr. Speaker, in speaking to Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, perhaps I may remind the House that some time ago, Members of the Quebec caucus formed a sub-committee to consider this situation. After the Gilson Report was published and after the Government's statement on August 4, 1982 regarding the Report, Members of the Quebec caucus met with various agricultural organizations—the local organizations in their respective ridings and also provincial and national organizations—in order to discuss the situation.

It is true that to people in Eastern Canada, the Crow rate seems to be a typically western problem. However, after publication of the Gilson Report and its assessment in collaboration with the Yvan Jacques Committee at Agriculture Canada, many Quebec farmers realized that the Crow rate issue did affect them, and that grain supplies from Western Canada were very important to the agricultural industry in Quebec, I should say Eastern Canada, but if I may be allowed to speak specifically about Quebec, since I represent a Quebec riding, I think that many farmers have realized that the Crow issue had considerable repercussions on agriculture in Quebec.

Not that they were necessarily ignorant before, but just because the system had been in place since 1897 and Canadians, especially in Eastern Canada, had been getting wheat from Western Canada as well as other related products for animal feed. As soon as the Gilson Report was published, however, many people started asking a lot of questions, and that is why my colleagues in the Quebec caucus and myself started meeting last fall, in September, with the main agricultural organizations in Quebec. At a special caucus meeting in Jonquière, we listened to representations from farmers to find out what could happen as a result of this situation.

Bill C-155 is before the House today. From the outset, Members of the Quebec caucus met with the Minister of Transport (Mr. Pepin) who received their representations, and today, now that Bill C-155 has been printed, I must say that the Minister did listen to us and that he did see what he could do in terms of this Bill and this new policy.

Mr. Speaker, I am very much tempted to make my speech even more political, by the fact that in May 1980, certain Quebec Government authorities, in referring to the referendum, said that we could be independent and that we would no longer have any problems, that our standard of living would be adequate and that our problems would no longer exist. I think the grain transportation issue is a good example of the fact that Canada must be seen as a whole, and that the various regions depend on one another, and that if western grain is sent to Quebec, it is because Quebec is extremely dependent on western grain production for the survival of its livestock operations. That is one example I am fond of giving the farmers in my area and in Quebec. I tell them that that it is very important to be a part of Canada, this great country of ours, and that we have every reason to be proud and that we must find within this country the sources of supply we need. Today, as a result, we are only 40 per cent self-sufficient as far as grain production is concerned. That is why some people say we should strive for self-sufficiency in Quebec. However, although it seems very sensible, it would be impossible because of our soil and weather conditions.

• (1600)

That is why, Mr. Speaker, considering the situation as reported in Bill C-155, I am giving this Bill on western grain transportation my wholehearted support. I would also like to mention that as a result of certain representations that were made to us, the method of payment has been one of the important points we have been discussing with many agricultural organizations since last September. In November, we invited representatives of the FPU, the Coopérative fédérée and the feedmill operators to meet us at a Quebec caucus meeting, which was held on November 24, and where we discussed the Crow rate issue with the agricultural organizations. Of course we had to do some research, we had to continue our discussions and meetings, and personnally, Mr. Speaker, I and my colleagues had regular meetings with farmers and farm associations. On January 19, 1983, I made a statement under Standing Order 21, in which I announced to our farmers that we had set up a sub-committee. I gave the names of Members who were present and who were working on a Bill that would be tabled in the House, the Bill we are considering today. In fact, my colleagues from Rimouski-Témiscouata (Mrs. Côté), Chicoutimi (Mr. Dionne), Saint-Hyacinthe-Bagot (Mr. Ostiguy), Portneuf (Mr. Dion), Lévis (Mr. Gourde), Beauce (Mr. Lapointe), Lac-Saint-Jean (Mr. Gimaïel), Mégantic-Compton-Stanstead (Mr. Tessier), Richmond-Wolfe (Mr. Tardif), and myself as chairman, have been working on this issue since last fall.

In Quebec, many people were concerned about the fact, and said so, that federal Members did not seem to be interested in this issue. I would like to say that here in the House and in committee we have been working for quite some time with the Ministers concerned to produce this Bill. We had meetings

without number. We had discussions with the Minister of Transport about the Bill, and I would like to mention the points we considered before Cabinet made its decision last fall, and its final one some time ago.

If we look at certain claims and certain aspects that relate very specifically to the Bill before the House today, we see that the issue of payment to the railways is the most important one. Mr. Speaker, since the debate started in earnest, and especially since last fall, everyone, or at least the vast majority of Canadians concerned by this issue, has told us that something had to be done about the grain transportation system and what is commonly referred to as the Crow rate. Quebec farm organizations agreed that since under this system, which goes back to 1897, western farmers and grain growers had been paying only 20 per cent of transportation costs, perhaps something should be done about the situation. It also struck us that even on television, we were seeing people who said, and I am referring to the time before the policy statement on February 1 we saw a farmer on CBC television who said that he was expecting changes, and that as far as the railways in Western Canada were concerned, these would have to be upgraded for more effective transportation of goods from Western Canada to Eastern markets or elsewhere. That is the point I want to make concerning the payments to the railway companies. There are, of course, agricultural implications, but the whole problem is related to transport, in my opinion, and transport facilities should therefore be improved and upgraded by the railway companies, which means that the policy of making payments to the railways is sound. This aspect of the Bill is extremely important.

Of course, farm groups in Quebec that were afraid of disastrous consequences must now be reassured. I refer to Quebec farmers, but it must be kept in mind that, as stated in the document issued by the Department of Transport on May 4, 1983 concerning this method of payment, the Government took into account the strongly held and, in some cases, contradictory positions of various farmers' organizations in favour of some system of payment to the railways, namely the Saskatchewan Wheat Pool, the Alberta Wheat Pool, the Manitoba Pool Elevators, the Saskatchewan Federation of Agriculture, Unifarm, the Ontario Federation of Agriculture, the Union des producteurs agricoles du Québec, the Coopérative Fédérée du Québec, the Association professionnelle des meuniers du Québec, as well as the New Brunswick and Nova Scotia Federations of Agriculture. I recall that, some time after I met them in early November 1982 at a luncheon when they came to Ottawa to meet members of the various parties, in February more exactly, the members of the Canadian Federation of Agriculture passed a resolution asking that all Government payments be made to the railways. In view of the Gilson report recommendations, of the policy statement and of the recommendations made to the Minister of Agriculture (Mr. Whelan) by all these farmers' organizations and also by the subcommittee of the Quebec caucus which considered the matter of the payments to the railways, we have uncontrovertible evidence of the responsiveness of the Minister of Transport who, after weighing the pros and cons of the matter, concluded that the payments should be made to the railways because the problem is one of transportation.

Of course, the Government was asked to take this initiative, and that is all to the good. As for compensating future increases in transportation costs, the Government has decided that, in 1986, Western producers will pay 6 per cent of transportation cost increases due to inflation. Generally speaking, Western producers should pay the full amount of future cost increases when the inflation rate of grain transportation costs is no more than 6 per cent.

As for maintaining the formula, which is important for corn pricing, even if the Act does not cover this matter, we are quite sure that the Department of Agriculture will solve the problem. In addition, it is important to note that people in Quebec were asking for other elements in this policy statement. We were told, for instance, that grain producers in Quebec should also be allowed to have facilities. Members from Quebec made representations in this regard after meeting with the farmers, urging that elevator No. 1 in the port of Montreal be repaired.

• (1610)

Indeed, Mr. Speaker, I will repeat what the Minister of Transport has been saying all along: that elevator was so outmoded that it had become a serious hazard for the workers. We would have had to spend several million dollars to upgrade it, and that would have been a sheer waste of public funds.

On the other hand, the Government will take the necessary steps to provide the port of Montreal with grain transport trucking facilities, as advocated by farmers' organizations, and that representation was made to the Minister of Transport by Quebec MPs. So the instances and requests made by the agricultural organizations I have just mentioned have been heard by the Canadian Government and the Minister of Transport. On behalf of my colleagues, I urge Quebec's agricultural community and Members of the Opposition to see the western grain transport policy for what it really is, because its impact and its necessity cannot be minimized at the national level.

The policy announced by the Government on February 1, 1983 was aimed at modernizing Western Canada's rail transportation system, and removing obstacles in the way of agricultural expansion in the Prairies. However, we must not lose sight of the essential aspect of the needed reform—changes to the Crow's rate. That rate applied to grain for export markets, but not only has the negative impact of that rate system which has remained unchanged since 1897 been a serious handicap in grain exportation alone, it did jeopardize as well our export potential in many other resource sectors, a

fact which has been acknowledged by most agricultural spokesmen and various industries.

In terms of future development, it would have been counter-productive indeed not to intervene and to abandon such potential resources whose development will be a boon to Canada as a whole. We should not disregard either the fact that, in the next few years, the investments made by railway companies—freed as a result of the new rate—to upgrade their lines in Western Canada will have an economic fallout throughout the country. You know as well as I do that our country needs a strong economic recovery and, in that respect, the policy will ensure a diversified and inter-regional stimulus which can only be beneficial.

Concerning the payments to the railway companies and the products which are included, I just saw on the CBC television network a farmer who was saying that right now, under the existing system, he is spending between $3,000 and $4,000 to ship his grain, but he is quite prepared to pay more if he can be sure that his production will be taken off his farm and shipped to the market place. Keeping in mind that the railway companies will get paid, the investments they are making now and will make in future, combined with cost controls on transportation for the farmers, will create a situation such that western farmers and the agricultural community in Canada as a whole can only stand to benefit. That is why I support this Bill, Mr. Speaker.

[*English*]

Mr. Thacker: Mr. Speaker, would the Hon. Member opposite tell me whether or not the Minister of Agriculture (Mr. Whelan) was wrong when he published a paper through his Department in which pointed out that the original Crow changes, before the Bill C-155 compromise, would not affect the livestock industry in Quebec? Was the Minister of Agriculture lying in that document?

[*Translation*]

Mr. Dubois: When the Hon. Member referred to a paper published by the Department of Agriculture, he meant I suppose either a letter which was released sometime in February, or perhaps the Jacques report. Yes, that is probably it. In fact there are two different documents, namely, the Jacques report and the letter written by the Minister of Agriculture. Everything hinges on the situation described in the report or this letter. I do not think that the Minister of Agriculture was lying about this situation, but the fact remains that different people had different opinions about the supply and the costs of production. People are aware that the production costs for feed grains in Western Canada are already different from what they are in Eastern Canada, for the grain is already there, and the cost of transportation to Quebec is added to the production costs, and when I say Quebec, I mean of course my own riding where things are different, and I think farm organizations were seeking equity. As the Minister of Transport has indicated, the Minister of Agriculture was suggesting a system for our feed grains. While certain things could simply not happen, some farm organizations thought otherwise.

[*English*]

Mr. Thacker: Mr. Speaker, the Hon. Member has not answered by question. Either Quebec producers were wrong when they said the Gilson changes would affect them adversely or the Minister was wrong when he said that the changes would not affect Quebec producers. Somebody was wrong. I would like the Hon. Member to tell me which one was wrong.

[*Translation*]

Mr. Dubois: Mr. Speaker, when it comes to putting the blame on someone, I think we should remember two things. Agriculture Canada and Canadian producers were operating under different assumptions. Both Agriculture Canada and farm producers from Quebec and elsewhere were thinking in terms of a certain number of years, on the assumption that if the payments were made according to the policy statement, the grain growers of Western Canada would sell their feed grains to their neighbours who would raise cattle, hogs or poultry, or on the North American market, or on the Japanese market, and therefore they would not compete with Quebec producers. If, on the other hand, they chose to send their grains to Eastern Canada, would these two assumptions remain valid? Because of these diverging views, problems were anticipated.

In view of this situation, the minister said: "For safety, let us make the payments to the railways". Under these circumstances, either the grain growers of Western Canada would keep their production, and a number of problems could arise, or they would market it and in that case they would operate under competitive conditions.

[*English*]

Mr. Hargrave: Mr. Speaker, I have a question for the Hon. Member for Lotbinière (Mr. Dubois). In his remarks he made a very clear reference to the fact that the Gilson group recommended that the Crow benefit be paid to the railways. Surely the Hon. Member knows that the Gilson group did a tremendous job, for which I give it credit. It represented every sector in western Canada involved in the entire issue, including all three Wheat Pools from the prairie Provinces, United Grain Growers, 20 different commodity groups and the railways. Collectively that is the group and that is why I refer to them as the Gilson group. It represented every one involved in the debate. It is well known that the Gilson group did a superb job. It did the impossible. First it arrived at a consensus that something had to be done, although it could not identify what should be done. Eventually it arrived at a compromise. One of the major elements in that compromise was that the Crow benefit be paid to the farmers, not to the railways. This is the original recommendation. Is the Hon. Member aware of that? I am not talking about the February 1 statement. This is the original Gilson recommendation.

• (1620)

[*Translation*]

Mr. Dubois: Mr. Speaker, there were some assumptions made concerning a possible benefit to railways in the first year with increases in the following years. They tried to reach a consensus in the West, which is very important. However, I am surprised that certain groups would favour some of the suggestions made in the Gilson report while others—and this is also quite imporant—such as the three Western wheat pools, the Saskatchewan and Alberta Wheat Pools and the Manitoba Pool Elevators, the Saskatchewan Federation of Agriculture and the Alberta Unifarm were asking that the benefit be paid to the railways. I have never said in my comments that the Gilson report only had the railways in mind. There were possibilities of benefits being paid to the railways and Gilson also voiced certain assumptions. But on February 1, reference was made to the paying of benefits to the railways during the first year and in the following years to ratios up to 50-50. This was definitely the policy statement. I know there was a consensus in western Canada on those issues. Some of the organizations were favouring the Gilson position. Some were in favour of the policy statement made on February 1, and others were not.

[*English*]

Mr. Taylor: Mr. Speaker, Gilson heard all the recommendations, all of them. He heard from those with divergent views, and so on. Then he made the recommendation that the money be paid half to the producers and half to the railways over the period.

Mr. Pepin: No, 81, 19.

Mr. Taylor: It was not all to go to the railways. He heard all the recommendations, the same as the Minister. The Minister heard them all again. It was only when the Quebec Liberal caucus came into it that the decision was made. I have a telegram here which indicates that a hog producing company in my riding will have an additional cost of $217,000 a year. How does the Member expect it to stay in operation? How long does he expect the hog and cattle producers in western Canada to lie low in order to protect the hog and cattle producers of Quebec? Why does the Quebec operation not compete with the rest of us and not get special advantage from the Government to do so?

[*Translation*]

Mr. Dubois: Mr. Speaker, concerning the pork industry, I am surprised at the comments made by my colleague as to how people in Quebec can understand the situation. I would remind my colleague from Alberta that 10 years ago, that Province was producing 41 percent of our pork. It is now down to 17 percent, although the Crow rate was never changed until today. And if Quebec's share of the production has gone up to 41 percent, it is because farmers in Quebec have been specializing and promoting their products, especially in the American Midwest, or maybe not the American Midwest but in the East and also in Japan. And if we look at western Canada's pork production, I would remind my colleague that although percentage-wise it has gone down, in absolute numbers it has not changed.

As far as the Gilson report is concerned, Mr. Speaker, I would like to say that the latter indeed recommended that the Canadian government should contribute $3.5 billion to the Crow benefit between the years 1982-83 and 1985-86, and its estimate of the railway deficit stemming from grain transportation, at the existing level of subsidies, would come up to $644 million. The recommendation was that the Canadian government should cover that deficit through legislation passed by Parliament. That was one of the recommendations in the Gilson report.

The Acting Speaker (Mr. Corbin): Order, please! The period for questions and comments is over.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): It is my duty pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Athabasca (Mr. Shields)—Canada Post Corporation—Competing with weekly newspapers for advertising revenue; the Hon. Member for Moose Jaw (Mr. Neil)—Agriculture—Request for dual measurement labelling of farm chemicals. (b) Request that discussions be held with farm organizations; the Hon. Member for Dauphin-Swan River (Mr. Lewycky)—Railways—Crowsnest Pass rate—Resolutions of legislatures opposing proposed changes. (b) Justification for Minister's position. (c) Rail line abandonment policy.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Pepin that Bill C-155, to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport, and the amendment thereto of Mr. Benjamin (p. 25389).

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Mayer: I appreciate the recognition from my left. I am not sure they will want to applaud when I am finished with them, but I thank them anyway.

Bill C-155 is a very important Bill. The title of the Bill is "An Act to facilitate the transportation, shipping and handling of western grain and to amend certains Acts in consequence thereof".

I am glad to see the Minister of Transport (Mr. Pepin) here. I believe, as do most Members of the House, that he is a very honourable gentleman, well respected on both sides of the House. I want to point out to him some of the concerns that we in western Canada have over this Bill and caution him, as did the former Minister, the Hon. Member for Vegreville (Mr. Mazankowski) that he should proceed quite slowly and deliberately on this issue. When I say that, I mean that he should do so in the House because the Bill really has not been dealt with properly until it has been in the House. It is unfortunate that the Government has chosen to allow, facilitate or encourage as much discussion as we have had on this issue outside the House.

The reason I read the title of the Bill is that this Bill deals with much more than transportation. To western Canada transportation is not simply the moving of goods from one point to another. It is not simply two pieces of steel spanning the Prairies. It is tied up with the reason why western Canada exists. Without the railway, western Canada would probably not have developed as quickly or in the way that it did.

Anyone familiar with western Canada knows how important the railroads have been to western Canada. They are the reason for many small towns settling where they did. The reason for the configuration of some of the cities is the effect on them of the railways. I have said this before, and I am sure the Minister can appreciate it, that in some ways transportation means to Western Canada what language means to Quebec. That bears some explanation.

I grew up in the middle of Saskatchewan. I remember how important railways were to the little community in which I lived. It was something for my father to point out to me in the middle of the night that hearing a train whistle meant that you were somehow hooked up and connected with the outside world. It meant that you were not totally isolated and ignored. It also meant something in terms of the weather. When you listened to a train whistle, you could tell if there was a different kind of front moving in. It was all tied up in the reason we were there, which was to produce something off the land. When you start talking about transportation, those are some of the things that come to the minds of the people of western Canada.

I remember my father showing me how he could read numbers on a boxcar which was sitting 15 or 16 miles away from where we lived. That may sound melodramatic or corny, but when you think about it you can see how important transportation was and still is to those of us in western Canada. When you deal with the transportation issue, that is what you are dealing with when railways are involved. It is more than something you approach from a rational basis, cerebral basis or a purely economic basis. It is something that is inside us. It is tied up with our emotions.

That is the reason why the former Minister, the Hon. Member for Vegreville, suggested we should proceed slowly with this Bill. Again I point out that by slowly I mean we should proceed slowly in terms of the process in the House.

• (1630)

Another reason why I think we need to use some caution is that this is not a good time of the year for anybody connected with the land to look at something that is as fundamental as transportation. Right now we are going through a very critical time in farming. It is the spring season and it is the time for putting crops in the ground. To take time off from planting and sowing is something that farmers just cannot do if there is to be any kind of prospect for a crop. So again, we need some time in order to understand what the Government is proposing.

It seems to me that another reason we have to approach this with a lot of caution is that, right or wrong, there is a lot of mistrust of the railways. I would suggest that the railways have brought on much of it themselves. I refer particularly to the CPR. The country has been very kind and good to the CPR. It has made it the largest company in the country, and in many ways the most profitable company in the country. Yet, if you ever try to look for any evidence of what the railways have done, particularly what CPR has done for the country, you will not find it. I do not see that they have funded one university, I do not see that they have contributed in any major way to any research that has been done in universities.

Take the little town that I come from, Carberry, as an example. They took away the passenger depot. Everybody from western Canada knows what is meant by a depot. The depot became harder to heat and it became uneconomical, so they decided to simply tear it down. I find that very sad. When driving in town now, you can look right down Main Street and you can see right past the place where the station used to be. That is unfortunate because, as I have said, the railways benefited tremendously from the country, and yet when it comes time for them to put something back in as a memento or to contribute to the town in the form of a museum, that does not happen. If we mistrust the railways, it is brought on in some ways by their own actions. I would suggest that in many areas, the railways have been very inconsiderate and insensitive to the community.

There was an instance in Toronto, that was recently made public through the media of the CP smashing down a station with a ball and chain. From what I have read and from what I can recollect from the news reports, that station could have been kept, and I am sure in my own area they would have liked to have kept the station. It could have been maintained as a museum and it would have served us as a link with our past. We are proud of our history and proud of our past with which

we identify ourselves in Western Canada. So I point out these instances. They may seem small and they may seem insignificant, but it all goes toward creating some goodwill.

We all have shipped commodities on the railways and we all know that we have had bad service in the past. I am sure the Hon. Member for Medicine Hat (Mr. Hargrave) can cite many instances of cattle being ready to be loaded at the little stockyards alongside the railway and for some reason the train being late or the train having gone by without sending off cars and no explanation being given. It is very frustrating for an individual out in the middle of the Prairies to be treated without what might appear to be only common courtesy. Now, there may be an explanation for it and it may be a proper explanation, but those are the kinds of things many people remember as far as the railways are concerned.

The Minister spoke about some of the guarantees in this Bill that will require the railways to maintain a certain standard of performance. I point out to the Minister that in the Revised Statutes of Canada, 1970, there already is a provision that would require the railroads to maintain service. The provision is on page 6438, Section 262, and I will read part of it to point out what is already in statute form and why we are suspicious when there are to be some guarantees of performance and some penalties for non-performance in the present Bill. Section 262 reads:

> The company shall, according to its powers,
>
> (a) furnish, at the place of starting, and at the junction of the railway with other railways, and at all stopping places established for such purpose, adequate and suitable accommodation for the receiving and loading of all traffic offered for carriage upon the railways;
>
> (b) furnish adequate and suitable accommodation—
>
> (c) without delay, and with due care and diligence, receive, carry and deliver all such traffic;
>
> (d) furnish and use all proper appliances—
>
> (e) furnish such other service incidental to transportation as is customary—

I left out a great deal of it, but I point out that there are already statutes in place that require the railways to maintain service, and yet we all know of cases where that has not happened. So we view with a certain amount of suspicion any new provisions, however well intentioned the Minister and his Department may be, that will require the railways to maintain and provide adequate performance because we know from the past that that has not necessarily been the case.

We also know that there are cases, and I can give you an example right now, of the railways, because of their monopoly position, not being competitive. We talk about the trucking industry and what is going on with trucks. In my area, fertilizer dealers are moving fertilizer by trucks this Spring because they are saving $20 a tonne over what the cost would be on the railways. So we know that we must somehow force the railways to be competitive, otherwise their costs become prohibitive. When we see that the way that is to be accomplished in the present Bill is through regulation and more bureaucracy, we become very suspicious of it because, to my mind, the real way to regulate and control them is to force the railways to compete. I am not so sure that this Bill will do that.

One of the things that I find exciting is the Hon. Member for Vegreville's suggestion that producers be given the option of either receiving the benefit themselves or having that benefit go to the railways. To my mind, that would go a long way toward making the railways competitive. I would urge the Minister to take a very serious look at that suggestion, and I would hope that he would be amenable to amendments that would bring that kind of thing about when the Bill gets to committee.

There are many other concerns that I have about the Bill. One of the things that concerns me is the bureaucracy involved, and really the possibility exists in this legislation of having the Department of Transport take over the grain transportation industry in western Canada. The Minister shakes his head, but I would point out to him that Section 33 Subsection (3) of the Bill reads:

> Notwithstanding anything in this or any other Act of Parliament, the Governor in Council may, by regulation, transfer the administration and control of any railway cars held by the Canadian Wheat Board on behalf of the Government of Canada from that Board to the Minister.

Now, I am not so sure that that is a good idea. Those of us from western Canada are concerned about Ottawa and about what we call eastern Canada running us. I would like to suggest to the Minister that if he is to do that kind of thing, he should make the CTC in Saskatoon more powerful. Let him put some of the bureaucrats who are in charge of western grain transportation in Russell, in Yorkton, in Davidson, in Red Deer or in some of those smaller towns in western Canada where they will be very close to the people who are affected by the rulings that they make. We might then get some bureaucrats who are more responsive.

To set up a situation where there is to be more and more power given to the Minister and his Department and have that Department located a long way away from where their decisions will have effect leaves them open to more than just the possibility that producers will suspect that they are not getting good representation and good decisions. I would not like to see that kind of thing happen.

To go back and indicate to the Minister that I have been consistent in some of the concerns that I have had, I feel that even the Gilson task force should have been more open and it should have been more reflective of producers' concerns. I would not have seen anything wrong, for instance, in having the Gilson process take place in Saskatoon or in a town like Davidson where the task force would have been very close to the land and to the producers who will be affected by the decisions that are made.

Let me outline and amplify on some of the other broad areas of concern that I have about this Bill that I have touched on. First, we would like to know about the safety net. We would like to know how it will be enforced, how the figures will be determined, and what the percentage is to be, is the percentage to be on the price of grain at export position or is it to be on the net price that the producer receives at the elevator? To pick the figure that I have heard, if it is to be 10 per cent of

the value of grain at export positions, relating that back to the producers' net return from a bushel of grain and deducting the handling charges and the transportation charges, the arithmetic that I have done would show that that figure could be as high as 12 per cent. Now, there is a big difference there. Those are some of the things that we would like to have clarified. I would also like to know if there is any bottom price on that. It is fine to pay 10 per cent of the value of grain if it is $10 per bushel; you are making money then, but if the selling price is lower than the cost of production then I would like to know if there is any provision for a genuine safety net. The percentage that the Minister has in mind as a safety net should be variable.

• (1640)

There has been talk about the percentage of inflation for which the producer will be responsible. I have talked to a lot of producers and I agree with them that the Government should be responsible for the first two or three percentage points of the inflation factor and the producers should pick up anything above the 3 per cent. What will happen is that producers will pick up the first 3 per cent now and after 1985-86 pick up 6 per cent, but the sophisticated accounting procedures of the railways will almost guarantee 6 per cent inflation in the cost of moving grain regardless of the situation in the economy at large.

The Hon. Member for Vegreville pointed out that there is no mechanism in place to cope with decreasing costs in a period of deflation, which the Americans are talking about now. What happens if we genuinely have a period of deflation and costs go down one or two percentage points in a year? Is there any mechanism in the Bill to allow the cost to the producer to be reduced? That is a legitimate concern.

We would like to know more specifically what the statutory framework would be. The bureaucratic language in the Bill is very difficult to understand. One of my predecessors pointed out to me that if a policy takes more than 30 seconds to explain, that means it is a bad policy. Some of the explanations the Minister gave of the statutory framework in the Bill are difficult to understand.

The Minister said that we cannot expect the railways to have an incentive to move grain when they are losing $400 million per year. That is a fair comment. On the other side of the question, producers have been losing money too. Many producers are going out of business, and some are having a difficult time finding enough credit to put the crop in the ground this Spring. Their position is no different from that of the railways because they are losing money as well. This is a very, very difficult time to ask producers to pay out more.

I have already outlined my concern about the Government's ability to guarantee any performance by the railways. Another major concern is comparative advantage in the country. Alberta can probably produce barley cheaper than any other area of the country. Barley means carbohydrates which, in turn, means energy for livestock. We should do everything to see that Alberta maintains its comparative advantage in the production of livestock, and to my mind the Bill does not address that matter.

All this brings up the question of why we have a country. Surely if we are to have a country and realize its best potential, we should produce things that we produce most efficiently in the various areas of the country. Manitoba should not get into the production of pineapples. We cannot produce pineapples very efficiently. We do not produce cameras as efficiently as the Japanese. We grow grain, ship it to Japan, and they ship cameras to us. That is a fair deal because of each country's respective efficiency.

To my mind the Bill does not address the question of comparative advantage. Anything we do to distort the comparative advantage that exist in the country distorts the reason for Confederation in the first place. Perhaps the farmers in Quebec will have to make some sacrifices, and people on the Prairies will have to make some sacrifices as well. Let us make sure, however, that anything that we put into legislative form or in statute form addresses that comparative advantage so that everyone is treated equally. I know the Minister, who has a considerable background in economics, understands our concern.

If producers and taxpayers are to be asked to pay more for the movement of grain, we should examine ways to bring more efficiency into the system. We know that the railways work seven days a week. I have had a chance to be on the locomotives and make trips over the lines that have been rehabilitated, and some that have not. I have tried to get the railway officials talking to the farmers so that they could understand each other's problems and see the other point of view.

If we could lower the average turnaround time on the car cycle, that would be a help. For every day that we bring down the car cycle we could save about $60 million. If the turnaround time could be lowered from 21 or 22 days to 15 days we could save close to half a billion dollars of investment.

If the producer is to be asked to put up money to maintain a system that I do not think makes the best or most efficient use of the equipment that we have, then I think he has the right to ask some legitimate questions about what is being done to address that problem.

There are many other areas of inefficiency that could be addressed to get better performance out of the existing system without investing any more money.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, first of all, I should like to thank those Hon. Members who made it possible for me to speak at this time.

The day which all Members of this Party and many Canadians hoped would never come, has arrived. I think we ought to be conscious of how historic, in a negative way, today is for the future of western Canada and the way of life we have come to know and cherish in western Canada. That is finally the point which must be addressed in the Crow rate.

All too often economic questions are dealt with according to a certain model. All models, of course, have their limits. This is

true, I believe, of the model on which those who wish to change the Crow rate works.

According to the computers, if only we were rid of this anachronism called the Crow rate, we would have an efficient transportation system. Neglected in this corporate and computer model of society are the people who actually produce food because they prefer a rural way of life and because they have a sense of vocation. The banks and the railways do not feed people; farmers do.

Those who are not aware of the economic, political, social and cultural significance of the Crow rate might think that a fixed rate for grain transportation, especially one fixed in 1897, is as ludicrous as regulating the price of chocolate bars, would be. But Canada itself is an economic absurdity created by political interference in the continental marketplace where natural trade flows were north and south. It is this will to be a country separate and distinct from the United States of America that is at stake in this debate, in the battle against those who would change the Crow rate.

The decentralized political economy of prairie Canada has never fitted the market economic model. The Canadian Pacific Railway and the settlements which followed its construction were made possible by a national policy to subsidize transportation. Not anxious to see mineral traffic in southern B.C. siphoned off by American railways, the CPR agreed to the Crow rate as a condition of public subsidies to build the Crowsnest Pass line.

If the CPR wishes to renegotiate the deal, then we in the New Democratic Party say that surely as a matter of corporate morality the whole deal should be put back on the table and not just the part that the CPR does not like anymore. Let us put everything back on the table.

• (1650)

The Crow rate opened up the grain economy and prevented non-agrarian capital from exploiting the prairie region. By preventing variable freight rates, the Crow rate made inland grain terminals uneconomic. But the international grain companies are anxious to move in once the barrier has been removed, and no doubt it is their advice—and in at least on of those companies we find a former Liberal Cabinet Minister—that the federal Government is heeding. Variable freight rates will change more than the elevator system.

Ending the Crow will centralize and stratify prairie society, making farmers and workers less aware of each other's contribution to the community. Today the elevator agent knows farmers and their problems and is a respected member of the community. Division of labour in inland grain companies will isolate workers from farmers and relegate many of them to repetitive, mundane tasks, alienating them from this new industrial process. For the farmer, delivering grain will mean long truck hauls and waiting in line-ups. As farm incomes are reduced, ownership of land will be concentrated into fewer and corporate hands. Those farmers who cannot afford to expand will have to quit farming or work off the farm, which will reduce the number of farm families to support the community businesses and services. Therefore, the quality of life in small towns will decline and the social infrastructure, made redundant, will have to be replaced at high costs in cities to which the landless will have to move.

The Government says it must risk this social disaster in order to provide the railways with a higher return on investment. The argument is that the railways will increase the production of transportation service if they are paid more per ton of grain they haul. The same people appear to believe, Mr. Speaker, that the way to motivate the farmers to produce more is to pay them less. Farmers, to their credit, are expected to have some sense of vocational responsibility. They are expected to keep on farming even if they are making less and less money all the time. On the other hand, no one expects that of the railways because they have long since abandoned any sense of responsibility or vocation. Even the CNR has changed its advertising. It is now just "In business for Canada", and is no longer a responsibility as well as a business.

The Crow debate is fundamentally a conflict between two economic cycles. The Crow rate protects farm income from high transport costs, funnelling farm spending through local businesses linked to the wider economy via the incomes of workers making trucks, tractors and other farm supplies. Ending the Crow rate short-circuits this decentralized economic path and siphons farmers' money into railway corporations, much of which will flow out as dividends and investment in real estate, coal-related expansion, and other things not having to do with transportation of grain.

Anyone who believes that it is strictly for the sake of better grain hauling that the Crow rate is to be changed is kidding himself, his fellow Canadians, railway workers and farmers. If the Crow is ended, the drop in farm income will be much more than the extra billions of dollars farmers will pay to the railways over the years. Without the Crow rate, the price pooling and quota systems of the Wheat Board will collapse as multinational operations eventually take everything over. As a result, the value of grain sold will not go to the person who produces it, but to private grain companies which will buy grain at low prices and resell it at high prices.

Now, Mr. Speaker, when railway rates and seaway tolls are increased in Canada, as the Government plans, foreign grain companies will find it much less expensive to divert grain to Minneapolis where it can be located on barges for low cost transport to New Orleans. The multinationals will own the inland terminals on the Prairies, own or control the rail hopper cars, and the export elevator in New Orleans. Probably the same company will own the fertilizer company, and if the Government gets its way it will own the seeds, the patent on the seeds, and gone will be the Canadian control of the grain economy and gone will be thousands of railway and grain handling jobs in Canada.

By now we must all be asking ourselves, those of us who think anyway, why the federal Government is trying to change the Crow. Of course, money is an issue, and the Government hopes its formula will transfer to farmers the cost of hauling grain. We cannot ignore the power of large corporations,

especially the CPR, when they threaten to withhold service or investment. Ordinarily, we think of a regulator as regulating the utility. In this case, however, we have a history of the CPR using its monopoly privileges as a utility to regulate its regulator. We see the CPR using its monopoly privileges given to it by the taxpayer to regulate Government policy and abuse the monopoly. The Minister of Transport (Mr. Pepin) tells farmers they cannot have a modern transport system unless the CPR gets its way. Blackmail is another word for what is going on, Mr. Speaker. What we are witnessing here today is the capitulation of the Liberal Government to the economic blackmail which has been practised on this country by the CPR for so many years.

We also have the Minister of Employment and Immigration (Mr. Axworthy) telling railway workers they cannot have jobs unless the CPR gets its way. The railway workers are the decoy of the Government's transport plans because there are going to be fewer jobs with the Government's plan than there are today with the Crow rate. After all the concessions made by the Government, the railways are actually going to invest 22 per cent less in 1983 than they did in 1981 when supposedly they lost hundreds of millions of dollars on the Crow. Less investment means fewer jobs, and the refusal, for instance, of the CNR to cancel its system-wide lay-offs on May 1, after this proposal had already been made, when they had earlier allowed wishful thinking people to believe that changes in the Crow would make a difference, is another good example of how the railways have misled the country.

The NDP alternative to the plan which we have before us will create hundreds of thousands of jobs, upgrading railways, while keeping the Crow rate for farmers. It will not cost the taxpayers any more than what we have before us but will create more jobs because, unlike the Government's proposal, our plan would prevent public money from leaking out of the rail system to dividends or real estate or whatever else the railways decide they want to invest in other than the transportation of grain and other than meeting their commitments to the Canadian people and the Canadian economy.

Mr. Gustafson: Just leave the country, period.

Mr. Blaikie: We want a new deal with the railway companies. Instead of continuing with straight handouts, as the Liberals propose, we want to pay the railways only for their actual losses hauling grain. Public money invested in the rail system for expansion and upgrading will give us equity shares in CP Limited, and increase our involvement in Canadian National. Not ony would we own what we pay for, but we would also control the companies so we can direct them to operate in the social and economic interests of Canada.

If we were to take equity in CP—what this plan proposes to give that corporation for nothing—we would become the biggest single shareholder by 1985 and our share would grove by $275 million each year. This would bring CP Limited under social ownership and control and would not cost any more than what the Government proposes to spend already. Instead, we are to pay for the CPR one more time without getting anything in return.

Now, Mr. Speaker, I want to be the first to admit that public ownership does not necessarily mean a company will have a social conscience or act necessarily in the interests of the Canadian economy. We own 100 per cent of CN, and yet often it operates no differently from the CP Railway. So in socializing the CPR we will need a way to make the public system different so it does not adopt the commercial values incompatible with serving the interests of the Canadian economy and the Canadian people. Crown corporations have a responsibility to be alternative and superior forms of economic development, which take into account the social, environmental and other dimensions which need to be considered if economic development is to be fully human development.

We hope people will support our alternative, Mr. Speaker. We will show people that this is not the only option and that what the Government has put before us is inevitable. We will suggest that there are other ways of improving our transportation system which does not involve all the risks and social and economic destruction associated with changing the Crow rate. We are the only Party offering a plan to keep the Crow and create jobs in upgrading the railways. The Conservatives oppose so far, it appears to me, at least, the plan which has been put before us by the Government, but we do not really know what that Party would rather have. The Conservatives say they would keep the benefit of the Crow rate, but they do not want to keep the Crow rate. There is no unanimity there about keeping the present statutory Crowsnest Pass rate as it is. I defy anyone to demonstrate to me that there is that kind of unanimity, because there is not. The reason that is so, Mr. Speaker, is because the two Parties had similar things in mind. If the Conservative Party had survived December 13, 1979, it would have been bringing in a plan somewhat like we see before us. It was the Conservatives who, on November 7, 1979, said their Government was going to open up the Crow. It was the Conservatives who appointed the present Deputy Minister of Transport, who is the chief engineer of what we have before us.

• (1700)

Here we see, Mr. Speaker, the same hypocrisy we witnessed on the Via Rail cutbacks. We see the Tories opposing and making a big stink out of what we all know they would have done themselves had they been allowed to remain in power in 1979. One of these days, Mr. Speaker, the Tories are going to have to pick sides. I was interested in what the Hon. Member for Mackenzie (Mr. Korchinski) said earlier. He said, "You are going to have to pick sides. Which side are you on, the side of the unions or on the side of the farmers?" He totally misunderstood the real conflict in this debate. The Tories are going to have to decide whether they support the farmers or the CPR; the farmers or Cargill; the Crow rate or the Liberals. That is the decision which the Conservative Party faces now. Time is running out. This is the time now for decision on the part of the Progressive Conservative Party, and soon they will have to face up to the inherent conflict between the economic

values which they espouse incessantly, and the social values which they say they espouse, community values and the traditional ways of life. It is those very economic and commercial values that out of the one side of their mouths they espouse while systematically tearing away at the other set of values which they say they so cherish in western Canada.

The Government, the railways and the coal companies have the media blitz to change the Crow and, indeed, the Government acted, I believe, in a way that was horribly contemptuous of farmers by advertising the way it did, spending public money to persuade the Canadian public of something which is not passed by this Parliament and is not Government policy. Then it went ahead and changed it. But I believe, Mr. Speaker, when the details of this get out, if we in Parliament can be successful in delaying this line-up so that people will have a chance to see just what is going on here and to think about it, that this Government will lack the essential support of the people on the land. It should be no more difficult for us, and I hope it will not be, to save the Crow in these circumstances than it was for previous generations to set up the Wheat Pools and many of the other economic institutions which Canadians have rightly set up in order to be an example of what is possible when people work together to control their own economic destiny, and make that economy accountable to the common good and not to global profit strategies of the multinational corporations. In this, the New Democratic Party and the CCF before it, had an important role to play, and in our defence of the Crow rate against the Liberal Government and against Conservative indecision we are proud to continue in that tradition.

Mr. Thacker: Mr. Speaker, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) gave his usual labour-socialist diatribe against the big corporations. I can give him some examples of the CPR also, and I will in my speech. However, he argues that we should return to the original agreement, the enforcement of the original agreement, and I ask him, does he really mean that? That would mean only 289 points were covered, and it would only cover grain from those 289 points and flour going to Thunder Bay.

Mr. Blaikie: Mr. Speaker, my point was that if we want to renegotiate the agreement, we should put the whole agreement back on the table. That was very simply said. Let us not just renegotiate that part of the deal which the CPR has come to dislike. And when we put everything back on the table, we put everything back on the table, the land, mineral rights, the whole works, not just parts of it.

Mr. Flis: Mr. Speaker, the Hon. Member blamed the federal Government for spending a lot of money on advertising. My comment here is that if the New Democratic Party would be honest with its constituents and give them accurate information, we would not have to waste taxpayers' money on advertising.

The Hon. Member spent a great deal of time on variable rates. If the shipper and the railway agreed to provide the farmer with lower rates, would he agree to that, or would he suggest that providing lower rates would not be advantageous to the farmer?

Mr. Blaikie: Mr. Speaker, the Hon. Parliamentary Secretary to the Minister of Transport (Mr. Flis) has asked me two questions. First, with regard to the advertising, I accept the credit which he has heaped upon the NDP, that we are so powerful in influencing the country that the Government felt it had to take out a massive advertising campaign to counter what we were saying. The fact that it had to resort to advertising I suppose is a testimony to the decay, the atrophy and the impotence of the Liberal Party, and the fact that it has no one in the West to make its case. It has 146 Members of Parliament and it cannot make a case in the country? That is what your MPs are for. If you have to resort to newspapers to make your case, and spending Government money to promote Liberal policies, then you ought to pack it in right now, baby, because it is all over for you. You are acting not just in contempt of Parliament, but in contempt of the whole political process.

As far as variable rates are concerned and the question of whether we would support lower rates, what we want for the grain producers in this country and what the grain producers want is predictability. We need predictability in a world where the fuel prices are unpredictable and generally rising, where fertilizer prices are unpredictable and generally rising. That is what is predictable, that they rise. They go up and down. We live in a world where interest rates are unpredictable. The one predictable thing which grain producers in this country have always been able to rely on is the Crow rate. Because some railway might offer lower rates on one occasion is hardly a reason to abandon something which has been as economically reliable and sound as the Crow rate.

Mr. Gustafson: Mr. Speaker, I have a question for the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). He suggests nationalizing the railroad. I believe he used the word "socialize" but I am not sure what that means. Did the Hon. Member and the NDP not learn a lesson from the national energy policy, where that type of direction drove $20 billion worth of capital out of this country and ended up costing the farmers an additional 66 cents a gallon for gasoline? He talks about leakage of capital. What could we expect in terms of leakage of capital from Canada if this type of a move was inflicted upon the railroads and upon the farmers of Canada?

Mr. Blaikie: Mr. Speaker, I have always felt that the consequences which my colleagues on the right, the Progressive Conservative Party, attribute to the National Energy Program were greatly exaggerated, and I still do. Precisely what happened in terms of the National Energy Program, to a certain degree, is precisely what has happened here, that is, that the will of the people is controverted by the will of the corporations. They played the same game when it came to the National Energy Program that they played with regard to grain producers. If they do not get their way they will go somewhere else. They will go with their tails behind them

across the 49th parallel. That is one of the short-term consequences of trying to have an economy that is controlled by Canadians for Canadians. Unfortunately, it was one of the consequences that the Liberal Government was not prepared to face and act against since its National Energy Program was only a type of milquetoast program anyway.

• (1710)

If the Government were really serious it would have been able to counteract that. Instead, it gave in, thanks to those Members, and now it does not have a National Energy Program to speak of.

Mr. Mayer: Mr. Speaker, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) pointed out that we have been inconsistent in our Crow policies. I would like to quote to him some statements made by former Premier Blakeney of Saskatchewan in January and ask him to explain those inconsistencies. On January 10, 1982, he said, "I think that the issues involved—" referring to the Crow, " ... should be better known. I think that there are clearly, as I indicated, a number of issues involved. Perhaps a revision of the deal makes sense." He is referring to the Crow. In the January 1982 issue of *Business Life* he said, "But the perception of our Government really is that the farmers ought to keep the benefit of the Crow." Anybody following that would clearly know that he is leaving himself open to the possibility of some of the benefits being paid to the farmer. He went on to say, "If we want to address the issue of who is to pay the additional compensation to the railways, we are prepared to address that issue." Clearly he means that in his opinion he is willing to address the issue of having farmers pay more. That is not the Hon. Member's position now, as I understand it. Finally, Premier Blakeney said, "We make our one other narrow point in this discussion. It is very important to distinguish between the current level of the Crow and the principle of having a statutory rate," clearly indicating that he is willing to look at another statutory rate.

I would ask the Hon. Member if he can explain to me the difference between Premier Blakeney's position of a little over a year ago and what the Hon. Member just now enunciated as the NDP policy?

Mr. Blaikie: Mr. Speaker, I am not prepared to accept the interpretation of the words of the former Premier of Saskatchewan given by the Hon. Member. He was talking about the benefits of the Crow, yes, the benefits that accrue to the grain producers of western Canada as a result of the Crow rate, the present statutory Crownest Pass rate. That is what we stand for and that is what former Premier Blakeney has made clear many times since those quotes, that he also stands for.

Mr. Thacker: Mr. Speaker, I have a final question for the Hon. Member for Winnipeg-Birds Hill. He made a vicious attack on the CPR, and that may be fair game. He talked about the money going to the CPR, leaking to shareholders and how it is ripping off people. In the face of those facts, why does his Party want $651 million to go to the railways as compared to individual farmers, who could then choose to ignore CPR and perhaps market their grain through trucking or other means?

Mr. Blaikie: Mr. Speaker, the Hon. Member labours under his belief of the marketplace, as if farmers who were given this money could spend it according to their individual will and somehow choose to send their grain along a CNR branch line when the only branch line along which they live is a CPR line. Could he explain how they could do that without getting into the business of trucking grain, which is exactly what we are against? We want grain to continue to be shipped on the railway. We do not think that the option of inland grain terminals and trucking is a long-term suitable option.

Mr. Gustafson: Mr. Speaker, I have no further questions but I would like to make a comment in response to the answer to my last question in which the Hon. Member said that the Conservatives were to blame for the high cost of fuel to farmers. I would like to put on the record that it was the NDP, crawling into bed with the Liberals, which has cost the farmers 66 cents a gallon for fuel.

Mr. Thacker: Mr. Speaker—

Mr. Anguish: Are we beyond the question period?

The Acting Speaker (Mr. Blaker): We are still in the period of questions, answers and comments.

Mr. Anguish: Mr. Speaker, in relation to the intervention by the Hon. Member for Assiniboia (Mr. Gustafson) concerning the speech of the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), let me point out who was in bed with whom. As of February 15, 1983, there were 276 recorded divisions in this Parliament. The Tories and the Liberals voted together 71 times until that point. The NDP and the Liberals voted together only 38 times.

The Acting Speaker (Mr. Blaker): I do not make this comment this very often, but let me point out that the Standing Orders require comments of Hon. Members who wish to make interventions during the question period to be relevant to the speech made by the original Member. I would ask the Hon. Member to try to remain relevant to the speech made by the Hon. Member for Winnipeg-Birds Hill.

Mr. Anguish: Mr. Speaker, I thought my remarks were at least as relevant as those of the Hon. Member for Assiniboia. I think I got my point across that the Conservatives and Liberals have been the same Party for many years and represent the same interests, and that we are the only Party who have stood steadfast for the Crow rate.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I rise on this first day of debate on Bill C-155 because it is perhaps the most important Bill to affect western Canada for many decades. It will do so for many decades into the future.

It is certainly an issue about which people can differ in their views. It shows once again the enormous differences we have in

this country, particularly when it concerns matters of economic development. It shows the traditional conflict between the East and the West, and even within the West it shows the conflict of interest between the grain industry, based primarily in Saskatchewan, and other industries including specialty crops and irrigation production, primarily in Alberta. It shows the differences and distinction between the grain industry and the lifestock industry, between the grain industry and secondary processing.

It relates to the monopoly that the CNR and CPR have had over this country in terms of grain transportation as compared to other modes of transportation such as trucking and indeed even air dirigibles.

It shows the difference between the mainline interests and the branch line and its rehabilitation. It is important that we deal with this legislation in quite some detail and be sensitive to all of these different but legitimate interests across our country. It is important that we be frank with one another, and that is what I intend to be today.

My comments are not intended to be personal in regard to anyone but rather to give a perspective, which I hope starts with our international, national and finally our natural advantages which we enjoy in this country.

In my opinion, Bill C-155 as it is presently drafted is almost the worst possible combination that could ever be arrived at. Perhaps that is the result of the compromises that the Liberal Government has made.

Let us first put the question into the context of history. When the railways went west in 1885, there were grants of some 25 million acres of land to the CPR and several millions of dollars. There is no doubt that the CPR has used those grants of land, including minerals and mines, to set up some very profitable corporations. However, the fact is that the original grants to the CPR to build the main line west that went through Medicine Hat, up through Calgary, missing Lethbridge altogether, was not part of the Crowsnest Pass Agreement. It is not, in fact, relevant to the debate we are involved in today.

The federal Government entered into another agreement with the CPR in 1897 because we wanted to get a line into the Kootenay's from Lethbridge, Alberta, to Nelson, British Columbia. Furthermore, since the Americans were coming up from the south, we wanted to tap the minerals in the Kootenays. Therefore the Crowsnest Pass agreement was struck.

There were changes to those rates during the First World War simply because the federal Government intervened to block those price increases whenever they started to rise. However, when the prices began to drop after the war, the controls somehow came off. Western farmers have been schooled in that. It happened to us in the First World War and it happened again in the Second World War. That is part of the myth and a reason why we must be sensitive to these issues.

In 1925 those rates became statutory. But they were expanded beyond the original 289 points. Now they are expanded to approximately 1,300 points. Quite arbitrarily, Parliament included the CNR and it included additional products going west as well as east. That is really the context in which we need to see it. Parliament itself, I suppose, has welched on the original deal, if you want to look at it from that perspective. Within that context, grain production on the western Prairies expanded enormously. The livestock industry was able to develop. The railways expanded, and we all made money. The West was genuinely developing. We were a powerful influence. But during the 1960s, and more recently during the 1970s, as a result of inflation a massive distortion developed between the grain producing sector of our western econony, the livestock industry and secondary processing.

• (1720)

I have spoken before about the reasons that I believe caused the inflation to take place. It is the result of federal deficits. We simply spent more money than we were taking in from taxing people. Deficits always lead to inflation, which leads to high interest rates, which lead to this huge dislocation and the collapse that our society is having to endure today. As a result of that, the Minister of Transport (Mr. Pepin) instructed Professor Clay Gilson to set up a process to deal with these distortions. Professor Gilson brought together twelve major groups, including the two railways, that are affected by grain transportation in Canada. Some 60 or 70 men have spent thousands of hours and dealt with all of the many issues over weeks. They came up with the Gilson report, the Gilson compromise. Those proposals provided that the grain producers would pay more, 3 per cent for the next three years each year and then 4.5 per cent thereafter. He said the Crow benefit, which is identified at $644.1 million, would be paid on a split, ultimately 81 per cent to the farmers and 19 per cent to the railways. All of this process was staged in, and it had a review process. In my opinion the Gilson proposal was wise and I had intended to support it.

In February, 1983, the Minister of Transport came up with the western transportation initiative. The Minister made compromises on the Gilson report. Farmers would pay 3 per cent in each of the next three years, which would then be increased to 6 per cent. The split between the railways and the farmers was reduced to 50-50 rather than 81-19. But there was a continued review. Then we got into very difficult politics, with the result that a few days ago we had Bill C-155 introduced in the House. Under this Bill grain producers would, in each of the next three years, pay only an additional 3 per cent, but after that they would pay 6 per cent. I agree with my colleague, the Hon. Member for Portage-Marquette (Mr. Mayer) that that will automatically mean an inflation of 6 per cent. I would rather see the Government's picking up the inflation, because when you get right down to it, Mr. Speaker, it is overexpenditure by Parliament that leads to most of the inflation in this country.

When we look at that in conjunction with the fuel taxes which take over $300 million a year from the western farmers, I say to the Minister that if those fuel taxes had not been imposed upon them, the farmers could easily pay this extra Gilson compromise. But you cannot tax both ways.

Why, Sir, does Bill C-155 give 100 per cent to the railways? It seems clear that it is the result of the Quebec caucus becoming involved, becoming alarmed that somehow their interests would become affected. They became alarmed even in the face of a document from the Minister of Agriculture (Mr. Whelan) which showed that there would be no effect upon the farmers of Quebec. Even in the face of advertising in the amount of several hundreds of thousands of dollars across the country to show that it would not affect the Quebec people, this was done. It was going to be enormously helpful to the livestock industry in the West because it could finally start to compete and move into the northwest United States and California. If we could get our livestock south across the border, the benefits would be tremendous. It would bring money into this country by the billions of dollars. The few extra cents which the grain producers would have to pay would be a drop in the bucket. It is a genuine tragedy that the Minister of Transport was unable to convince the Prime Minister (Mr. Trudeau). I understand it was the Prime Minister who finally caved in to the Quebec caucus, and that the Minister of Transport hung in for as long as he possibly could.

It is ironic that 100 per cent of this money will go to the awful railways which the NDP attack. Yet the NDP position is to give the railways $651.6 million every year in contradistinction to giving it to the farmers so they could have freedom of choice. And for the first time in many decades farmers would have the right to shake their fists at the CPR and say "Stick it, CPR, we will ship our grain on trucks." What a great thing that would have been, Mr. Speaker.

Mr. Benjamin: One thousand miles?

Mr. Pepin: Where were you?

Mr. Thacker: On an international scale, Canada is a trading nation. We must be efficient and we must compete. We should always remember the bottom line that over the last decade the United States of America has increased its exports of grain by 500 per cent. Canada, during that same period, has increased its exports by only 50 per cent. Canada is being whipped in the international marketplace. The reason for that is the configuration in the West of railways, branch lines and an elevator system which is designed for the days of the horse and buggy when a horse would have to go only 4.5 miles to the elevator and back and we had to have a point every nine miles. But, Mr. Speaker, we have come beyond that. There are roads out in the West. It may be a surprise to Liberal Members from the East that we actually have roads in the West. In fact, there is a road every mile going west and every two miles when you go from the American border north. That is an amazing thing, but the Liberals probably would not understand that.

We have to change our system, the elevator system, the collection system, the transportation, the terminals, and the cleaning of grain on the Prairies rather than shipping out a whole bunch of dockage. We could have bulk cars. They could come up to inland terminals and never stop, be loaded continuously and go off to ports where they would be unloaded on ships continuously, as is done with coal. If we could get a turnaround time of seven days we would not need half the box cars we have and there would be more profit in the farmers' pockets. The demurrage about which I spoke today would be gone.

Gilson's report was a start. I believe his report was fair, balanced and staged. Then when we swing in nationally we must use the natural advantage of this country. We are few people sitting on vast resources. We have been able to get away with all sorts of absurdities, Government inefficiencies, federally and provincially. But now we are in an international market in which we have to compete. Within our country we should be doing what we do best. Out West we have millions and millions of acres of tremendous land on the Prairies which can be cultivated easily. We have water flowing from the mountains, which would allow us to irrigate and expand our production enormously, and we have grass lands. All of those grass lands along the east slopes of the Rockies and along our river belts are essentially useless, except for the aesthetic joy of looking at them. But we could run cattle over these grass lands. With their unique stomach system, cattle can turn that dry, dusty grass into protein, red meat. It is far more efficient to ship meat because one pound of meat uses up six or seven pounds of grain. It is far easier to send a pound of beef to eastern Canada or California than it is to ship the grain.

The West has a natural advantage. Ontario has other natural advantages, and so does Quebec. If we would as a nation just do what we do best and then ship things back and forth, there is no nation in the world that could touch us because Canada is made up of one-half of 1 per cent of world population but we have the resources of a whole half of a continent. Can you imagine what 24 million Japanese would do with this country, Mr. Speaker?

Our major complaint is Quebec interference. I want to speak to the Minister and to my colleagues from Quebec because I know the positions of these parties. We go back to our western ridings and we support, and stand up and take heat for the bilingual policy so our Quebec friends can feel comfortable in this nation. My son is in a French immersion program. We are doing our very best. We supported Hon. Members from Quebec in the referendum process, but we have constituencies as well. The Minister must realize that the Gilson process was acceptable to a large area of the West, particularly to the livestock industry. Even his proposal of fifty-fifty could be lived with, but when the Quebec caucus came out and publicly said, "You are not going to do it, Mr. Minister, or we will vote against you and you will fall", it had an effect upon us in the West. It made it difficult for us to be federalists. The Minister needs to be sensitive to that issue.

• (1730)

We must ensure competition because railways have been in a monopoly position in the West. We can all tell great stories of injustices at the hands of CPR. If we paid the money to the producer, he would then have the possibility of competing. In

Alberta there has been an enormous amount of research on helium-filled dirigibles and taking the equipment into the North over the muskeg. It could be part of a collection system. It would not be unreasonable to anticipate a pipeline system within the next ten years. This could easily be done. For example, people need water. We could have pipelines to ship grain and water down to California. We could process grain so that we were sending protein rather that what we send. But this Bill enhances the railway monopoly. It is not comprehensive. It is a conspiracy between the NDP and the NFU to support the CPR, by the looks of it.

Mr. Nystrom: Oh, oh!

Mr. Thacker: Well, the NDP wants to pay them. I want to pay the farmer. This Bill increases the cost to pure grain producers. I have sat down with some grain producers in my riding and they have told me honestly and openly that their net profit today is exactly equivalent to the Crow benefit. The price of grain dropped from over $6 per bushel in 1980-81 to $4.63. The costs of production have risen in many cases 150 per cent to 200 per cent. They say, particularly as a result of fuel taxes, that their only net income is the so-called Crow benefit. They tell me that they cannot afford to pay one cent more, and I believe them.

Also this Bill protects the Wheat Pools as an institution. The leaders of the pools, in the best interests of that institution in their judgment, protected the institution. That is fair game. They are entitled to do that, but it was unwise when the pool leaders asked for the support of the Quebec UPA, particularly in the face of the Government document which indicated that there would be no adverse effects in Quebec as a result of changing the Crow. When they did that, they were really unwise because they caused enormous problems in the West with those people who want to fight for the country and want the country to stay together. Although it was done honestly, I think it was unwise. I would never question their integrity or honesty, but it seems the institution of the Wheat Pool has become more important than individual farmers. The Bill will block the rationalization process which is necessary on the western plains so that we as a whole nation can be competitive with the United States, Australia and other countries.

Other Hon. Members have referred to the cap of 31 million tonnes. Clearly that is a disincentive to production on the Prairies. It flies in the face of the agri-food strategy of the Minister of Agriculture. I am anxious to ask him some questions.

Finally, Bill C-155 does not reflect the original process of compromise in the Gilson recommendations. We brought these 60 or 70 groups together. They spent thousands of hours working on and coming up with a compromise. It was just thrown out the window because of politics. That is really a kick. If I were a member of any of those groups, first I would be hurt and then I would be angry. They are the agricultural leaders in the West. Why do we not listen to them? It is the worst of all worlds—we now have an enhanced railway monopoly, no livestock diversification, nothing to help secondary processing and no enhanced competitiveness within or outside the country.

It was indicated as fairly as it could be in the letter from the Alberta Minister of Agriculture and Minister of Economic Development of the Hon. Minister of Transport, in which they set forth in decent language the disincentives vis-à-vis the livestock industry. Therefore I say that we must make changes because this plan, without changes to help the livestock or secondary processing industries, will not help the nation as a whole. We should enable people to compete and get their livestock into the United States market. If that were done, we would have more money and more wealth to redistribute in the nation than we have ever seen.

Some Hon. Members: Hear, hear!

Mr. Lewycky: Mr. Speaker, I would like to ask the Hon. Member for Lethbridge-Foothills (Mr. Thacker) a question. In his speech he indicated that we are being whipped on the international scene. Is the Hon. Member aware, for example, that USDA blames Canada for taking up the slack as a result of the payments to farmers who are reducing their acreage? Is he aware that the United States is complaining about the fact that we are increasing our share in the international market? If he is aware of this and of the payments being made to farmers, how does he propose that Canadian farmers will be able to compete on the international scene? If they have additional payments to make beyond the Crow for the cost of transporting grain, how can they possibly compete?

Mr. Thacker: Mr. Speaker, because in actual fact when the system becomes inefficient the cost of delivering grain to tidewater becomes far greater than the costs of other nations with which we are competing. We have to do everything to make the system efficient. For example, we have to do everything on the farm—and that has been done—and at the elevator system. We know that elevator charges are about $13 per tonne. There could be many efficiencies made there. When it gets on the railway, that is inefficient; when it goes to the terminals, that is inefficient. We need to approach the matter on a broad, comprehensive scale, whereas Bill C-155 attacks it only from a very narrow perspective. We simply have to compete and put our product at tidewater cheaper than any other nation in the world, and Bill C-155 does not do that.

Mr. Pepin: Mr. Speaker, the Hon. Member has given a plausible interpretation of the social, economic and political reasons the agricultural groups of Quebec acted in the way they did, but he has not given us the reason why there was also division in the West. He probably had that part of his speech written on a piece of paper but did not have the time to give it.

Mr. Thacker: Mr. Speaker, there is no doubt that the NFU-NDP alliance has one view. They want to have everything socialized, which we know means nationalized. They honestly believe in state capitalism. They honestly believe that a Cabinet in a small bureaucracy can make decisions which are wise for the whole country. Theirs is a matter of ideology. The

Wheat Pool leaders, honestly and with high integrity, felt that payments to producers would result in their using other services, perhaps private companies like Cargill. In Alberta there are over 40 trucking companies that are licensed to go to the United States. They are just sitting there, ready to go, and they are Canadian companies.

An Hon. Member: Why the United States?

Mr. Thacker: Because, if we could get into the United States, we could take some grain down to Shelby, Montana and send it out to Seattle on the Burlington Northern. That would be true competition for the CPR, and nothing will bring down the CPR rates faster than competition.

I honestly believe that the Wheat Pool leaders felt they were protecting the institution. When we met with them they said that the Gilson proposals would mean that things would happen too quickly and that they needed extra years. In my mind the Gilson task force consideration involved a sufficient number of years. It did not go to 81 per cent of the farmers until 1989. We disagreed on that. Obviously the Minister felt those leaders were wiser than those of us who wanted him to stick to his original position.

• (1740)

Mr. Benjamin: Mr. Speaker, I listened carefully to what the Hon. Member for Lethbridge-Foothills (Mr. Thacker) had to say. I did not like the undertone of some of his remarks. However, I will leave that up to others. He said he thought Gilson did a good job, which included finally paying 81 per cent of the money to the farmers rather than to the railways. Part of that NDP-NFU alliance, which also opposed paying the money to the farmers in favour of paying it to the railways, includes the Saskatchewan and Manitoba Legislatures unanimously and also, I believe, the Hon. Member for Vegreville (Mr. Mazankowski). When are the Hon. Member and his colleagues going to get their act together? Do they or do they not favour making the payments to the railroads rather than the farmers, or do they want to pay it to the farmers rather than the railroads? Which way is it?

By the way, it is not just Quebec. For once farmers right across Canada were united on this issue. The farmers from Quebec joined with the farmers on the Prairies in opposing that particular element of the Gilson report. How does the Hon. Member square that with what his colleague for Vegreville has to say?

Mr. Thacker: Mr. Speaker, the Hon. Member knows that the United Grain Growers was not part of the group that he has talked to.

Mr. Benjamin: I did not say that.

Mr. Thacker: You said farmers. You said that finally all the farmers in Quebec were united with all the farmers in the West. Of course, that is absolutely untrue.

Mr. Benjamin: I didn't say that.

Mr. Thacker: Sure you did. I heard you say it.

Mr. Benjamin: I did not use the word "all".

Mr. Thacker: I do not remember his words exactly. He said that for a change, finally the farmers of Quebec were in agreement with all the farmers in the West. I want him to know that the UGG was not part of that, 57,000 farmers in the UGG. The Prairie Farm Commodity Coalition was not part of it. They represent a lot. All of the livestock producers were not part of it, and they are farmers. The ranchers were not. Then we go to cow-calf producers, and then to the commercial feedlot operators, the hog producers, the meat processors. Does the Hon. Member know that over the last eight to ten years we have lost six major meat processing plants?

This is what goes on in the West. They see the PQ Government in Quebec taking $2.8 billion of equalization money and setting up artificial subsidies in Quebec so that they can buy our calves and bring them to Quebec. They send grain to Thunder Bay under the Crow rate. They get assistance right to their gate. They feed out the livestock and can beat us. If we stuck to our natural advantages, we would insist that livestock should be produced in the West. That is what they see, public money being used to interfere with natural advantages. It makes our farmers angry, and quite properly so.

Mr. Flis: Mr. Speaker, I congratulate the Hon. Member for his very clear position on the method of payment. If I heard him correctly, he said he welcomes payments to the producers. I respect and appreciate that, but this morning we heard from the official critic of his Party, the Hon. Member for Vegreville (Mr. Mazankowski). He recommends that the method of payment be optional. I would like to hear from the Hon. Member whether he supports the position of his colleague on making the method of payment optional or would he still support paying the producers, as he said earlier?

Mr. Thacker: Absolutely, Mr. Speaker, I said that my comments were personal and meant to be frank so that we could have a frank discussion. Personally, I would prefer that 100 per cent go to the producer. The compromise set forth by our official critic is a compromise that I can live with quite happily and go back and sell to my constituents. Contrary to the position of the Hon. Member for Regina West (Mr. Benjamin) and the NDP, we do have differences of views in this Party because we represent different legitimate interests. We are not subsumed by the labour-socialist ideology which makes the NDP Members take that position against the best interests of their people. We have arived at a compromise, and I am happy to live with it.

Mr. Benjamin: Mr. Speaker, one other point the Hon. Member was making was about competitiveness in moving grain by truck to Montana and shipping it to Seattle, which I find kind of strange for a Canadian who feels strongly about Canada to say. Is he aware that with full commercial grain rates, the rail system in the prairie northern United States is in worse condition than ours? They do not have sufficient rolling stock. Those who have to truck grain do so as a last resort to

Seattle, a distance of 900 miles from eastern Montana. Is he aware of all that, even though the American railways and the truckers get the full commercial rates?

Is the Hon. Member saying that Canadian farmers should pay full commercial rates to haul grain, not in Canada but in the United States? Is that what he is saying? He had another alternative, namely dirigibles. I guess every farmer should have his own balloon. As long as we have enough Tories around to provide the hot air to fill them, they will be able to haul grain in hot-air balloons. Surely the Hon. Member cannot be serious in this day and age about that kind of alternative.

Mr. Thacker: Mr. Speaker, the Hon. Member shows a paucity of confusion. I am saying that if we adopt a truly competitive system, people will be free to choose and have the economic strength to do it because it will bring money in their pockets. They will come up with all sorts of ideas. It will be exactly what happened in the 1700s. We finally got away from state capitalism in the forms of kings and monarchs and put the capital into millions of individuals pieces and let individuals make decisions. We created more wealth in this country and in the western world than had been created in the history of mankind. Now we are getting back to state capitalism, except that it is in the form of elected Cabinets. The Hon. Member does not have the vision to imagine what could happen in terms of pipelines, dirigibles or whatever it might be. I used that as an example.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I appreciate the opportunity of participating in this debate because, for the people of western Canada, it is the most important debate in the lifetime of Canada and specifically in their lifetime. This Bill proposes to change radically a historic agreement, the Crowsnest Pass Agreement of 1897, which was enshrined in statute in 1925.

That statutory rate guarantees to the producers of western Canada a freight rate of one-half cent per mile for the movement of certain grains. What the Minister is proposing in this Bill is a very radical change. It is changing a historical agreement, one that the western grain producers have depended upon all their lives.

The Minister said that we should pass this Bill in all its stages by June 30. We are involved in the second reading. There will be committee hearings and then third reading. Why does he want it passed by June 30? He says he wants the new rates to be effective for the next crop year which starts August 1. I wonder how vital it is that this legislation be passed so hurriedly. The rates have been in effect for some 86 years. The railways have not fared too badly until the last few years. At the expense of the Government of Canada or of the grain producers, the railroads were given 15,280 hopper cars. The Government of Canada has indicated that it would supply to them, without cost, an additional 3,840 cars in the years 1982 to 1985. Over the years they have been paid substantial branch line subsidies, all taxpayers' money. The Prairie branch line rehabilitation program has supplied the railways with some $402 million to date. In his announcement, the Minister indicated that another $670 million will be provided for branch line rehabilitation to the end of the decade.

• (1750)

No one argues, Mr. Speaker, that these programs are not necessary, but why the rush? Why does the legislation have to be passed by June 30? Of course, the Minister will argue that all of the interested agricultural organizations have had the opportunity of input into Dr. Gilson's study, and that there is really no need to go into an extensive study about how the Parties feel about the change. I would point out to the Minister that Parliament and parliamentarians were not privy to the Gilson hearings.

The feelings of the participants in the Gilson hearings were far from unanimous. What Dr. Gilson brought down in his report was a compromise, or what he felt was in the best interests of the agricultural community. There was a situation where some favoured the Gilson report and some did not. So what happened? There were rumblings from eastern Canada, particularly from Quebec, so the Minister flew a trial balloon. In February of this year, he went to western Canada and made a big announcement. He called it the western transportation initiative. I point out that he made this announcement in Winnipeg, not in Parliament where it should have been made and where Members of Parliament would have had the opportunity of commenting on it and asking him questions, about it.

In his announcement of his western transportation initiatives, he changed Gilson's recommendation that the railway should receive 19 per cent and the producers should receive 18 per cent. He compromised and said, "Okay, we will make it fifty-fifty because there is some concern." At the same time, he and other Ministers made pronouncements of other massive amounts of money that would be spent throughout Canada. That is bribery. He talked about a $3.7 billion program, and really, if you read the report of the Transport Committee of April 26, 1983, where the Member for Kindersley-Lloydminster (Mr. McKnight), questioned Mr. N. Mulder, the Administrator of Canadian Surface Transportation, Transport Canada, Mr. Mulder admitted that the $3.7 billion that the Minister was talking about would come from the Western Development Fund, money that belonged to western Canadians, money taken from western Canada. The Minister of Transport (Mr. Pepin) and the Minister of Agriculture (Mr. Whelan) stood up and tried to pretend that they were giving western Canada something when what in fact they were doing was giving westerners back their own money, taking it from one pocket and putting it into the other.

Even with this bribery and this promise of all that money, the Minister was still in trouble, so then he tried an $850,000 advertising campaign. He advertised in the newspapers in the East and in the West. He even persuaded the Minister of Agriculture to contribute some $200,000 from the agricultural budget to help him in his advertising campaign. He was supported by "Big Daddy", the Minister of Agriculture, the man with the green hat who is the friend of the farmer. The Minister of Agriculture was out there selling the program as

well. He is the man who took two and a half years to release $9 million of farmers' money to research and who will not consent to dual labelling in metric and Imperial on farm chemicals, despite the fact that the farmers want it. That is the friend of the farmers. He was supporting the Minister of Transport.

So we had an $850,000 advertising program. As I said, it was dishonest advertising because the advertising in Quebec said one thing and it said the reverse in western Canada. The Minister is shaking his head because there was some suggestion that the people who translated the advertisement were in error. Well, I had the French advertisement translated by the official Translation Bureau of the House of Commons and it was there reverse of what was said in western Canada.

Mr. Pepin: It was a lousy translation, that is the truth.

Mr. Neil: I will let the Minister have the translation.

Mr. Pepin: Yes, please.

Mr. Neil: I have a smattering of French, and when he argued about it, I was able to compare the translation with the actual French, and I was satisfied that the translation from the Translation Bureau was correct.

The advertising campaign did not work, so then the Minister was being countered by the Saskatchewan Government and by the Saskatchewan Wheat Pool, and then Quebec M.P.s put on the pressure. He was being pressured, so then he changed his provision and brought in this Bill. He brought in this Bill, and the result is that he is now caught in the squeeze. There is no one that is really happy with him. He has some qualified support, but he has no unanimous support. He has placed himself in an impossible position and he says, "Either pass the Bill by June 30 or we will undoubtedly have to bring in closure".

We must be realistic, Mr. Speaker. When looking at this Bill, we must forget about all the money that has been promised to the East and we must forget about the small amount of money that has been promised to the West, and we must look at the bare bones of the Bill. We must ask ourselves what the issue is. It boils down to this: this Bill is simply a measure that will increase the cost of moving grain that the western producer will pay from one half cent a tonne mile to give times that by 1985-86, and possibly ten times that by 1990.

I suppose the question to be asked now is, should the historic rate be changed to make the producers pay more? There is no question and no argument by the National Farmers Union and the NDP but that the railroads are losing money for transporting grain. There is a question, of course, as to the amount of their loss. The figures of Snavely and the figures of the railways are in question, but there is consensus that the railways are losing money, and I think there is consensus that the railways' loss should be covered.

Now, the question is how should the loss of the railways be covered. I see, Mr. Speaker, that it is six o'clock.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

CANADA POST CORPORATION—COMPETING WITH WEEKLY NEWSPAPERS FOR ADVERTISING REVENUE

Mr. Jack Shields (Athabasca): Mr. Speaker, this evening I should like to elaborate on a very serious matter that I have brought up in the House on two occasions.

The editor of a weekly community newspaper in my riding brought to my attention the fact that postmasters in northern Alberta and in northern Saskatchewan are now soliciting advertising from local businesses. This advertising is then printed in a flyer and given free distribution through the postal system.

Most of the small weekly newspapers, as I am sure all Hon. Members know, depend on local advertisers for their livelihood. These advertisers recognize the very real contribution that the weekly newspaper makes to the community. They also recognize that the newspaper, usually with the same editor, the same publisher and the same reporter, provides an information service to the community.

These community newspapers are now finding themselves under attack from a Crown corporation that has access to the Canadian taxpayer's dollar, as well as the revenues coming to it from the weekly newspapers themselves. These newspapers must use the post office for their wide distribution but the post office is their direct competition.

I cannot think of anything the Government has done through a Crown corporation that is more sinister or unfair than this. Weekly newspapers are run, on the whole, by very dedicated individuals who are committed to the community. In many cases these individuals put everything they have into the newspapers. It is said that these people have ink in their blood and that is why they become involved. They do not get involved to make millions of dollars. I submit they become involved because of real sense of commitment to the community, a real sense of commitment to getting the news to the people in the community. They are often subsidized by local businessmen who appreciate that they are doing a service to the community and who therefore advertise in the weekly newspaper.

The post office, a Crown corporation, has now directed every postmaster in the country to go after the same advertisers. It will create an advertising flyer. In effect it is saying "Advertise with us, it is cheaper. Advertise with us and get free distribution through the mail. Advertise with us and you will get more results." It is taking away the livelihood of the weekly newspaper.

I emphasize again, Mr. Speaker, there is nothing I can think of that is more sinister or unfair than that mighty Crown corporation, Canada Post, using revenue it receives when the community newspaper deposits its papers for delivery to go into competition with that newspaper, on the basis that the

post office will distribute the flyer more cheaply. It is telling the small-businessman that this is the way to save money; "Don't advertise with the local weekly, advertise with us." This is criminal, Mr. Speaker. The House should immediately ask the Minister responsible for Canada Post to inform the President of Canada Post that he should cease and desist this practice immediately, and get out of the business of distributing these flyers.

• (1805)

[*Translation*]

Mr. Carlo Rossi (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, the Member for Athabasca (Mr. Shields) asked the Minister last week why Canada Post was competing directly with small weekly newspapers by selling advertising in flyers to be printed and distributed by the Post Office to all those who receive mail.

The Hon. Member will no doubt recall that two years ago, a bill was passed to create the Canada Post Corporation. The Corporation is now a commercial enterprise, and the Act specifies that "the Corporation, in carrying out its objects, shall have regard to the need to conduct its operations on a self-sustaining financial basis."

It should therefore not come as a surprise that Canada Post and its employees should be attempting to increase revenue by making available to Canadians the various services they are able to offer.

I would therefore like to take a few moments to explain to the Hon. Member how Admail operates and to tell him about the broad range of services Canada Post is offering Canadians, with the co-operation of Canadian commercial enterprises.

Mr. Speaker, commercial enterprises have been advertising their products and services through the mail for many years. Well before the existence of numerous small and larger newspapers, enterprising businessmen had started to use the mail to advertise their products.

Through the mail order system, considered the best way to sell a product, it is possible to eliminate the complex distribution process that is necessary for retail sales of mass-produced goods. For instance, the nicest layout is no longer needed in order to compete. At all stages—production, inventory planning and control, distribution, marketing, and so forth—the process relies entirely on direct communications with the customer.

Similarly, in the marketing of services, such as insurance, for instance, the firm benefits from Admail's profitability because it does not have to pay the high cost of personal visits. Admail does increase profitability, since unprofitable customers may be eliminated and efforts concentrated on personalized sales to people who reply to invitations to write for further information and therefore appear to be willing to buy.

When considered as a major marketing tool, there is no limit to the use that may be made of Admail. Its applications are limited only by its users' imagination and innovative spirit. The same basic business requirements apply to Admail: a marketable product and a market. Admail is simply an advertising tool through which the product can be sold and marketed.

As an advertising media, and I shall be brief on this, Admail plays the vital role of a channel through which advertisers may communicate or circulate their advertising. The mail reaches people directly and allows advertisers to choose among Admail's various applications.

To conclude, Mr. Speaker, the postmaster who sells Admail and his employer's other goods and services, deserves commendation rather than blame. He is a modern, aggressive, entrepreneurial businessman. In so doing, he contributes to the success of the corporation that performs an essential services for the benefit of all Canadians.

• (1810)

[*English*]

AGRICULTURE—REQUEST FOR DUAL MEASUREMENT LABELLING OF FARM CHEMICALS. (B) REQUEST THAT DISCUSSIONS BE HELD WITH FARM ORGANIZATIONS

Mr. Doug Neil (Moose Jaw): Mr. Speaker, several years ago the Government forced manufacturers of farm chemicals to discontinue labelling their chemicals in imperial measure and to label them in metric only. The result of this, Mr. Speaker, has been confusion, because spraying equipment, as most farmers know, is built to imperial standards. A farmer who has a can of chemical which is coded in metric has to go through a complicated series of calculations to determine the correct measure of chemicals which he applies to his crop. Errors do arise, Mr. Speaker, many errors, and the damage to crops is very costly.

In a *Globe and Mail* article on December 22 the Ontario Federation of Agriculture is reported as having asked the Province of Ontario to give both imperial measures and metric measures in its chemical use guides. I understand that subsequent to that the Ontario Federation of Agriculture made representations to the Minister of Agriculture (Mr. Whelan), who apparently has turned a deaf ear.

It is interesting to note that a chap by the name of Donald Crowe of Walleceburg reported in the December 22 issue of *The Globe and Mail* that he almost lost his oat crop because he and a provincial researcher had not accurately converted the amount of pesticides from litres per hectare to gallons per acre. They were about to put two and a half times the proper mixture on the crop. Had it not been for someone from the research station phoning out, they would have destroyed the crop.

Last Friday, Mr. Speaker, I asked the Minister of Agriculture a followup question to one I had asked him several months ago. The original question was whether or not, based on representations from the Ontario Federation of Agriculture,

Members of the Opposition, and others, would he discuss with the Minister in charge of metric the feasibility of changing the regulations to allow labelling in both metric and imperial. I received a very convoluted answer to the first question. I received a similar convoluted answer to the question I asked last Friday. This is not uncommon of the Minister of Agriculture who maintains he is a friend of the farmers, but certainly does not display his friendliness to the farmers when he ignores such a simple matter as a change in regulations to allow dual labelling. The Minister ended up by saying that the Hon. Member would like to drag us back to the 18th century, or something like that. That is quite an answer from the Minister to such a very serious question.

I would like the Minister to tell me what is wrong with dual labelling, metric and imperial? What harm would it do? It is a simple matter, and it is what the farmers want. It is causing damage because of errors in calculations. The chemical companies are very happy to label in both metric and imperial, but the Minister says no. He is the Minister of Agriculture, the Minister who is charged with looking after the farmers' interests. There is nothing wrong with bilingual labelling but apparently there is something wrong with dual labelling in metric and Imperial.

• (1815)

I would be interested to hear the Parliamentary Secretary explain to me and not only the farmers of Ontario, but of Canada, what is wrong or what damage could be caused by dual labelling. With dual labelling those young people who understand metric could use metric, and those older people who do not understand metric and have used Imperial for many years could continue to use Imperial without having to use a calculator to go through the complicated procedure of converting metric measurement to Imperial. It is as simple as that. I would like to hear an answer to that question from the Member who is responding.

Mr. Maurice Bossy (Parliamentary Secretary to Secretary of State): Mr. Speaker, it is a pleasure to respond to the Hon. Member for Moose Jaw (Mr. Neil). I must say that I am sure the Hon. Member recognizes that the Hon. Minister of Agriculture (Mr. Whelan) is likely the most sensitive man to the needs of the farmer of anyone in Canada.

The conversion of pesticides to metric was undertaken only after broad consultation and discussion. All industries and representatives of the various agricultural and food system organizations involved in the National Metric Conversion Program stressed that once the metric system was adopted only metric terms should be used.

The Government cannot support any initiative that will undermine metric conversion. Favourable experience in other parts of the world supported the decision to pursue a hard conversion, an approach that has received broad support in many conversion programs.

In order to bring about uniform conversion with minimum disruption, the Department of Agriculture has produced a standard set of metric conversion tables for pesticides and a series of pamphlets dealing with the particular metric terminology used in various crop production programs.

Mr. Neil: They were wrong last year.

Mr. Bossy: The Minister and his Department believe that this effort has been successful and feel that any disruption is now largely behind us.

Provincial agricultural departments and agricultural pesticide companies also have extensive programs to assist the farmer in dealing with the use of metric labelled pesticides.

Since 1979, federal and provincial Governments have been involved in an ongoing educational and public awareness program. These efforts seem to be producing results. A case in point is that a series of tests were run at evening classes in Manitoba in February of 1981 to determine whether farmers could undertake the calculations required for spraying, using both Imperial and metric systems. Interestingly enough, the rate of error was much higher when calculations were done in Imperial units.

The Government appreciates that any change-over period and learning process is trying, perhaps particularly for farmers who use a varied range of measurements in their daily lives. Farmers in Britain, Australia and New Zealand have found that the advantages of metric far outweigh any temporary irritation. I think the same is true of our Canadian producers.

I hope I have been able to explain why continued use of only metric terminology is a must. Indeed, if we were to revert to a system of dual labelling, I would have to view it as a backward step.

• (1820)

RAILWAYS—CROWSNEST PASS RATE—RESOLUTIONS OF LEGISLATURES OPPOSING PROPOSED CHANGES. (B) JUSTIFICATION FOR MINISTER'S POSITION. (C) RAIL LINE ABANDONMENT POLICY

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, on April 27 I asked the Minister some questions concerning the consensus in the West with regard to changing the Crow rate which the Prime Minister (Mr. Trudeau) had said would be essential before he would touch the Crow rate. I received a rather cryptic response from the Minister, indicating that he was aware of it. But his awareness did not seem to translate into any kind of action. There seems to be a dichotomy between his head knowledge and his ability to respond to it.

I wish to draw the attention of the Parliamentary Secretary to the Minister of Transport (Mr. Flis) to the fact that there were two resolutions passed in provincial legislatures. One was passed on March 15, 1983, by the Manitoba legislature, which consists of Conservative and New Democratic Party Members. A similar resolution was passed on February 22, 1983 by the Saskatchewan legislature, which consists of Conservative Party and New Democratic Party Members.

There have also been hearings in the Province of Manitoba; the agricultural committee, which consists of Members of all

political Parties in Manitoba, has been travelling around that Province. Of course there are no Liberal Members on that particular committee. That is understandable because there are no Liberal Members in the Manitoba legislature. That is also understandable because they are not really in tune with the needs of farmers in the West. It was interesting that people from the Liberal Party made presentations and voiced their opposition to the Government action at these hearings. We heard also from people who were supporters of the Conservative Party, and supporters of the New Democratic Party as well.

I have seen solidarity in the West on the position. I know the Parliamentary Secretary is very concerned about solidarity in Poland, as he often discusses it with me. I hasten to add that he is very concerned about solidarity and consensus and wants to pull the sliver out of the eye of the Communist Party in Poland, but he cannot seem to see the beam in solidarity at home. This is the solidarity which I want to impress upon the Government. I just wonder why it is not responding to the feeling of consensus in the West. The response of the Minister was very inadequate. I hope I will receive a more adequate response from the Parliamentary Secretary today.

At least nine objections were included in the Manitoba resolution concerning the policy of the Minister of Transport (Mr. Pepin). I want to mention these for the edification of the Parliamentary Secretary. First, it was indicated that this particular proposal did not recognize the principle of statutory rates for grain. It did not provide cost protection for farmers. It did not recognize that grain must be sold in a competitive international market. It did not remove the distortion in rates by including all prairie crops and their products under the new structure. It did not deal with unacceptably high taxation levels and farm input costs such as fuel. It did not provide sufficient performance guarantees for future growth and development of all facets of prairie agriculture. It prescribed an unacceptable limit of 31.1 million tonnes for subsidized shipment. It provided central Canada with further artificial processing and livestock incentives. It is not supported by a consensus of western Canadians. At least nine concerns were indicated in that resolution.

Farmers in my area will be hit very badly because they will have to pay higher freight rates to move their grain. This will definitely have an impact upon their ability to stay in business. Bankruptcies have already increased greatly in the farming community.

In the second part of my question to the Minister I dealt with rail line abandonment. I tried to point out to the Minister as recently as during today's Question Period that the western arm of the CTC has made some 17 decisions for Manitoba. I am very distraught as not one of them has been in favour of the producer. What is the problem? Looking at some 63 decisions that have been made in the West, only nine were in favour of the producers. In other words, nine of those decisions were against applications by the CNR or CPR for abandonment. Nine out of 63 is one out of seven, which is 14 per cent. I know the Parliamentary Secretary used to be a school principal. He is a very honest man, a man of integrity. I could not see him passing one of his students at 14 per cent and saying the student was doing a great job. This is exactly the type of policy we get from the Government of Canada.

• (1825)

I have these concerns because there are many situations unique to constituencies like mine.

I see, Mr. Speaker, that you are indicating I should wind down. In closing, I want to say that the alternatives are well nigh impossible in my area. To close an elevator and a line at Amaranth means that people will have to cross the Grass River bog. There is no way they can take their trucks there. This week a bridge has been out of operation on that particular line on the Oakland subdivision at Mile 12.3. This has completely paralyzed the entire grain movement in that area. CN has not been able to do anything about it, and we keep getting phone calls in our area. Just imagine what would happen if they had to normally go across that bog.

I trust that the Parliamentary Secretary will have some satisfactory answers other than the cryptic responses I have received from the Minister of Transport (Mr. Pepin) which I characterized as hammer and sickle responses. I trust that the Parliamentary Secretary will recognize this solidarity in the West.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Hon. Member and I have debated this topic on many occasions, when he gives me a lift to the airport and while we are waiting for planes. I welcome the opportunity to debate this subject with him further in this chamber. Unfortunately, I am at a bit of a disadvantage because he gets seven minutes and I get three.

The Minister's cryptic answer was probably motivated by the Hon. Member's preoccupation with the double whammy he was trying to put on him, trying to combine abolishing the Crow and the abandonment of branch lines. From today's debate on Bill C-155, the Hon. Member must realize that the opinion is far from unanimous on what to do about the Crow rate. Clearly there was no solidarity today in this Chamber with regard to this Bill.

The Minister to Transport (Mr. Pepin) quoted at length from prominent westerners who called for change to the Crow. The Hon. Member for Vegreville (Mr. Mazankowski), a very distinguished Member of this House, said something to the effect that major western farm organizations favoured an increase in the Crow rate. In fact, it seems only the NDP is against a change in the rate, so the Hon. Member's first whammy is at best only half a whammy.

What about the second whammy, the abandonment of branch lines? As the Minister pointed out, we still have the vast majority of branch lines we had at the peak of the rail system back in the 1930s. Over 80 per cent not only still exist, but are guaranteed in the basic network to the year 2000.

The process of abandonment has to be one of the fairest in existence. The Canadian Transport Commission holds hear-

ings whenever objections are raised. The Hon. Member complained during Question Period today that this process is a three-ring circus. Would he prefer that the CTC abandon all hearings, that we not have any hearings through the CTC? Furthermore, decisions of the CTC are always appealable, first to the CTC's own review committee and ultimately through the Governor in Council. Abandonments are often delayed for years after the railways have requested them, giving the local community time to adjust to the loss of the branch line. Therefore, the Hon. Member's double whammy is not much of a whammy at all.

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

At 6.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, May 13, 1983

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

SCIENCE AND TECHNOLOGY

IMPLICATIONS OF FUTURE WORK HABITS

Mr. Scott Fennell (Ontario): Madam Speaker, as new technologies advance, Canadians will be working fewer hours and shorter work weeks. The most significant result of this development is the time not spent at a regular job when people individually and collectively can create new technologies that will develop our basic industries and natural resources.

Canadians can exploit their traditional image as hewers of wood and drawers of water. We can, for example, advance new technologies for growing trees, producing higher volumes of grain, and cleaning up our great resources of water.

Someone once said to me that he can imagine a time when he will work three days a week. He will be able to devote over 50 per cent of his time to his own interests, and yet retain the same basic income and maintain his standard of living.

Imagine the benefit to this country from people with new ideas and new concepts. It will be very exciting, but we have to identify what people are going to do with their time.

There is potential for an exciting future, but unless it is properly planned it could be disastrous. Canadians will have to change their way of life so that the time not spent at a regular job is less passive and more structured and productive to provide self fulfillment. Canadians can become a creative society.

And so I ask the Government today to ensure this creative future for us and recognize and study ways to deal with the social implications that will arise from the new technologies.

* * *

METRIC CONVERSION

DENIAL OF VOLUNTARY CHOICE—SIZE OF COMMISSION'S BUDGET

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, on the page opposite the editorial page of today's *Globe and Mail* is an article by one of this nation's most illustrious barristers, Mr. Morris Shumiatcher of Saskatchewan. His article is entitled, "Going Down the Drain with Metric", and its thrust is that the decimal system is far less practical for everyday use than is the duo-decimal system that was the free and voluntary choice of the people of Canada before this Government, with its mania for controlling people and things, stepped in.

The lead editorial in today's *Toronto Sun* is on the same theme. Amongst others, it makes the point that, while the U.K. and the U.S. have abandoned their metric commissions, ours has gone from having a budget of $44,000 a year to spending some $32 million annually. Mind you, it does serve to provide employment for 20 commissioners, 19 of whom are "Liberal hacks".

That this issue is so alive after these many years of Liberal pressure and propaganda speaks volumes about how deeply Canadians still feel, not only about the practicality of the metric system but about the Government's tactics in forcing its adoption. When will the Government admit that on this issue above all others it has misread both the requirement and the public will? Metric must be voluntary.

* * *

TRADE UNIONS

CALL FOR FREEDOM IN POLAND

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, the Government of Canada is surely aware that in Poland Mr. Lech Walesa and nine other unionists representing a majority of Polish workers sent a letter this week to their Government calling for the release of those convicted for union activity and political beliefs, and reinstatement of persons fired for union work or membership.

The union leaders pointed out that "disregarding the will of society can profit neither the Government nor society". The letter further noted that "re-establishment of union freedom is one of the indispensable elements of a much desired and genuine national agreement".

The New Democratic Party urges the Government of Canada to voice its support for the re-establishment of free trade unions in Poland, in the strongest terms possible, and actively to seek unanimous support at the International Labour Organization to be held in Geneva at the beginning of June.

S.O. 21

PARLIAMENTARY REFORM

PROCEDURES APPLICABLE TO CONFIDENCE AND NON-CONFIDENCE MOTIONS

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, a curious anomaly exists in Parliamentary procedure. Not infrequently a Member of Parliament must vote along with other Members of his or her Party on a resolution which he or she favours but which he or she must oppose on the grounds that the vote is a confidence vote. Voting against it would defeat the Party.

The rational question is: why must there be a separation of voting in Parliament into two broad categories, confidence votes and non-confidence votes? The parliamentary rules indicate that all expenditures of money are considered confidence votes, as are resolutions arising out of the Throne Speech. As for non-confidence votes, these include motions in Private Members Bills and Bills proposed by the Opposition on so-called Opposition days. However, each year the Opposition may declare not more than two of these motions as confidence motions. Accordingly the Government in power must vote against these motions whether it agrees or disagrees with them.

It is little wonder that the general public labels politicians as primarily interested in maintaining themselves elected or ensuring future election, rather than supporting enlightened and constructive legislation.

• (1110)

I feel that the rationale for having these two broad categories of motions should be discussed in some detail before the Committee on Parliamentary Reform for clarification and possible revision.

* * *

CHARTER OF RIGHTS

APPLICATION TO UNBORN INFANTS

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, Dr. Jerome Lejeune, professor of fundamental genetics at the University of Paris, and a world reknowned authority in this field, has stated unequivocally that life begins at conception, that there is no diversity among his fellow scientists as to the truth of this statement, and that they are at a loss to understand the continual controversy regarding this matter.

The Charter of Rights and Freedoms as it is now constituted does not recognize and does not apply to the fetus or the unborn as a living person. This is one of the reasons, Madam Speaker, that I and 23 other Members of Parliament voted against the amended Constitution and the Charter of Rights and Freedoms. Section 7 of the Charter gives everyone the right to life, liberty, security of the person, and the right not to be deprived of the same except by due process of the law. This right must also apply to the living unborn fetus because such persons are obviously not in a position to speak for themselves. It is up to us to speak on their behalf to save and protect their lives.

Therefore, I call upon the Government to correct this monstrous inequity in the Charter of Rights and Freedoms by making the necessary changes and thus eliminate the wilful slaughter and murder of some 60,000 to 80,000 Canadians every year across Canada.

* * *

WESTERN GRAIN TRANSPORTATION ACT

DISADVANTAGES TO WESTERN HOG INDUSTRY

Mr. Gordon Taylor (Bow River): Madam Speaker, this is the relevant part of a telegram from a constituent:

—our business is pig breeding. We are proud of our western Canadian base and of our accomplishments as a world exporter of breeding stock and a major supplier to the industry in western Canada. We now face legislation which threatens our future. We see the impact so great so as to have us consider moving our base to a location favoured with a better future freer of political interference.

—concerning the Crow question we totally oppose the capitulation to Quebec as aided and abetted by the wheat pool bureaucrats. We fully support the 67,000 farmer commodity coalition position that Gilson compromise be adopted completely.

We feel the Pepin proposal of 50 per cent to producers, 50 per cent to the railroads with a review is absolutely the furthest we can afford to go.

The current legislation before Parliament will cost our own operations $217,000 in direct feed cost disadvantage each year. This type of distortion over time will reduce and then eliminate our customers and industry and us with them.

—secure a future for diversified agriculture in western Canada. Failure to get amendments will mean the sentencing of western agriculture to primary grain production, marketing its grain through an inefficient handling system reliant on subsidies to compete in world markets.

Bill C-155 unless amended, will impair and perhaps destroy the hog industry—

Madam Speaker: Order, please. The Hon. Member for Simcoe North (Mr. Lewis).

* * *

INCOME TAX

COMPLICATED NATURE OF TAX RETURN FORMS

Mr. Doug Lewis (Simcoe North): Madam Speaker, it is becoming more and more obvious that the Income Tax Act and the forms are far too complicated for the average Canadian to understand. In 1979, 43 per cent of the returns submitted were revised by the Income Tax Department. In 1980 that figure grew to 45 per cent, and in 1981 it was 46 per cent. When almost half of the returns submitted have to be revised by the Income Tax Department, it is an indication that the form is too complicated.

In addition, I would point out to the House that the federal Government sends refunds to 11 million Canadians each year. That is 75 per cent of Canadians who submitted returns. Clearly, the income tax tables are adjusted and weighted in favour of the federal Government. I suggest to the House that

the Government should look into this. First, why the form not be simplified and, second, why is the federal Government charging 75 per cent of Canadians too much income tax as a result of the income tax tables?

* * *

HOUSE OF COMMONS

ABSENCE OF MINISTERS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I rise to express concern about the absence of some crucial Ministers. In fact there are now 36 Ministers in the cabinet. I had some questions for the Prime Minister (Mr. Trudeau) on an international matter.

Mr. Nielsen: There are only five Ministers here now.

Mr. Broadbent: The Prime Minister is not here. The Secretary of State for External Affairs (Mr. MacEachen) is not here. Then I had a question for the Minister of Finance (Mr. Lalonde). He is not here. The Minister of Industry, Trade and Commerce (Mr. Lumley) is not here. The Minister of Employment and Immigration (Mr. Axworthy) is not here. The Minister of State for International Trade (Mr. Regan) is not here, nor is the Minister of National Defence (Mr. Lamontagne). I have named over a half a dozen Ministers with whom we intended to raise questions.

The point is not, of course, that every day Ministers should be here. We understand they have obligations. But there are 36 Members of Cabinet and there are only seven present in the House this morning. That is not acceptable in terms of a Ministry which has a sense of responsibility to the people of Canada.

• (1115)

I conclude with the observation that it is Friday the thirteenth. That is normally a day when bad things happen. Normally we are not pleased with the answers we receive, but we do not think this is an appropriate response even for a Liberal Cabinet on Friday the thirteenth.

ORAL QUESTION PERIOD

[*English*]

AIR CANADA

SELECTION OF MONTREAL HEADQUARTERS—ROYAL CANADIAN MOUNTED POLICE INVESTIGATION

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Minister of Transport. In view of the Minister's non-answers yesterday about the criminal investigation into the activities of the Chairman of Air Canada, and in view of the amazing nonchalance of the Prime Minister in allowing his friend to continue in office pending the outcome of the investigation, could the Minister tell the House that the investigation involves allegations that the Chairman of Air Canada fraudulently conspired with Montreal developers Isaac Gelber, Bernard St. Jacques and Pierre Jolicœur to receive secret kickbacks of $3.6 million in the relocation of Air Canada's headquarters in Montreal, contrary to Section 423(1(d) and 338(1) of the Criminal Code?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the answer has been given now at least 15 times. My hon. friend would probably like the Minister of Justice or me to say something and then he could interpret it as a guilt accusation on our part of the Chairman of Air Canada. He is a lawyer. I think he respects that no one is guilty without having been charged with anything. There is no presumption of guilt in our system of law. I suggest that anything I could have said in the past or could say now could be interpreted as that. Consequently, the position of the Government all through this—and I dislike it as much as my hon. friend in terms of not yet having the report of the RCMP—has been not to talk about it. I have referred to it so many times that I am even bored with it myself.

Mr. Nowlan: I appreciate part of the Minister's answer. He is quite right; this is a delicate matter which can be distasteful.

MINISTER'S TELEPHONE CALL TO CHAIRMAN

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, this is not an ordinary situation of a Canadian citizen being investigated. This is a public official of a Crown corporation who is still continuing in office, even though a policeman on the beat who is under investigation in any type of affair is suspended until the investigation is completed.

I find it intolerable that the Minister or the Minister of Justice, inside or outside the House, has not made a statement about the investigation, as to when it started, its status, and when it will be concluded, notwithstanding the fact that this Minister in early December, according to his answer in *Hansard* on December 20, 1982, telephoned the Chairman of Air Canada to warn him about the criminal investigation long before the RCMP raided the Chairman's offices and home. In view of that fact, could the Minister tell the House what he told the Chairman when he telephoned him to warn him about the investigation? Is it not really a double standard of justice, to warn someone under criminal investigation? Is that what happens to other citizens?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, it is precisely because there is not a double standard of justice that we are not able to answer my hon. friend's question. The rule of law, as he ought to know, applies equally to everyone. What he is trying to do is to establish selective standards for the rule of law so that in those cases where he wants more information he would have it. That is not the tradition of this country and I hope it never will be. I am sorry my hon. friend cannot live up to our traditions.

Mr. Nowlan: I do not have to take any lectures on political or legal morality from the Minister of Justice at all, especially when the Government seems to be more concerned about protecting the reputation of its political friend than the reputation of Air Canada, which will have a stain and a cloud over it as long as this matter remains undefined.

REASON FOR CALL

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, since the Minister of Justice gave a little longer answer than he usually does, does he consider it part of the normal procedures of justice that a Minister of Transport telephones the Chairman in early December to warn him that he is under criminal investigation, long before the police have had a chance to raid the office and find the documents which are part of the subject of investigation? What kind of double standard is that?

• (1120)

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I understand, with respect to the small matter that my hon. friend raised about the telephone call, that the call of the Minister of Transport was authorized by the investigating body, the RCMP. He obviously does need a lecture. He obviously does not undersand our traditions or he would not get up here, day after day, in a manner in which he knows would be contrary to all our traditions in this country to answer. He should understand that. He should give some consideration to his role as a Member of Parliament.

Madam Speaker: The Hon. Member for Ontario.

Mr. Fennell: Madam Speaker, further to the remarks made by the Hon. Member for Oshawa, I was going to address a question to the Minister of Industry, Trade and Commerce who, I understand, will be in the House some time later today. Therefore I would like to defer my question until then.

Madam Speaker: How many times do I have to say that if Hon. Members do not want to ask their question at a particular time, the only thing they need to is not rise and I will not recognize them? If they rise, I assume they want to ask a question. It takes a lot of time to say, "I cannot ask a question because the Minister is not here."

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CROWN CORPORATIONS

CANADA LANDS MIRABEL LIMITED—ORDER IN COUNCIL DEALING WITH OFFICIALS' SALARIES

Hon. Bill Jarvis (Perth): Madam Speaker, my question is addressed to the Minister of Public Works. Earlier in the week he attempted to answer questions with regard to Canada Lands Mirabel Limited wherein it is suspected that, by virtue of Order in Council and application to Treasury Board, through job reclassification certain people were able to avoid the six and five restraint on salary raises. On Tuesday last the Minister was asked why an original Order in Council was revoked just two days after the issue was raised in the House of Commons, and replaced by a subsequent Order in Council dealing with the same matter. He failed to answer that on Tuesday. I wonder whether he would take this opportunity to do so.

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, perhaps I can assist the Hon. Member. The Order in Council first issued did not make clear that the Order in Council was being issued pursuant to Section 16 of the Public Service Compensation Restraint Act and was being published because the compensation plan in question conformed to the requirements of the six and five program, and that the directors of the Canada Lands Corporation had stipulated in writing that that compensation plan, conforming as it did to the six and five program, would not be changed during the life of the program. We simply wanted to make that clear to avoid the kind of misunderstanding which my hon. friend is trying to clear up, and I appreciate his question in that regard.

REQUEST THAT SALARY SCALE BE FILED

Hon. Bill Jarvis (Perth): Madam Speaker, it will be a great day for clearing up misunderstandings, because it is a natural suspicion that reclassification is done deliberately to avoid six and five and to favour those in the higher income brackets and not those in the lower-income brackets. In order to avoid that and to clear up any misunderstanding or suspicion, and I direct this to either Minister who is capable of answering, would they file the salaries of those involved in the Crown corporation, Canada Lands Mirabel Limited, before the initiation of the six and five program, and file the salaries that presently exist today? That would clear up any misunderstanding whatsoever.

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I will be very happy to consult with my hon. friend, the Minister responsible on this. I should point out that the compensation plan in question and the reclassification system were under discussion at the time the six and five law was passed.

Some Hon. Members: Oh, oh!

Mr. Gray: In order to go into effect, the increase that would have ordinarily been permitted under the Public Service Compensation Restraint Act, as I recall it, was actually somewhat less than 6 per cent, but I would be very happy to consult the responsible Minister so that we can provide further details and provide the reassurance which, quite properly, my hon. friend is seeking.

NUCLEAR ARMAMENTS

LAUNCHING OF INFORMATION PROGRAM ON CRUISE MISSILE TESTING

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, in the absence of the Minister of National Defence and the Prime Minister, I will direct my question to the Parliamentary Secretary to the Minister of National Defence.

• (1125)

Yesterday we learned that the Department of National Defence has decided to mount an information program headed by an official from NATO headquarters in Brussels, which will include a 40 minute slide show and a resource kit for speakers, that is designed to convince Canadians of the Government's wisdom in testing the air launched Cruise missile in Canada, a program that the Minister admitted yesterday in committee would be biased. Can the Parliamentary Secretary to the Minister of National Defence tell the House on what basis the Government decided that such a program would be necessary, and can he give us an idea of what this program would cost?

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, I might answer the Hon. Member in this way. The subject of nuclear warfare is a very complex one, and using nuclear weapons as a deterrent requires a very profound knowledge of situations leading to the present conditions. I believe that this kind of information has not been adequately presented to the Canadian public. If anything, it has been biased on the side of those who feel that this deterrent mounted by NATO is proliferating the arms race and is, in a way, contributing to the insecurity of the country. It is therefore, very important in order to achieve a balance that the Department of National Defence place the complexities of the issue on the table and allow the public to make a decision. I feel that what we have been seeing in the press has been biased toward downplaying the goal of the Department of National Defence, which is to create peace on the basis of using deterrence. As far as the—

Madam Speaker: Order, please.

USE OF TAXPAYERS' MONEY FOR PROGRAM

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I direct my supplementary question to the same Parliamentary Secretary. I find it surprising that the Government can commit money to a program that it has admitted it has not agreed to as yet. I would also like to point out that the umbrella agreement clearly states that the United States shall bear all costs and expenditures incurred in the Test and Evaluation program. Will the Parliamentary Secretary to the Minister of National Defence tell us whether that commitment applies to the information program? Specifically, will he assure us that no Canadian taxpayers' money will be spent on this program that is designed to sell an American weapons system?

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, I think that there are two components to that question. One is that undoubtedly the costs that will be incurred in maintaining and carrying out the test will certainly be the responsibility of the American Government. The cost of informing the public as to the complexities and problems associated with nuclear warfare will be borne by the budget of the Department of National Defence. I might inform the Hon. Member that no advertising company has been hired and no extra facilities are being used. The cost of spreading this information that will create a balance in the country will be borne completely within the budget of the Department of National Defence.

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PETRO-CANADA

EXPLORATION FOR CHINESE OFFSHORE OIL RESOURCES

Mr. Jack Shields (Athabasca): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. The other day, Bill Hopper, the President of Petro-Canada, our state-owned oil company, stated that one of the reasons Petro-Canada was involved in spending Canadian taxpayer dollars developing offshore oil resources off mainland China was that Petro-Canada hoped to access oil that it may find off mainland China to Canada because Canada is still importing oil. Is it the mandate of Petro-Canada to reach oil self-sufficiency in Canada by developing China's offshore oil reserves?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, as I explained the other day, Petro-Canada has been invited, along with 45 other companies from around the world, to bid on the prospect lands off the coast of China. It would be a good commercial proposition for Petro-Canada. One of the possible benefits would be that it would be possible, if they find oil and if we in Canada need oil, to import that oil into Canada.

Happily, we are at this time self-sufficient in Canada because we produce as much oil as we consume, but we must be prudent about the future. Because we were invited by China to participate, and because of the commercial relations that specifically western Canada has with China, it was important for us to accept the offer of the Government of China. If a Canadian corporation is in a position to export Canadian technology and improve the commercial relations that Canada has with China, every Member of this House, expecially those from western Canada, should be happy about that.

• (1130)

Mr. Shields: Madam Speaker, it is good to see that Petro-Canada is going to make China oil self-sufficient with Canadian taxpayers' dollars.

WITHDRAWAL FROM ALBERTA OIL SANDS PROJECT

Mr. Jack Shields (Athabasca): Madam Speaker, I should like to ask the Minister of Energy, Mines and Resources why Petro-Canada is removing itself from the oil sands project in Fort McMurray and northeastern Alberta? Why is it in the doldrums in the Beaufort Sea? Why is it not moving into the offshore of Newfoundland and developing our own oil, for God's sake? I cannot understand the Minister.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, as usual the Hon. Member thinks that when he speaks very loudly we will listen more attentively. I have to tell him that Petro-Canada is involved in projects in Canada; it is involved in projects in the North; it is involved off the coast of Nova Scotia and Newfoundland, and it is involved in some other projects in Alberta. I hope to be in a position to make some announcements about it.

I am glad the Hon. Member knows there is a role for Petro-Canada in Canada. It is playing a big role. Often some of his friends tell me that there should be no Petro-Canada, but today I am happy to see that the Hon. Member wants even more involvement by Petro-Canada in Canada.

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PUBLIC WORKS

COST OF FEDERAL OFFICE BUILDING IN HALIFAX

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I have a question for the Minister of Public Works that is almost as farcical as that last answer. Early last week the Minister of State for International Trade announced the construction of a $52 million federal Government office building in Halifax. The regional director of Public Works has said that the $52 million will in fact be $5 million. Can the Minister tell us which of those figures is correct?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, the Hon. Member qualified his question as being farcical. That is for him to decide.

I know that the program to put a major building in Halifax is well beyond $5 million. It is a very important construction. It will enhance Halifax and strengthen it as a place where a lot of decentralization of this Government has taken place. I hope the Hon. Member is not complaining that his area, metropolitan Halifax, will benefit from a major asset which is a good, new federal building.

Mr. Forrestall: Madam Speaker, I am objecting to the construction of a $52 million office building on the waterfront of Halifax.

NEED FOR HOSPITAL PROJECT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I wonder if the Minister could be more explicit. He says the building will cost much more than $5 billion. His colleague has said it will cost $52 million. This is proposed at a time when we need fast tracking, as he has described it, to get such massive construction programs off the ground quickly in order to put people to work. Would the Minister not feel that it would be more speedy and more appropriate, for example, to consider putting that money into the Camphill hospital project and get that off the ground, so that it could go ahead immediately and provide much needed medical services for Nova Scotians, and very particularly for Canadian veterans?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I do not think it is for me to determine the priorities between two Departments in terms of their needs.

I suspect that the confusion between the figures in the Hon. Member's question, of $5 million and $52 million, may come from the fact that this is intended to be a lease-purchase which is to trigger the use of private sector money. The federal Government would rent from the private sector. That is the approach, and may account for the difference between the $5 million and $52 million. This is a major project, and the figure of $52 million does not appear to me to be very far from the facts.

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CANADIAN DAIRY COMMISSION

ALLOCATION OF MILK QUOTAS IN ALBERTA

Hon. Don Mazankowski (Vegreville): Madam Speaker, I should like to direct a question to the Minister of Agriculture. In late January I drew the Minister's attention to the serious problems affecting the dairy producers of Alberta who had lost their market quota and were facing very serious consequences. At the present time in Alberta some 400 to 500 producers out of a total of 1,800 are without quota. In January the Minister said that if we could demonstrate that there were cases of severe hardship he would take some action. Since the position has deteriorated further, is the Minister now prepared to take action to alleviate this problem?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member knows full well that I deal with the Canadian Dairy Commission. I report to the House on what the Canadian Dairy Commission does. He knows that the operation of the Canadian Dairy Commission is conducted by the dairy farmers of Canada themselves. They decide how the natural quota will be divided and how cutbacks will take place in an equitable fashion all across the country.

Dairy farmers in Alberta are not being treated differently from dairy farmers in any other part of Canada. Quotas are being administered by farmers themselves, not by me. If there are 500 dairy farmers in Alberta without quota I have not been informed of that. It is news to me that there are 500 without quota. I find it very hard to believe that there would be 500 dairy farmers who have been producing milk either on a straight industrial quota or on quotas through their provincial milk marketing board, who would be without quota. I

cannot believe that number of producers could be without quota.

When the Hon. Member brought this matter to my attention, 30 or 40 farmers were affected by a reduction in the quota. It is news to me that there are now 500. It is unbelievable that there would be 500 farmers without any quota.

Mr. Mazankowski: Madam Speaker, for the information of the Minister, the statement has been made by the Chairman of the Alberta Dairy Control Board, Mr. Jim Gylander, that 400 to 500 of Alberta's dairy producers will be out of quota by the end of this month.

MINISTER'S RESPONSIBILITY

Hon. Don Mazankowski (Vegreville): Madam Speaker, the Minister also undertook to look into those areas where there was undue hardship. He cannot weasel out of this; he has responsibility for the producers of Canada.

Does the Minister expect these producers to go bankrupt or is he going to undertake his responsibility and act on behalf of these producers? That is his responsibility.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I fully accept my responsibility to the dairy farmers of Canada. We have the best run policy in the world. Does the Hon. Member want something like what is going on in the United States where they are piling up mountains and mountains of produce and spending millions and millions of dollars on subsidies, but still do not know what to do with the produce? They are destroying the markets of other nations, markets that normally belong to Canada.

I met with the dairy farmers of Canada and they are still 100 per cent in accord with the dairy program we are running. They say it is fair under world conditions. The Hon. Member knows that world conditions have shown there is a tremendous surplus of dairy products in the world. Canada still has surplus conditions for industrial powder and butter under a manageable type of operation.

When the Hon. Member asks me to accept my responsibility, I would point out that I do not interfere in the operation of the dairy farmers' organization in Canada. They are running it, and they are doing a good job. It is too bad that they do not meet with the Hon. Member and inform him of what is going on.

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FEDERAL BUSINESS DEVELOPMENT BANK

TREATMENT OF INDIAN APPLICANTS FOR LOANS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is for the Minister who is responsible for the Federal Business Development Bank, or his Parliamentary Secretary. The federal Government has long stated its concern for assisting Indian bands across the country with economic development. It has indicated its interest and support for the development of industrial parks on the reserve lands where appropriate.

We find, however, that when businesses go to the lending institutions to support their applications to build a business on reserve lands, or to start a business in an industrial park on reserve lands, the chartered banks of Canada are willing to support them, other financial institutions are willing to support them, but the one bank that will not lend money, at least in British Columbia, on federal property or Indian lands is the Federal Business Development Bank. Could the Parliamentary Secretary explain why this discrimination is taking place?

• (1140)

Mr. René Cousineau (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Madam Speaker, I am pleased to say that the Government has definitely no policy against lending money to the Indians whether on the reserves or not.

Mr. Riis: Madam Speaker, I must say that I am aghast at that response. However, I want to—

Madam Speaker: It was a short answer. I would encourage the Hon. Member to ask a short question.

Some Hon. Members: Hear, hear!

REFUSAL OF LOANS IN BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, this particular problem justifies more of a response than it has received. What I am saying is that at least in the Province of British Columbia—I have not had the opportunity to check in other Provinces—the Federal Business Development Bank is refusing to loan money to leaseholders on Indian lands. There are many, many businesses which are going to the FBDB requesting funds to start businesses on reserve lands and they are told there is no money available for any leaseholder on Indian reserve land. The chartered banks do not have that policy. Other lending institutions do not have that policy. If the parliamentary secretary is unaware of this policy, may I ask him to get in touch with the Federal Business Development Bank officials, and the Minister of Indian Affairs and Northern Development, and resolve this issue immediately?

[*Translation*]

Mr. René Cousineau (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Madam Speaker, the Hon. Member would like some explanations. I would like to point out to the Hon. Member that when an Indian on a reserve applies for a loan, the first problem he encounters is the fact that he does not own the land. I realize people would say that he could mortgage his house, and I agree that would be a possibility. The second problem, which is in fact the main one, is that a decision made by one band council is not necessarily binding on a subsequent council. This is a major obstacle

to obtaining the best possible guarantees on mortgage loans, and is a very real problem when a loan must be called.

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[*English*]

CRIMINAL CODE

ABORTIONS CONDUCTED IN WINNIPEG CLINIC

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct a question to the Minister of Justice. It relates to the Morgentaler clinic in Winnipeg. Up to this point of time the Attorney General in Manitoba has argued that there is nothing wrong with the establishment of a clinic. However, the clinic did not receive hospital status and did not establish a therapeutic abortion committee. Therefore, now that Morgentaler has said that abortions are being performed, it is obviously in contravention of the Criminal Code of Canada.

While I know, and the Minister of Justice recognizes, that the administration of justice is a provincial matter, has he discussed this matter with the Attorney General of Manitoba? Obviously it is now a very public flaunting of the Criminal Code of Canada, a law which is passed through this House, through the Parliament of Canada. Obviously this has some very serious implications for the administration of law and the perception of law in the country. Would the Minister tell the House what discussions he has had, or what methods of remedy he is recommending in this case?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I have not had discussions with the Attorney General of Manitoba in this case. I find it hard to imagine circumstances in which I would feel that to be approriate. The law, as my hon. friend knows, is made by this House, but its administration is in the hands of the provincial Governments.

It is certainly my impression that the Attorney General of Manitoba has indicated that, when the proper information is provided to him by law enforcement authorities in that Province, he will take the appropriate action according to the law. However, Madam Speaker, even if, in a hypothetical case, a provincial Attorney General were to take a different view of the law, I do not believe, as Minister of Justice in the federal Government, I would have any authortiy to overrule or in any way countermand the role which the provincial Attorney General is taking in carrying out his duties. That is a matter for the people and the Government of that Province. I have no reason as yet, Madam Speaker, to think that that, in any event, is the situation here.

RESPONSIBILITY FOR ADMINISTRATION OF JUSTICE IN MANITOBA

Hon. Jake Epp (Provencher): Madam Speaker, my supplementary question is directed to the Minister of Justice. I appreciate the sensitivity in which he relates to the division of powers between the federal and provincial Governments. I appreciate that. However, up to the present time the provincial Attorney General has always argued that there was no breaking or breaching of the law until in fact an abortion took place. The fact is that they have now taken place, and are taking place. That is public knowledge, if we are to believe Morgentaler's word.

The law is being broken. That is public knowledge. Therefore I ask the Minister, in fulfilling the law and carrying out justice, does it not seem passing strange, in terms of that administration, that the defence of the Attorney General of Manitoba now is, "Well, it is a police matter"? He is again washing his hands of it. If the administration of justice is in fact the responsibility of the Province, how can the law be upheld when the Attorney General of Manitoba now says that it is not his responsibility, it is a police matter? He is washing his hands of a matter for which he directly has to take responsibility.

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, the Hon. Member is in effect asking me, as federal Minister of Justice, to pass judgment on the manner in which the Attorney General of the Province carries out his office. I do not feel, Madam Speaker, that I have the constitutional jurisdiction to make such a judgment. I think it would be improper for me to do so. I have my own opinions on the question, but I believe I am not entitled, by virtue of my office, to give vent to those ideas in public. That is a question which my hon. friend must address publicly, if he wishes, to the Attorney General of Manitoba.

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FISHERIES

ISSUANCE OF FIREARMS TO EAST COAST FISHERY INSPECTORS

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I also would like to ask a question of one of the few Ministers here today, the Minister of Justice. Yesterday, according to press reports, at the direct request of the federal Department of Fisheries, certain Fisheries inspectors on the East Coast, in relation to the lobster dispute, were issued firearms, including shotguns. My question is in relation to this rather extreme step. Are Fisheries inspectors "peace officers" under the required provincial and federal statutes? What is the legislative authority for issuing firearms to Fisheries inspectors?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, on behalf of my colleague, the Minister of Fisheries, for whom I am taking questions, I will answer what I know of the past precedents. I am not familiar with the legal interpretation of the words used by the Hon. Member. In the past we have authorized the Fisheries officers who have been trained—more recently they have been trained by the RCMP in Regina—and who are in dangerous situations, particularly on the Pacific coast where they go into deep canyons on the Fraser River and other places, to carry weapons for self-defence.

LEGISLATIVE AUTHORITY FOR ISSUANCE OF WEAPONS

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, the point I am trying to make here, and I do not care which particular Minister answers it, is that it is not a question of ministerial discretion as to whether or not a person in the employ of any Government in this country can be "issued weapons". There are very strict legislative requirements at both the provincial and federal levels. My question simply, and that is why I directed it to the Minister of Justice, is: what is the legislative authority for granting weapons to a Fisheries inspector?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I will have to take this question as notice. I encouraged my hon. friend, who is answering for the Minister of Fisheries, to answer out of his knowledge because I had no knowledge of this matter which is raised by the hon. gentleman until he mentioned it. I will certainly get an answer for him.

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SCIENCE AND TECHNOLOGY

IMPACT ON WORKERS—ASSESSMENT OF JOB LOSSES AND LAY-OFFS

Mr. David Orlikow (Winnipeg North): Madam Speaker, I would like to direct a question to the Minister of Labour. Yesterday the Minister of Employment and Immigration said in a speech that rosy expectations for high technology had given way to widespread fear and outright panic about job losses. Last week there was a report leaked that two million jobs in the manufacturing sector are likely to disappear as a result of technological change. Would the Minister tell us whether his Department, and the Department of Employment, are giving consideration to convening meetings with representatives of the provincial Governments, the federal Government and with management and labour, to assess the whole question of job losses which are resulting from technological changes? And can he also tell us what steps can be taken to cushion the shock of lay-offs for workers, with more equitable severance pay, and to retrain workers who are likely to be adversely affected and lose their jobs in the plants?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, I have just completed a round of consultations which began in late February, with both labour and management, on the whole question of technological change. The Hon. Member may recall that we initiated a study which was produced by Margaret Fulton last November, entitled "In the Chips", with recommendations flowing from it. The consultations to which I am referring were based on the recommendations in the report.

• (1150)

Finally, may I also draw the attention of the Hon. Member, whose concern I welcome, to the fact that in the budget there is a proposal for the institution of a centre which would deal with productivity and employment growth, with a clear attempt at coming to grips with the whole question of the management of technological change. We will certainly welcome the support of the NDP in this particular matter.

APPLICABLE PROVISIONS OF CANADA LABOUR CODE

Mr. David Orlikow (Winnipeg North): Madam Speaker, I am sure the Minister knows by now that workers and their unions do not consider discussions about a general question to be consultations when, later on, the Government works out a policy and brings in legislation to which they have really had no input. However, I would like to ask the Minister a specific question flowing out of this problem. Would the Minister introduce amendments to the Canada Labour Code to provide adequate notice for workers who are displaced by technological change, and to provide workers with a clear right to bargain over the introduction of such technological changes?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, I am surprised that the Hon. Member does not know that that clause already exists in the Canada Labour Code and has also been the subject of discussion on a number of occasions. As to meaningful consultations, may I draw to the attention of the Hon. Member the fact that the top officer of the Steelworkers Union agreed several months ago to serve on the McDonald Commission. That would reflect the importance and understanding that labour gives to consultation and consensus reaching processes.

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NEW EMPLOYMENT EXPANSION AND DEVELOPMENT PROGRAM

PROMISE OF JOBS FOR REFUGEES

Mr. Dan Heap (Spadina): Madam Speaker, in the absence of the Minister of Employment and Immigration my question is directed to the Acting Prime Minister. As the Government knows, in October of 1982 it cut off financial aid to over 400 refugee claimants in Montreal, men, women, and children. Since then these refugees have had to survive with about $180,000 from the Quebec Government and non-governmental organizations, and $50,000 from the federal Government in March.

Given the fact that the Minister of Employment and Immigration promised in February that there would be 200 jobs created under the NEED Program for the assistance of those destitute people, and given the fact that he reiterated that promise last week and said to the labour committee that those jobs would be starting last week, will the Acting Prime Minister tell us why the jobs have not yet started and when they will start, or when the Government will give some aid to those destitute people?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, in reply to the Hon. Member's question, in the

absence of the Minister of Employment and Immigration I want to reassure the Hon. Member that his question will be referred to the Minister for a reply.

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MUSEUMS AND ART GALLERIES

HALIFAX ART GALLERY PROJECT

Mr. John Bosley (Don Valley West): Madam Speaker, my question, which is directed to the Minister of Communications, is with regard to the Public Works project announced in Halifax, a matter which was raised earlier by the Hon. Member for Dartmouth. Could the Minister please tell the House, and those members of the arts community in Halifax who are terribly upset about the decision, why the long-standing commitment to an art gallery or an art complex in Halifax has been abandoned in favour of an office building?

Hon. Francis Fox (Minister of Communications): Madam Speaker, there were a number of discussions initiated by my Department with the authorities in Halifax, particularly with the present Conservative Government in Halifax. There was no indication on their part of any interest in participating with us in trying to develop that land, those buildings, for those purposes. We had a general program, as the Hon. Member knows—

Mr. Forrestall: That's absolute nonsense.

Mr. Fox: —under the special program of cultural initiatives which made funds available for those purposes. Any overtures on our part were met with a decision on the part of the provincial authorities of the Province of Nova Scotia, which the Hon. Member does not like me to say, to the effect that they, for their own reasons, were not ready to give necessary, priority to that building and therefore were not ready to participate financially.

Mr. Forrestall: That's nonsense. You know it's nonsense.

Mr. Bosley: Madam Speaker, I think the Minister knows that that is not quite right.

GOVERNMENT PLANS

Mr. John Bosley (Don Valley West): Madam Speaker, since the Minister has now abandoned his long-standing commitment to a gallery, what plans does he have to provide to the residents of Halifax and Nova Scotia, for the first time, a proper art gallery, with federal assistance? I ask this, particularly in view of the fact that part of the justification given for the announcement of the new National Gallery last year was that all the regional galleries, including Halifax, were in place.

Hon. Francis Fox (Minister of Communications): Madam Speaker, with due respect, the Hon. Member knows not what he speaks. What we have done over the past few years during the course of federal-provincial meetings with Ministers responsible for culture and historical resources on the provincial side has clearly not been to impose any new buildings on the Provinces, since in many cases the Provinces had to meet the operating requirements for these buildings. Any new buildings in the Provinces respecting the areas of arts and culture, unless they were indeed purely federal buildings, would only be built with the full co-operation of the Provinces.

The Province, for its own good reasons, and I am not disputing that it may have good reasons, has not wished to give priority to that sector at the present time.

* * *

AGRICULTURE

NEW BRUNSWICK POTATO INDUSTRY

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, through you I would like to address a question to the Minister of Agriculture. Recently I raised a problem of the potato industry in the Province of New Brunswick. Has the Minister taken any steps to speed up application processing with positive answers from the Farm Credit Corporation? Has he taken any action with respect to the deferral of repayment of storable crop loans? Has he taken any action with respect to any possibility of price stabilization?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, to the first three parts of the question, yes; to the last part, no.

REQUEST FOR MINISTERIAL ACTION

Mr. Fred McCain (Carleton-Charlotte): Very briefly, I would like to ask the Minister when can the potato farmers anticipate an answer. I would like to point out to him that a late answer is a non-answer and will be of no assistance. We have another week, Madam Speaker, to put them in business.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the provincial Minister of Agriculture and I were trying to set a meeting to decide what further action should be taken.

* * *

CANADIAN NATIONAL RAILWAYS

ABANDONED RIGHTS OF WAY IN SASKATCHEWAN

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I would like to address a question to the Minister of Transport and ask him what progress has been made in the complete transfer of abandoned rail rights of way in the Province of Saskatchewan owned by Canadian National, rights of way which were to be turned over to the federal Government.

Hon. Jean-Luc Pepin (Minister of Transport): I am not sure that I understand the question. Would my hon. friend care to explain it?

Some Hon. Members: Oh, oh!

Mr. McKnight: I know I should not do this, Madam Speaker, but to explain, I am referring to the abandoned rights of way owned by Canadian National, with the agreement between CN and the federal Government in 1977 that those abandoned rights of way would be turned over to the federal Government.

What progress has been made with the negotiations on the transfer from Canadian National to the federal Government of Canada of the rights of way owned by CN in Saskatchewan?

Mr. Pepin: That took place some time ago. That is why it was not currently in my mind. My memory is to the effect that those rights of way have indeed been offered back to the Provinces. They have been offered. I should not say that they have been offered "back", because they never had them in the first place.

My memory is that Alberta has accepted. My memory is that Manitoba has accepted. My memory is that Saskatchewan has not accepted, but my memory does not tell me if it has changed its mind with the coming of the new provincial Government. I will check on that.

Mr. Epp: Everything is new.

* * *

AGRICULTURE

TAX ON FARM FUELS—REQUEST FOR RELIEF

Mr. Len Gustafson (Assiniboia): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. It involves a matter I have raised in the House with the Minister of Agriculture, the very heavy-handed federal tax placed upon farmers for farm fuel, which amounts to about 66 cents a gallon. The Minister of Agriculture said that he would make representation to the Cabinet. There was nothing in the budget. The farmers are preparing to seed their crops this spring. The heavy tax is there and it is very counterproductive to the production of grain by farmers and to all of agriculture. Would the Minister give consideration to removing some of this heavy tax?

• (1200)

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I am always willing to give some consideration to all types of problems—

Mr. Mazankowski: Do something.

Mr. Chrétien: I see the Hon. Member for Vegreville—

Mr. Mazankowski: Looking after your constituents.

Mr. Chrétien: Most of the talk coming from his Province is to the effect that the price that we have in Canada is too low and that we should let the price go to international levels. If you compare the level of taxation from the federal Government in Canada, it is very comparable to the situation which exists in the United States.

Some Hon. Members: Oh, oh!

Mr. Chrétien: Of course, if the taxes are higher in some parts of Canada, mainly Ontario and Quebec, it is because of the infamous essence surtax as in Quebec which costs 40 per cent on top of everything to the farmers of Quebec.

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[*Translation*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, May 12, 1983, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

PRESENTATION OF REPORT OF STANDING COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, I have the honour of tabling, in both official languages, the Twelfth Report of the Standing Committee on Miscellaneous Private Bills and Standing Orders.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

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[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Madam Speaker, the following questions will be answered today: Nos. 4,780, 4,781 and 4,782.

Order Paper Questions

[*Text*]

MARRIED QUARTERS AT CFB CHILLIWACK

Question No. 4,780—**Mr. Howie:**

1. How many permanent married quarters are in the establishment at CFB Chilliwack?

2. How many married personnel are stationed at the base?

3. Are there any restrictions on what ranks may rent PMQ's at this base and, if so, what are the restrictions?

4. What was the average monthly rent paid in (a) 1981 (b) 1982 for a three-bedroom rowhouse style PMQ, or the equivalent, at the base?

5. What was the average monthly rent paid in (a) 1981 (b) 1982 for a three-bedroom detached house at the base?

6. Will PMQ rents at Chilliwack be raised in 1983 and, if so (a) for what reason (b) by what amount, on average?

7. Have any rental credits been established at the base to help offset the increased financial burden imposed by having PMQ tenants pay for their own heating fuel?

8. What is the usual fuel used for heating PMQ's at the base?

Hon. J. Gilles Lamontagne (Minister of National Defence):
1. Four hundred and eighty.

2. Seven hundred and eighty-eight.

3. None.

4. (a) 209, (b) 221.

5. (a) 280, (b) 297.

6. Shelter values may increase depending upon the outcome of the 1983 CMHC appraisal of DND MQs. Any increases in shelter charges paid in 1983 by occupants will, however, be limited to a maximum of 5 per cent above current charges.

7. Yes, for all houses with insulation below CMHC standards where the occupants are paying directly to commercial suppliers.

8. Natural gas.

MARRIED QUARTERS AT CFB LAHR

Question No. 4,781—**Mr. Howie:**

1. How many permanent married quarters are in the establishment at CFB Lahr, West Germany?

2. How many married personnel are stationed at the base?

3. Are there any restrictions on what ranks may rent PMQ's at this base and, if so, what are the restrictions?

4. What was the average monthly rent paid in (a) 1981 (b) 1982 for a three-bedroom rowhouse style PMQ, or the equivalent, at the base?

5. What was the average monthly rent paid in (a) 1981 (b) 1982 for a three-bedroom detached house at the base?

6. Will PMQ rents at Lahr be raised in 1983 and, if so (a) for what reason (b) by what amount, on average?

7. Have any rental credits been established at the base to help offset the increased financial burden imposed by having PMQ tenants pay for their own heating fuel?

8. What is the usual fuel used for heating PMQ's at the base?

Hon. J. Gilles Lamontagne (Minister of National Defence):
1. One thousand one hundred and ninety-one.

2. Two thousand four hundred and sixty-nine.

3. None.

4 and 5. There are no three bedroom row houses or three bedroom detached houses at CFB Lahr.

6. Shelter values may increase depending upon the outcome of the 1983 CMHC appraisal of DND MQs. Any increases in shelter charges paid in 1983 by occupants will, however, be limited to a maximum of 5 per cent above current charges.

7. No, direct metering of heating fuels has not been implemented in Europe.

8. Oil.

MARRIED QUARTERS AT CFB CORNWALLIS

Question No. 4,782—**Mr. Howie:**

1. How many Permanent Married Quarters are in the establishment at CFB Cornwallis?

2. How many married personnel are stationed at the base?

3. Are there any restrictions on what ranks may rent PMQ's at this base and, if so, what are the restrictions?

4. What was the average monthly rent paid in (a) 1981 (b) 1982 for a three-bedroom rowhouse style PMQ, or the equivalent, at the base?

5. What was the average monthly rent paid in (a) 1981 (b) 1982 for a three-bedroom detached house at the base?

6. Will PMQ rents at Cornwallis be raised in 1983 and, if so (a) for what reason (b) by what amount, on average?

7. Have any rental credits been established at the base to help offset the increased financial burden imposed by having PMQ tenants pay for their own heating fuel?

8. What is the usual fuel used for heating PMQ's at the base?

Hon. J. Gilles Lamontagne (Minister of National Defence):
1. Two hundred and eleven.

2. Three hundred and thirty-six.

3. None.

4. There are no three-bedroom row house style PMQ at CFB Cornwallis.

5. (a) $132, (b) $137.

6. Shelter values may increase depending upon the outcome of the 1983 CHMC appraisal of DND MQs. Any increases in shelter charges paid in 1983 by occupants will, however, be limited to a maximum of 5 per cent above current charges.

7. Yes, for all houses with insulation below CMHC standards where the occupants are paying directly to commercial suppliers.

8. Oil.

[*English*]

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

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed from Thursday, May 12, 1983, consideration of the motion of Mr. Pepin that Bill C-155, to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport; and the amendment thereto of Mr. Benjamin (p. 25389).

Mr. Doug Neil (Moose Jaw): Madam Speaker, when I called it six o'clock last night I had made the comment that there was a consensus in western Canada that the railways were entitled to reasonable compensation for the carriage of grain. I also indicated that there was some doubt in the minds of many individuals and organizations about what the amount of that compensation should be and how it should be covered.

Of course, the Government says that the statutory rate should be set aside and the grain producers in western Canada should pay approximately double the present statutory rate by 1985-86 and five times that by 1990. However, the question is: can the western farmer afford to pay any more to move his grain? Prices of grain are down, the input costs are up and the farmers are facing a very real problem.

The Minister must be aware of the fact that there is a subcommittee on agriculture which is presently studying a private Members' Bill which would reintroduce the provisions of the old Farmers' Creditors Arrangements Act. The indications are that the farming community is running into more difficulty month by month and year by year.

I would suggest to the Minister, if he is not prepared to leave the statutory rate in place, that the very least he can do is perhaps to declare a moratorium on any increase and review the matter again in 1985-86 when a review is called for. The producers of western Canada are asking what they would gain if they had to pay an increase in the freight rate to carry their grain. The Minister says that they will gain a more efficient and better railway system, but is the cost of an improved system the responsibility of the producers? Is it not a national responsibility? Is not western Canada paying their fair share at the present time since it appears that the $3.7 billion that has been talked about is money from the Western Development Fund; money which came from western Canada that is now being funneled back into the West?

There are many questions to be answered. I have just touched on one which is of prime concern in the West. Can the producer pay more? As well, there is the question of the livestock producers, because they are upset. There is also the question of the validity of the argument put forward in the February announcement that these changes proposed by the Minister will develop secondary industry and industrial development in the West.

Let us suppose that they do achieve this. What will that do for the Prairie grain producer? It will not increase his income as a grain producer. He will not gain anything. When one studies the bare bones of the Bill, it can be seen that the Prairie farmer is being asked to pay more and really getting nothing in return.

Parliament must have time to consider all these issues. I know that the Minister is a fair man, but these issues cannot be considered in the short time remaining until June 30, which is the date he mentioned. While representations were made to Gilson and were considered, Parliament itself did not have the opportunity to consider these representations. There is no question that the people who appeared before Dr. Gilson had vested interests. There is nothing wrong with that. The commodities coalition group has certain vested interests with which it is concerned. The livestock producers are concerned about their vested interests. The elevators have vested interests which they are concerned about. I do not believe that these people, who made their representations at the Gilson hearings, were prepared to set aside their vested interests to ask what they could do in the best interests of western Canada and in the best interests of the western grain producers.

They all have legitimate concerns for which there must be compromise and consideration. I am suggesting to the Minister that this can only be done by allowing the committee to make an in depth study of these various representations and issues.

I see that my time is running out, Mr. Speaker. I would suggest that we have reached a milestone in the history and economic development of western Canada. The Minister has an opportunity to make a name for himself if he is prepared to listen and give parliamentarians and Parliament the opportunity to do the right thing with respect to the West. I would ask him to abandon his plans to have this Bill passed by June 30. Let the committee study it, make recommendations and report. On that basis I know that the Minister, who is fair, would consider the recommendations of the committee and bring in legislation which is fair, equitable and will serve us for many years to come.

Mr. Pepin: Mr. Speaker, I have a question which stems more from curiosity on my part but which I think is an important one. My old friend said he thought there was no agreement on the extent of compensation for hauling grain. My impression was there was quite a lot of consensus on that issue. Would the Hon. Member care to educate me as to where the opposition was to that? Other Members might know that this is basically 100 per cent of long-term variable costs of railways plus 20 per cent of constant costs phased in over a period of four years; 5 per cent in the first year, 10 per cent in the second, 15 per cent in the third and 20 per cent in the last. I had the feeling this was agreeable to most people. Is it not?

• (1210)

Mr. Neil: Mr. Speaker, my reading of the $651 million is that the accounting system of the railway is suspect. While the figure may have been accepted by the farm organizations, they

are not in a position, because of the complexity of the accounting system of the railways, to question it. They really had no alternative but to say that this was a ballpark figure. I can tell the Minister that if he talks to farm organizations and to individuals, he will find there is always the suspicion in their minds that the figure of compensation which the railways are asking for is far in excess of what they are entitled to. But how you get down to determining the figure is beyond me.

Mr. Pepin: Mr. Speaker, my hon. friend looks at it from the point of view of the Crow rate benefit, and there was indeed at the Gilson hearings a discussion of this matter. The railways came in, if I remember, with a figure of $770 million, or something of that kind. I understand, and this is rather important, that the pools had a study made on their own. I understand the study projected a figure of about $600 million. Gilson came in at $640 million at the time, a figure which was then raised to $651 million.

I think it would be wrong to give the impresssion that there was not a high degree of consensus of the estimation of the value of the Crow benefit. Those are very important things. There was a great amount of discussion of this subject at the Gilson exercise. I tend, contrary to what was implied, to believe that people taking part in the Gilson exercise were motivated by more than their immediate interests. A good amount of consensus was developed there. There was consensus on the value of the Crow rate benefit. I think this was one of the acquired advantages of the Gilson exercise.

Mr. Neil: Mr. Speaker, the Minister has talked about the railway's figure of $700 million and the pools figure of $600 million. There is a $100 million difference. I would suspect that the pools did not have the expertise that the railways or anyone had to understand the accounting system.

Mr. Pepin: The consultants they used had that experience.

Mr. Neil: There is a feeling in the West that the railway figures are much higher than they should be. Mr. Snavely has talked about that.

In so far as the Gilson hearings are concerned, I was not privy to those hearings. Members of Parliament were not privy to those hearings. It may be that there was a great deal of compromise, but if there was this compromise and Mr. Gilson's report was based on the compromise, that compromise has more or les fallen apart. I think the Minister would agree with me in that regard.

Mr. Pepin: To some extent, Mr. Speaker.

Mr. Lewycky: Mr. Speaker, I found a couple of the points which the Hon. Member for Moose Jaw (Mr. Neil) made to be very interesting. One was the railway costs and the suspicion in the West that the railway accounting is certainly not open—not above board. There is really a lack of trust. Perhaps the place where I found this lack of trust coming out most was in railway line abandonment hearings. Constituents have raised with me the depreciation costs that are being charged to various lines, for example off-line costs being charged to on-line costs. Can the Hon. Member for Moose Jaw explain a little further about some of the concerns that have been expressed by farmers or producers with regard to these railways costs and if that is the type of thing he is referring to, or is he referring just to the additional things he was mentioning?

Mr. Neil: Mr. Speaker, if you talk to farmers who live alongside lines that are in receipt of branch line subsidies, you will find that this has caused them some concern. I recall a community that was quite concerned because there was a branch line where a train had not travelled across the line for some nine or ten years. Trees were growing between the ties and the rails. Yet the railways were being paid for that line. That caused some concern.

There are other matters with respect to costing. I think the problem is that costing of railway roads is such a complex issue that really no one, except for a few specialists perhaps from the United States, is able to understand it. It is because of that complexity that the suspicion is there. When you find a difference of $100 million between the railways' figures and the figures the pools were able to come up with, that creates even more suspicion.

Mr. Lewycky: Mr. Speaker, the Hon. Member was involved in a study. I liked the suggestion—I do not know whether he put it in these exact words—but it was about removing the Bill, as it were, and having it studied by the agricultural committee. Would his suggestion include the idea of having the books opened up, of CN and CP as well, so that we have re-examination of the formulas being used? Would this not be a much more profitable exercise of looking at those formulas again and re-examining them and all the unfounded assumptions? Would the Hon. Member be prepared to make use of all his background notes in his study and have them made available to the committee so that we could make additional comparisons of material to examine the basic problem that underlies the whole costing that CN and other companies are bringing to the Government of Canada?

Mr. Neil: Mr. Speaker, I can see nothing wrong with that. I would welcome representations from the railways before the committee. However, I think perhaps it might be an exercise in futility. I do not think there would be anyone on that committee who understands accounting to the extent that it is necessary to ask probing questions. Maybe the committee should set up a special research group to investigate the matter. However, I doubt very much whether the Minister or the Government would agree to that. They will say that there has been the Snavely report, and that we have the railways' figures and the pools figures. I would be agreeable to making any information available that arose as a result of my study. But I was not so much concerned about the costing as I was about the viability of the lines at which I was looking.

Mr. Pepin: Mr. Speaker, would the Hon. Member for Moose Jaw (Mr. Neil) answer a question which the Hon. Member for Dauphin-Swan Lake (Mr. Lewycky) asked me yesterday? He was wondering why so few branch lines being reviewed by the CTC now are being maintained. I answered

him to the effect that all of this had been reviewed by three groups essentialy—the Hall group, the Pratt group and the Neil group. I was telling him that the Hon. Member for Moose Jaw had selected those lives which on the basis of preliminary research offered the best economic chances of continuation. He was not in agreement with me. Would Commissioner Neil answer this question?

• (1220)

Mr. Neil: Mr. Speaker, the lines I examined were the ones studied by the Hall Commission and by the Prairie Rail Action Committee and determined not to be viable lines. I examined them based upon the cost of rehabbing and on the basis of what the elevator companies would plan on doing if the lines remained, if they were prepared to upgrade their house or build new facilities. If they indicated that they were prepared to do this and if the cost was within reason, I recommended that the line stay.

I could only say indirectly to the Hon. Minister that those were the bases upon which I conducted my study. As I say, I was the third man down the line, so I was looking at the hard lines. I appreciate that the CTC now has to look at similar types of information, as I did—the costs and what the elevator companies planned on doing with respect to these lines.

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is a pleasure for me to take the floor and participate in the debate today on Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certains Acts in consequence thereof.

From the outset, I would like to consider this Bill as one of the landmarks in the history of Canada.

In tabling this Bill, the Government of Canada is proposing another of those major reforms which have been undertaken by the Liberal Party of Canada through the years. I think it is particularly interesting to note that once again, it is our party, the Liberal Party of Canada, which has had the courage of its convictions in taking action that is controversial, not always easy to understand and upsetting to those who are opposed to change but which is essential to the prosperity and progress of our country. The Opposition parties—the Progressive Conservatives and the New Democratic Party—have never had the same vision and courage as the men and women of the Liberal Party of Canada in carrying out these major reforms.

In fact, this is the third major piece of legislation that has come before this Parliament, after the patriation of the Canadian Constitution and our national energy policy which was announced over the last few years and months.

As far as the economy is concerned, there is absolutely no doubt whatsoever that maximizing development of railway transportation in Western Canada is extremely important to the development of our resources and to the economic welfare of the entire country.

As far as the political development of our country is concerned, I may remind the House that it was the Liberal Party of Canada that gave our country a flag, a national anthem and a made-in-Canada Constitution.

In the field of social benefits, once again, the Liberal Party of Canada introduced social security services that benefit all Canadians, including family allowances, old age security, free health and medical care and our pension and retirement plans.

Economically, it was the Liberal Party of Canada which, after the war, created our economic prosperity by supporting the private sector and provided a solid foundatiaon for our trade structure by developing the St. Lawrence Seaway, by entering into agreements with the United States under the Auto Pact and by announcing an energy policy that has finally given Canadians a say in the development of their own resources. Finally, the Government has been able to table in the House its long-awaited plan for providing Western Canada with a transportation system that will meet both present and future needs.

Today, I think we should pay tribute to the Minister of Transport (Mr. Pepin) who had the courage to table this Bill and to defend it over the objections and reluctance of some Canadians from all parts of the country who, for purely personal and often petty reasons, are opposed to change and to introducing much-needed reform in Canada. I believe the Progressive Conservative Party and the New Democratic Party who are opposed to this reform are once again missing an opportunity to make history. Once again, these two political groups have failed to recognize the major benefits that will accrue to us in Canada through this new railway policy and this legislation.

It must be understood that in order to bring not only primary but also, eventually, manufactured products from Western Canada to ports on the Pacific Coast or the Great Lakes, we must provide for a better railway transportation network in Western Canada. It is absolutely vital that this part of Canada should be given the tools it needs to achieve full economic development. I think it is absolutely incredible that the Progressive Conservative and NDP Members from Western Canada should lack this vision and prefer to oppose the Bill for the sake of the short-term interests of a few voters who represent a small minority in Western Canada, and who may be affectd by this policy in the short term but will later understand the vision and the sense of history of the Minister of Transport who is at last giving this part of Canada a chance to achieve full development.

I think the present debate shows once again how many conflicting interests there are whenever the Government introduces a policy of any major scope. I am convinced that when the Government of Canada asked Professor Gilson to examine this question, in an attempt to find a compromise that would be acceptable to the parties concerned, we in the Government were right to do so, because we realized that in

order to achieve the three objectives that we had in mind, namely, to change this legislation which has come down to us from the last century and under which the cost of shipping grain was set at a minimal figure that now makes no sense at all, we knew that getting rid of what is commonly known as the Crow rate would not be a cinch and that, consequently, we would be unable to reach that objective without offering compensating benefits to those who would be directly involved in the first place—the grain shippers. The second objective of that reform obviously went far beyond repealing the statutory rate which we have had to live with for so many years, but probably the most important objective was to upgrade the western railway transport system—indeed it was the ultimate and essential objective of that major reform. At the same time, the Government wanted to be impartial and asked Mr. Gilson to make recommendations on ways to help diversify western agriculture.

• (1230)

With those three objectives in mind, Mr. Gilson got down to work and I think he did a good job. If I have one criticism to level at him, and it would be the only one, I would say that at the time he or his advisers should perhaps have foreseen that the reform of the western grain transportation system could not be the exclusive precinct of Westerners since it would also have an impact on producers in Ontario, Quebec and the Maritime Provinces. Unfortunately, the preliminary consultations did not involve those producers and perhaps that was what led to misunderstandings and prompted the dissenting opinions which have been voiced almost everywhere in Canada after the Gilson report was tabled.

Allow me to say immediately that a great many of the objections to the Gilson report were grossly exaggerated, particularly in the Province of Quebec on the part of a Government that is bent on taking Quebec out of Canada. It jumped on that opportunity to try to use that report—drafted in good faith and with the best intentions in the world—to launch a political battle, a separatist battle. The statements which were made at that time, particularly by the Quebec Minister of Agriculture, were bordering on demagogy if not outright deceit. That is why a number of Quebec Members and Ministers attempted to set things straight and in their proper perspective. That is why the Sub-Committee on Agriculture, with Members of the Liberal Party in Ottawa, was striken under the chairmanship of the Hon. Member for Lotbinière (Mr. Dubois). That Committee has done a tremendous job in its discussions with Quebec farmers and the main agricultural organizations in the Province in an attempt to set the record straight.

A series of gratuitous statements had been made and I would like to mention a few. At that time we had to dismiss once and for all the gratuitous statements which led to believe that the supply and the price of grain feed in Quebec would be affected by this new Government policy by way of the implementation of the Gilson report. There is surely nothing of the sort, the reason being quite simple: the price of grain is set by world demand in Thunder Bay and any amendment to the statutory rate does not change anything whatsoever in this respect.

As far as supply is concerned, we said it again and again to the Eastern farmers that they are protected under the stated feed grain policy which has endured throughout the years since 1974. However, when it was suggested to Quebec farmers that there would be supply problems, that the price of feed grain in Quebec would be affected by this new Canadian policy, this was a shameless lie.

Another rather weird statement was made by the Quebec Minister of Agriculture when he said that the price of beer and spaghetti would go up. Of course he is known for his usual antics and most certainly that statement came out of his best bag of jokes, which may not be the funniest nor the truest, but it still was one of his jokes. So, clearly, that proposal is basically false.

It has also been suggested that hog breeders in Quebec would be greatly affected by the policy, and sooner or later they would go bankrupt. And there has been a systematic campaign in the Province of Quebec to suggest that the Gilson report's recommendations would force breeders into bankruptcy—dairy, egg, poultry and pork producers. However, we know very well that the quota systems are managed by the Canadian marketing boards, which adequately protect people in the dairy, egg and poultry industries.

As far as hog breeders are concerned, there have been studies which indicated the opposite. They showed that certainly there would be an increase in pork production in Western Canada, but that the world market was open to Canadians and that there was room under the sun both for eastern and western pork producers, that there were markets waiting to be tapped by producers from either part of Canada. And by studying the data somewhat more closely, especially those gathered by Econometrics which compare Professor Gilson's overall recommendations to the assumption that the Government would assume responsibility for the whole of the railway revenue losses deriving from Western grain shipments. According to those forecasts, there should be almost identical growth in the various Western agro-food sectors over the next ten years, given either of these two scenarios. With regard to hog production, for instance, Chase Econometrics forecast that by 1992, the difference in growth between the two options in Eastern Canada would only be 1 per cent.

• (1240)

As for hog production revenues, they should double by 1992, and the difference between the two options would then only be 2 per cent.

Among other things, Mr. Speaker, there should be a difference of only about $20 million in the revenues of all Eastern

Canada meat producers by 1992, that is a difference of $20 million for an amount of over $9 billion. Therefore, that is a difference of only about one half of 1 per cent.

I must say that, in spite of all these projections and all the discussions that have taken place, the fear and suspicion spread by the Quebec Minister of Agriculture (Mr. Garon), first among the major Quebec farmers' organizations, and then among a large number of Quebec farm producers, has considerably inflamed a debate which should have been pragmatic, sensible and objective.

It is obvious that if Quebec producers had seen the Federal Government implement all of the recommendations contained in the Gilson report, they would have felt wronged and the survival of their farming operations would have been affected sooner or later. However, many farming interests in Canada has serious reservations concerning the method of payment.

Anxious to carry out his great project and fundamental reform, the Minister of Transport chose to tone it down and to bring about a reform which might not be as marvelous and as perfect as he would have wished, but which is still most significant and essential and will still achieve the main purpose of changing the Crow rate, improving railway transportation in Western Canada and promoting some agricultural diversification and extensive trade development in Western Canada.

In conclusion, Mr. Speaker, I suggest it is wrong to claim, as some Progressive Conservative Members have done—and I am thinking about the reactions of the Hon. Members for Bow River (Mr. Taylor) and Lethbridge-Foothills (Mr. Thacker) who objected to the comments made by the Minister of Transport yesterday, saying that these changes were made only as a result of the representations of Quebec members and that the reform is not as satisfactory as it would have been under the original Gilson formula. This proposal was indeed changed because of the representations made by Quebec Members, but also because of all the representations made by many Western farmers' organizations which objected to the payments being made to the producers and also suggested that the entire amount be paid to the railways.

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Minister, but his time has expired.

[*English*]

Mr. Mazankowski: Mr. Speaker I appreciate the remarks made by the Hon. Minister. He suggested that the original payment proposal outlined by his colleague, the Minister of Transport (Mr. Pepin), would not meet with the satisfaction of producers in his Province. I do not think I have to remind—

Mr. Chrétien: And in the West.

Mr. Mazankowski: I will ask the question, not the Hon. Minister of Energy, Mines and Resources (Mr. Chrétien).

I do not think I have to remind the Hon. Minister that some strong views are held on the proposal that the Minister has advanced in this particular Bill. Having regard to that and knowing the Minister to be a reasonable person who recognizes the difficulties and the differences of view across the country, how would he react to the proposal that I advanced yesterday which would give the producers the freedom to choose whether the Crow benefit should be paid to the railroads or to the producers?

The Minister has acknowledged that the whole question of method of payment would be reviewed by 1985-86. This review would provide an opportunity to test both systems and to receive some practical knowledge as to how both proposals might work. I recognize that the principle I am outlining has not been worked out in detail, but could the Minister give us some indication about what his reaction might be to a proposal such as that?

Mr. Ouellet: Mr. Speaker, I was present yesterday when the Hon. Member for Vegreville (Mr. Mazankowski) gave his speech. One thing that attracted my attention was that he said that the Bill is very complicated and that it is a bureaucratic nightmare, if I remember his expression correctly. I must say that the administration of his suggestion could turn out to be a terrible bureaucratic nightmare as well. I believe the Hon. Member will agree that his proposal must be looked at much more carefully and in depth before it can be considered. I do appreciate that the Hon. Member will be provided with a good opportunity to outline and explain how he would like his proposal to be administered when the Bill goes to committee.

My first reaction to the Hon. Member's proposal is that it seems to me it would be almost impossible to apply such a formula. I would indicate to him that obviously the Saskatchewan Wheat Pool, the Alberta Wheat Pool, the Manitoba pool elevator, the Saskatchewan Federation of Agriculture, and Unifarm of Alberta, have all expressed the view that payment should be made to the railway. I believe that these are important associations in the West and, along with other important associations in the East, they have felt that the simplest method at this time would be to make the payment to the railway.

I believe that we must progress step by step. I think the Minister of Transport (Mr. Pepin) would like to take a giant step. I suspect his Bill is a big step, and I believe that it is a big step in the right direction. I would not like to see this step shortened by an administrative formula or procedure such as the one suggested by the Hon. Member, one that could not be applied and that would make the big step taken by the Minister seem almost irrelevant.

• (1250)

Mr. Mazankowski: Mr. Speaker, it is correct that I referred to the Bill as a bureaucratic nightmare. Implicit in that statement is the fact that there will be a huge bureaucracy, a huge network to administer it. So a whole lot is being added. The original proposal provided for a payment which would be split, 50 per cent to the producers and 50 per cent to the railways, under some form of acreage payments yet to be

defined. If the Minister is suggesting that that is not bureaucratic, I should like to know what is.

With respect to the pools, if they are correct in their assumptions, then the majority of the producers they represent will choose the option of paying the railroads. I repeat, it will give those others who feel strongly about this the opportunity to take advantage of the benefit. It will remove the distortion of the freight rate and thereby assist in the further diversification of western Canadian agriculture and will facilitate the further processing of products.

If the Minister is suggesting that we should have simplicity, and if he wants to adopt the "pay the railway" method, and he would have to do is to pay the railways the $650 million or whatever and keep things as they are. That would be the simplest way. The Minister has not opted for the simple route, however; he has opted for the bureaucratic route. The bureaucracy he is putting in place is going to serve to benefit the Government and the railroads, not the producers.

What I am saying is, give the producers some freedom of choice and some latitude. If it requires just a little extra bureaucracy, let us do something for the producers. That is what we are supposed to be achieving, the maximization of benefits to the producer and the agricultural industry in the country.

Mr. Ouellet: Mr. Speaker, I am very much surprised by the line of argument developed by the former Minister of Transport. Surely when he was in office for a few months he had a chance to see how impossible the operation of the railways in the West is and the tremendous improvement that could benefit western Canada if the capacity of the railway were enhanced.

When the Hon. Member insists that we make the payment a sort of freedom of choice decision by farmers, surely he visualizes the impracticality of it. One farmer might say, "This year I want the money; next year send it to the railway". Or he might say, "Send me 10 per cent of it and send 90 per cent to the railway, or 40 per cent to the railway and 60 per cent to me."

Mr. Mazankowski: Don't try to complicate it.

Mr. Ouellet: I should like to remind the Hon. Member that at its annual meeting in February of 1983 the Canadian Federation of Agriculture unanimously passed a resolution asking that the Government payment be made in total to the railways. The farmers, through their national organization at the national convention, made that suggestion. That has been one of the main factors in bringing the Minister of Transport to accept a change in the payment.

Mr. Mazankowski: They also passed a resolution supporting metric.

Mr. Ouellet: The Minister took into account the views of the farmers.

In his questions at one point the Hon. Member said that the simplest thing would be to pay the railways and keep the thing as it is, not charge an extra cent to the farmer. He knows very well that in order to improve the service and in order to bring some efficiency into the system—surely if he learned anything from his stay in the Department of Transport he must have learned that some efficiency must be put into the system. In order to do that it is important, and I think it is well accepted, that the producer will have to pay his share, which will be higher than it is at the present time. This is generally accepted, except, perhaps, by some Members of Parliament who have other interests.

Every human being with a decent knowledge of the situatiaon realizes that the way the payments are made offers no incentive. Obviously farmers who want to have a better service are ready to pay a little more for it.

Mr. Deputy Speaker: I wonder if there would be unanimous consent to extending the question and answer period to one o'clock?

Some Hon. Members: Agreed.

Mr. Neil: Mr. Speaker, the Minister must be aware that a backbencher, the Hon. Member for Lambton-Middlesex (Mr. Ferguson), has a private Member's Bill in committee to revive the old Farmers' Creditors Arrangement Act. It would appear from the evidence that has been presented to the committee by the Farm Credit Corporation and a number of banks and loan agencies that about 10 per cent of the farming population is in serious financial difficulty.

If that is the situation, how can the Minister justify any increase in the freight rate to farmers for moving grain? It will mean a substantial amount of money. How can the Minister justify that under the circumstances? Would he not agree that perhaps there should be a moratorium or that the question of increasing the rate to the farmers should be forgotten until 1985-86 and then considered again?

Mr. Ouellet: Mr. Speaker, I think the Hon. Member is presenting a very narrow aspect of the problem. When he says that there are farmers in difficulties, I am sure they are not all in one part of the country. There is a malaise and a difficult economic situation for farmers throughout Canada. The change of the Crow is surely not the prime factor in creating additional difficulties for all farmers who are in financial difficulty.

I want to indicate to the Hon. Member that the improved efficiency of the service, the savings on handling, the savings on storage, would help the producers. We must have a system that allows maximum sales abroad, and not the situation that we had some years ago when sales were denied because we were unable to move the grain to meet our international commitment. That is something we have to change.

The Bill would improve efficiency, and the appropriate person to take advantage of it is the producer. Perhaps the

ones who are in trouble now would be ready to pay a little more to have a higher return.

The Minister of Transport has put himself on record as saying he will bring in an amendment in committee that will guarantee an appropriate link between increased payments for transportation and the world price for grain.

Mr. Hovdebo: Mr. Speaker, I was going to ask a question along the same lines.

The Minister in his speech has ignored almost entirely the effect of this on the grain producer, as has the Bill. I should like him to comment specifically on that. He suggests that the increases in efficiency are going to affect the farmer, who is spending $3,000 now and suddenly will have to spend $8,000, $10,000 or $20,000 on freight. He has never even seen a year when that extra $8,000 or $10,000 was available. His average income over the last few years has been $8,000.

Would the Minister comment on the effect of the increase on about 50 per cent of farmers in Saskatchewan?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I think that the Hon. Member fails to realize that the implementation of this reform will be phased in. Moreover, it is anticipated that, in the first phase, grain producers will have to pay no more than 3 per cent of the increase in shipping costs, the government paying the rest. It is also anticipated that, in the second phase—I mean, three years from now—grain producers will have to pay up to 6 per cent of the increase in shipping costs, the government paying all costs over 6 per cent. Therefore, there are safeguards which will make it possible for producers to sell more and obtain better returns, without their having to pay for unduly increased transportation costs. I suggest that the Hon. Member should have more faith in the ingenuity of producers and their ability to feed the world.

[*English*]

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

At 1.02 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

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ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF REPORT OF THE ELECTORAL BOUNDARIES COMMISSION FOR THE PROVINCE OF SASKATCHEWAN, 1983

The Acting Speaker (Mr. Blaker): Order, please. When the House rose at one o'clock, no Hon. Member had the floor. It is the intention of the Chair to recognize the Hon. Member for Kindersley-Lloydminster (Mr. McKnight). Before I do so, however, it is my duty pursuant to Section 19 of the Electoral Boundaries Readjustment Act, Chapter E-2, Revised Statutes of Canada, 1970, to lay upon the Table a certified copy of the report of the Electoral Boundaries Commission for the Province of Saskatchewan, 1983.

[*Translation*]

Pursuant to S.O. 46.(4), this report is deemed to have been permanently referred to the Standing Committee on Privileges and Elections.

* * *

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Pepin that Bill C-155, to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport, and the amendment thereto of Mr. Benjamin (p. 25389).

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, at the time we stopped debate preceding the adjournment for lunch we were on Bill C-155, an Act to dismantle the Crow rate. We had just finished hearing a lecture on efficiency from the Minister responsible for Canada Post, a lecture which most of us found quite humorous. The Minister was pointing out the difficulties which one would have in adjusting the different freight rates and saying how it would be very difficult to impose two different freight rates within the realm of grain movement in western Canada. I take from that, Mr. Speaker, that he is very familiar with the Canadian Wheat Board permit books and the elevator managers in western Canada and knows how capable they are. I am sure the Minister responsible for Canada Post, the Hon. Member for Papineau, (Mr. Ouellet) is an expert in these matters.

We have heard, Mr. Speaker, from various Hon. Members on the Government side. We heard from the Minister responsible for Canada Post, the Hon. Member for Papineau. We heard from the Minister of Transport, the Hon. Member for Ottawa-Carleton (Mr. Pepin). We heard from the Parliamentary Secretary to the Minister of Transport, the Hon. Member for Parkdale-High Park (Mr. Flis). We heard from all these expert pavement farmers, these asphalt assemblers of grain, producers of goods and feeders of the world.

When the election was fought in 1980 there was never any mention by the Liberal Party that it intended to dismantle the Crow rate, that it intended to do anything which would change the statutory rate which farmers had come to expect as the only positive thing, the only constant in the whole production cycle of food in western Canada. As a matter of fact, the Leader of the Liberal Party in Saskatchewan made a commitment that they would never touch it, that the Crow rate would remain. It was not mentioned in the Throne Speech which started this overly long session.

Now we have this Bill before us, Mr. Speaker, but we do not have the whole Bill. We have a Bill which has been tabled after many, many days and weeks of discussion outside of Parliament, after many changes which have been made outside of the Parliament of Canada. We have it tabled, but along with the tabling there is a brief footnote informing us that two amendments will be introduced at committee stage because Cabinet has not given final approval to linking the cost of moving grain to the international price for grain. We still have not seen the amendment naming what specialty crops will be included under this Bill.

• (1410)

There are several provisions set out in this Bill, but we do not see anything which protects the benefits and rights of the grain producers in western Canada. There will be a body established called the Senior Grain Transportation Committee. It will be composed, Mr. Speaker, of the Grain Transportation Agency Administrator, the Chief Commissioner for the Canadian Wheat Board, the Chief Commissioner for the Canadian Grain Commission, and 18 other members. Let us consider the 18 members of the Senior Grain Transportation Committee who will be there to advise the Minister and supposedly to protect the rights of the grain producers in western Canada. Of those 18 members, representatives of the Alberta Wheat Pool, the Manitoba Wheat Pool, the Saskatchewan Wheat Pool and the UGG will make up four. We can assume that those representatives of the cooperatives, will speak for their members and will have the best interests of the farming community at heart. However, then we come along to Pioneer Grain, whose motivation is profit for its shareholders, which I do not condemn, and Cargill Grain, whose motivation is also profit for shareholders, and Continental Grain, or maybe the Weyburn terminal. If I had my druthers, I think I would sooner have the terminal at Weyburn represented, because it consists of shareholders who live within the Province of Saskatchewan. Then we have representatives of the consuming Provinces, one from British Columbia, one from Ontario and one from Quebec. Then we have the processors represented by a crusher. Then we have the representation for the Great Lakes Shipping and the Dominion Marine Association which, I am sure, does not have the best interest of the grain producers at heart. Finally we have three Members, duly elected, representing the interests of the grain producers. We do not know whether those Members will be elected in the same way as the Canadian Wheat Board Advisory Committee. We do not know whether those numbers will have to be made up of bona fide farmers or of duly elected representatives, in the view of the Minister. Therefore, out of the 18 people placed on the Senior Grain Transportation Advisory Committee, ten do not have the best interests of the producers of grain in western Canada as their sole objective. As a matter of fact, I missed the railroads. CN and CP are represented by the 18 members of the Senior Grain Transportation Advisory Committee. I am sure that their best interests are those of their shareholders and not the producers of grain. However, the Committee is there to advise the Minister. All these players are there to advise the Minister, but they are also there to establish whether awards and penalties with regard to themselves should be implemented in the next two years. I, or anyone else in the House, would have a very difficult time understanding how the railroads, the elevator companies, the marine shipping association, the crushers, the private elevator companies, would want or wish to impose penalties upon themselves.

There is nothing that makes me believe there is no conflict of interest in the senior grain transportation authority as it is established in the Bill. I know that perhaps these are just guidelines, but we in the House have had some debates on guidelines that the Government has put forth. We find that they do not really represent anything of substance.

Another point in the debate will be whether there is protection for farmers from an open-ended escalation of freight rate costs. In 1985-86, the producers will pay double Crow, and in 1990-91, they will pay five times Crow. By 1990, the railroads will have received an increase of about 1000 per cent for moving these goods. I am using these figures without, I admit, offsetting them with benefits which could accrue.

Mr. Pepin: Rather important.

Mr. McKnight: The Minister of Transport says that they are important, but they are not there. Those benefits are not obvious when one studies the Bill. They are not obvious when one considers the projections in agriculture over the next two to three years. They may be obvious to the Minister, but they are definitely not obvious to the producers whithin my constituency of Kindersley-Lloydminster or, indeed, in western Canada. We have heard figures tossed around, such as that in 1983-84 $564.5 million will be paid by the Government. Originally it was to be paid, fifty-fifty, to the producers and the railroads. However, $651.6 million will be paid out in 1985-86. We thought that was the whole figure, but now we find that there is something called the CN adjustment payment for $14 million, which comes off the $651.6 million. This was certainly new. It was never mentioned in discussions between the Minister and the livestock producers, the commodity groups. The figure of $651.6 million kept coming up. However, that is minus $14 million.

We do not have information as to the safety net which the Minister says he will be proposing, the tying of the movement of grain to the return from export grain. We all know that the cost of grain could double, but the expenses to the producers could triple. I suggest to the Minister that with the Western Grain Stabilization Program, which makes figures on the cost of production available, it would be very easy to figure out a weighted average within the export price and the cost of production rather than just seeing a certain percentage as a traditional cost of moving grain. When we come to the traditional cost of moving grain, there are several figures available. The 30 years average is about 8 per cent of the return for the product. The 40 year average is about 7.5 per cent. However, the Deputy Minister to the Minister of Transport said that the average cannot be at 7.5 per cent or 8 per cent and that it

should be 10 per cent or 12 per cent. When asked why it should be 10 per cent or 12 per cent, he said that if it were 7 per cent or 8 per cent, it would be stabilizing. What a terrible thing to have, some stabilization of costs in the industry, a stable cost of which the producers would know in advance and which would never go above the traditional cost! We would like to see such stabilization. The Minister could consider stabilizing the freight increase as it applies to the movement of grain.

There has been statutory protection to the producers of grain. There is no longer any statutory protection in this Bill. There is a statutory framework, which is entirely different. If we consider the $651.6 million which the Government will contribute in constant dollars, and if we consider the last ten years of inflation at around 10 per cent per year, what will be left of $651.6 million? It will disappear. At the same time, the Government is requesting that the producers start to pay up to 3 per cent of the inflation and, in 1985-86, 6 per cent of the inflation. I am sure that the Minister of Transport, being a fair man, would recognize that if it is incumbent upon the producers of grain to share in the cost of inflation, the Government should also share in the cost of inflation.

Mr. Pepin: It does.

Mr. McKnight: But only if it is over 6 per cent, only if it is over 3 per cent.

Mr. Pepin: So much the better if it is not.

Mr. McKnight: I would like the Minister of Transport to explain to the producers of grain in western Canada how they contribute to inflation. How does a grain producer add to the cost of inflation? How does he establish and inflate the price of his product when he sells it on the world market? When his costs go up ten per cent, he has no control over the price of his product, the return for his product. He cannot say, "My cost has risen 10 per cent, so I will ask 10 per cent more on a bushel of wheat this year". As a matter of fact, this year, the return to the producer has fallen from $5.17 down to about $4.63. The producers of grain in western Canada cannot contribute to inflation because they do not set the price of the product they sell.

• (1420)

When this Bill was to be introduced we heard that there would be guarantees on the movement of grain, guarantees to which the railways would have to be committed and guarantees with penalties for lack of performance. There are only guarantees for the railways and the Government, and none for the farmers.

The guarantees have been changed to "objectives". We now see objectives rather than guarantees of service. The Bill states that the penalties may be implemented after 1985-86, but the very people who would suffer from the penalties sit on the senior Grain Transportation Committee that will establish whether there should be penalties. I find that rather strange.

Those penalties will be tallied up until 1985-86, but they will not be levied. In that period the farmers will have lost the protection which they had in the past. But the Bill says that they may be implemented after 1985-86.

As I have already indicated, performance objectives could be cancelled. Clause 18 of the Bill states that the Grain Transportation Administrator, if he deems it advisable to recommend the Minister to cease any activities related to so-called performance objectives, may do so.

I have described the conflict of interest, as I have seen it, between the railroads, the elevator companies, the crushers, and the Dominion Marine Association. The most severe sanctions that could be implemented against the railroads would be up to 40 per cent. That is not a severe sanction when more than half of what the railroads could achieve under the changes will be left with them.

There is an air of uncertainty since the annual rate scale used to set the freight rate which the Canadian Transport Commission is empowered to announce under the provisions of this Bill has already been prepared. We are told that that rate scale has been established now, so why will they not tell us now what it is so that it can be included in this debate?

Mr. Pepin: I will tell you in committee.

Mr. McKnight: The Minister says that he will tell us in committee. We are here to debate a Bill but we are only debating part of it. The rest of it must be debated in committee.

Mr. Pepin: I will have it then.

Mr. McKnight: When the information is available, which it is, why is it not available to those of us in the House so that we can carry on a debate knowing more of the facts than we do?

How will farmers pay in the future? How will they know what they will have to pay? My colleague, the Hon. Member for Vegreville (Mr. Mazankowski) read a clause of the Bill regarding payment. When the CNR appeared before the Transport Committee yesterday, I read the same clause to Mr. Ron Lawless, President of CN Roads. It states:

> The annual rate scale in respect of a crop year shall be determined by multiplying the amount per ton for the movement of grain over each range of distance set out in the base rates scale by the quotient obtained by dividing the estimated eligible costs of the railway companies in respect of that crop year less the CN adjustment in respect of that crop year by the base year revenues within the meaning of subsection 2—

Mr. Flis: Mr. Speaker, I rise on a point of order. When I was quoting from the Bill yesterday, the Speaker drew to my attention that I was not allowed to do so. Now, I ask for fairness.

Mr. McKnight: Mr. Speaker, I hope this remark is not taken from my time, but in order to help the Chair may I point out that the Speaker said that the Hon. Member for Parkdale-High Park (Mr. Flis) was quoting from a clause of the Bill. For his information, I am quoting from a transcript of the proceedings of the Standing Committee on Transportation,

which met yesterday. Therefore, I do not fall into that category.

I will continue reading from where I left off:

—as those revenues are adjusted in accordance with the grain tonnage forecast for that crop year provided by the Administrator.

(2) For the purposes of subsection (1), 'base year revenues' means the amount obtained by multiplying the rates applicable to the movement of grain under the tariffs of rates of the railway companies as derived from the base rate scale, taking into account sections 44 and 46, by the number of tonnes of grain actually moved by the railway companies from each point of origin on a line of railway in the Western Division in the most recent base year.

I ended by asking Mr. Lawless how much that is a bushel. He answered, "If I could tell you, Mr. McKnight, I would." That was from the President of the CNR. It is a simple rate and something which anybody should be able to understand.

There are other problems with the rate. My time is coming to a close, and I would like to put this on the record for the Minister to consider. When we consider the movement of grain with respect to East-West, there is a considerable difference. The Bill states in Clause 2:

'movement", in respect of grain, means the carriage of grain by any railway company over any line of railway now or hereafter constructed

(a) from any point on any line of railway west of Thunder Bay or Armstrong to Thunder Bay or Armstrong,

That is all it says. The second paragraph states:

From any point on any line of railway west of Thunder Bay or Armstrong to a port in British Columbia—

But it does not stop there. It goes on to say: "for export". And paragraph (c) states:

From any point on any line of railway west of Thunder Bay or Armstrong to Churchill—

It goes on to state, "for export".

That means that feed grains that are destined to be consumed in British Columbia do not travel at the statutory rate, whatever that may be. It means that only feed grains traveling east out of western Canada travel to Thunder Bay at a statutory rate, with contributions from the federal Government in the form of subsidies. But the feed grain consumers of British Columbia pay the compensatory rate from wherever it travels in western Canada.

If the Minister were concerned about designing a Bill that would be fair to all Canadians, surely he would ensure that the people of British Columbia have the same protection as the people east of Thunder Bay and Armstrong.

When we became involved with this Bill, the Progressive Conservative Party had five principles on the Crow rate that were well established and well known throughout Canada. I would like to cite those principles. First, grain producers must have a statutory freight rate which preserves the benefits of the Crow and must be protected from open-ended escalation. This Bill certainly does not do that.

Second, the Government of Canada and the railway have a continuing obligation to provide a special low rate to assist producers competing with subsidized grain export nations. This Bill does not do that.

Third, producers should be guaranteed an efficient, cost-effective and reliable grain transportation system. There are no guarantees to the producers in this Bill.

Fourth, railways should receive adequate and fair compensation for the movement of grain to provide the necessary capital and maintenance of plant and equipment. We believe that this Bill is only too generous to the railway companies, with their 100 per cent, 20 per cent and 20.5 per cent return.

Fifth, the distortion of the low freight rates in grain and oil seeds vis-à-vis processed products should be removed and the natural advantage retained. As I said with respect to British Columbia, the natural advantage in western Canada of shipping to feeders in B.C. is certainly not contained in this Bill.

Directly south of Saskatchewan is the State of Montana. The producers in Montana have continually paid a full compensatory rate for the movement of their goods. If one were to drive through Montana one would see thousands of white-faced cows, thousands of acres with cattle on it, but not one processing plant. That processing in Montana is done in Omaha. Therefore, how can the Minister of Transport tell the people of western Canada that by charging a compensatory rate for the movement of grain, processing will build up in western Canada? We have more processing in western Canada now than any of the states south of us. I look forward to taking part in this debate at a later date.

• (1430)

Mr. Lewycky: Mr. Speaker, the Hon. Member made what I thought was a serious accusation with regard to the shortcomings of the Bill when he said that the Bill was imperfect. My recollection of Standing Order 73 is that it says that a Bill shall not be introduced if it is blank or imperfect. Is the Hon. Member suggesting that the Minister of Transport (Mr. Pepin) is obligated to withdraw the Bill if it is imperfect? Could the Hon. Member elaborate on this point?

Mr. McKnight: Mr. Speaker, without wishing to take the place of the Chair, I would like to say that I would have no objections if the Minister of Transport felt that he could withdraw this Bill and bring it back in a more perfect form.

Mr. Pepin: Mr. Speaker, partly because this is Friday afternoon and the time is conducive to this sort of thing, would the Hon. Member like to reason with me on the concept of a safety net? I am sure he has been to a circus. We have all been.

Mr. Bosley: That is what we have here.

Mr. Pepin: What is the distance between the wire and the floor at which the safety net is located?

Mr. McKnight: Mr. Speaker, I find it strange that the Hon. Minister of Transport would equate a circus with the serious production of food in western Canada and the feeding of hungry people around the world. But when the Minister speaks of the distance of the safety net, let me say to him that the distance should be adequate to protect those who are going to

use the net. My objection to 10 per cent and 12 per cent of the cost of goods to be used on paying for the transportation of those goods is that it does not protect the people who need the safety net. When the Minister talks about the distance, he talks about the distance of a net. When you look at the base rate in Schedule 11, there is an increment every 25 miles starting at 375 miles, I believe. Every 25 miles the rate changes by 8 cents a bushel up to 1,200 miles. The minute you get to 1,200 miles, which is in Saskatchewan, from where 60 per cent of the grain is exported, the increment for 25 miles becomes 13 cents recurring. That, along with the safety net, is not acceptable to the people of Saskatchewan.

Mr. Benjamin: Mr. Speaker, I have a short, quick, to the point question for the Hon. Member. Does he support the position of the Government that the grain producers should pay increased freight charges for shipping grain, or does he believe those freight charges should remain at the statutory grain rate level?

Mr. McKnight: Mr. Speaker, if I had to choose between the Bill as presented and the statutory grain rate as it exists now, I would be forced to choose the statutory rate.

But what I would like to say is that I am supportive of those farm organizations in western Canada, the Saskatchewan Wheat Pool, the Alberta Wheat Pool, the Manitoba Wheat Pool, the Commodity Coalition, the United Grain Growers, the Canadian Federation of Agriculture and, I believe, the Saskatchewan Federation of Agriculture, that have said there should be an increase, that producers are willing to pay an increase. The argument in debate here is whether that increase is fair or will benefit the producers of grain in Canada.

Mr. Flis: Mr. Speaker, we seem to be getting double messages here. The Hon. Member read the five principles, one of which is that his Party seems to be in full agreement that the Crow benefit must be protected. Is the Hon. Member telling us that the producer should not pay any more in transporting grain, or is he in agreement that the producer, because the costs of transportation are rising, should pay a little more? This is the same double message we have been getting from the official critic, the Hon. Member for Vegreville (Mr. Mazankowski) and from speaker after speaker. We on this side are really not too clear on his Party's position.

Mr. Fennell: Listen then.

Mr. Flis: What does the Hon. Member mean by saying the Crow benefit must be protected?

Mr. McKnight: Mr. Speaker, the Hon. Member for Parkdale-High Park (Mr. Flis) I know has several farms in that community in Toronto—

Some Hon. Members: Oh, oh!

An Hon. Member: Arrogance.

Mr. McKnight: It is not arrogance, it is the truth. I am sure the farmers sitting on the other side are fully cognizant of what can happen, if this Bill goes through as it is, to the farmers in western Canada, and if they will listen I will explain. I feel, and my Party feels, that the $651.6 million is certainly generous enough, at least until 1985-1986. It is certainly the benefit of the Crow. If it were protected in inflated dollars rather than in constant dollars, I think that would be sufficient for the railroads to continue moving grain.

Mr. Fennell: Mr. Speaker, over the years westerners have gained much from the subsidy on the shipping of manufactured products out to the West. Does he not think it fair that they should subsidize the grain coming back into Ontario?

Mr. McKnight: Mr. Speaker, let me say, in answer to the Hon. Member for Ontario (Mr. Fennell), that, as his riding indicates, he is from a rural part of Ontario. As subsidies have flowed both ways in this country, I think it would be only fair that the subsidies continue to flow both ways in this country rather than being stopped as grain starts moving from west to east. The subsidies on oil continue to flow out. As the Minister of Energy has stated, the Alberta and Saskatchewan Governments have done all they could to protect the consumers of eastern Canada from large oil price increases, but those eastern Provinces have taxed that benefit to the detriment of their own consumers. I think the subsidy should continue to flow both ways, Mr. Speaker.

Mr. Benjamin: Mr. Speaker, I am still not clear. The Hon. Member says that he supports the position of the Saskatchewan Wheat Pool, the Manitoba Wheat Pool, and others who are prepared to go along with an increase in freight charges. But, on the other hand, he said that if he had to make his choice between the two, he would opt for keeping the Crow rate. Is the Hon. Member going to vote for the Bill because it includes an increase in freight charges for grain producers, along the lines of the Saskatchewan Wheat Pool, or is he going to vote against it because he would rather have the Crow rate?

Mr. McKnight: I would have thought the Hon. Member for Regina West (Mr. Benjamin) would have learned. After all, he is a more senior Member than I am in this House—

Mr. Baker (Nepean-Carleton): He is a slow learner.

Mr. McKnight: I thought he would have known that you never make up your mind how you vote when you have not seen the whole Bill. We as democrats on this side of the House, knowing the Government and knowing that the Minister of Transport is very much a democrat, will probably be accepting amendments, very sensible amendments, to be proposed by our Party when we come to committee stage, and that may enable us to support the Bill.

Mr. Ralph Ferguson (Lambton-Middlesex): Mr. Speaker, perhaps I should set the record straight about any transportation grain subsidies coming into Ontario and point out that Ontario is a net exporter of grain, not a net importer. Naturally, we are not the benefactors of such subsidies. However, I welcome the opportunity to speak on the matter of changes to

the Crow rate because I believe it is necessary to address this matter from the viewpoint of the farmer and his family farm.

• (1440)

Mr. Baker (Nepean-Carleton): Are you talking about Ontario or about western farmers?

Mr. Ferguson: I am talking about Canadian farmers, true Canadian farmers.

Many people believe that the Crow rate agreement signed back in 1897 was good for Canada, for western Canada in particular. I agree with them because it helped to settle western Canada and led to the development of that part of this great nation. In fact, many of my relatives went to western Canada at the time of the building of the railroads and settled in all three prairie Provinces; some even went on to British Columbia. It is good for Canada because it enables us to compete in world markets. While it is true that establishing a fixed rate on grain and flour for export to Thunder Bay in 1897 assisted in the development of the West, the Royal Commission on Dominion-Provincial Relations in 1913 indicated that a development of probably more far-reaching significance was the phenomenal decline in ocean freight rates.

In 1896 ocean rates were only one-half of what they had been during the 1870 to 1875 period. They continued to fall until 1908, while wholesale prices were rising. The prices of iron and steel, which largely determined the costs of the railways and the implements of production, were falling steadily in relation to the value of the products of farms, and interest rates were the lowest in recorded history. The British investor was willing to lend overseas in unprecedented volumes. At last Canada's hour had struck. Between 1896 and the advent of the First World War, the prairie Provinces attracted a million new settlers and the production of wheat expanded from 20 million bushels to about 200 million bushels.

By 1930 the rail system of the Prairies reached its peak in size with about 19,250 miles, and there were about 300,000 farms in operation. In Canada today we have approximately 318,000 census farms in all of Canada. Of course these farms were labour-intensive. They required harvest crews of perhaps 15 men to 20 men to operate thrashing equipment and steam engines. Many horses were involved, approximately a million horses, to haul grain to the elevators in wagons.

The Port of Churchill opened in 1931 and the statutory rate on export grain was applied to that port, which meant that the Crow rate of 1897 then applied to CN, CP and all four western ports. It was in the 1930s that significant changes began to appear on the family farm with the introduction of the tractor and the truck. Farmers became more efficient and productive, and many of the changing services required for effective agricultural production were best provided in various urban centres. This was a migration from the farm sector to the town and cities. As a result, the rural component in Saskatchewan in particular declined from 84 per cent to the total population in 1901, to 54 per cent in 1966 and to about 20 per cent today.

In fact, a review of the social and economic trends and developments in Saskatchewan since 1897 show that the Crow rate has not been a significant factor in maintaining the rural-oriented lifestyle advocated by some. The existence of the fixed rail rate on grain for 86 years has not prevented a signifcant shift of the population from rural to urban, where only about 20 per cent reside on farms today compared with 84 per cent in 1901. The same trend became evident in other Canadian Provinces, not only in the western Provinces. It did not prevent the consolidation of farms either in size or absolute numbers. The rate on grain did not prevent the consolidation of elevators and delivery points by about 50 per cent since 1930 or the demise of small communities. This has happened in other parts of the country as well. County elevators in Ontario, for example, had elevator legs which would elevate approximately 1,000 bushels per hour. Now there are many, many elevators which handle up to 5,000 or even 10,000 bushels per hour. This led to the demise of smaller elevators and smaller companies. Factors such as the growth of the road system and electrification have also had a more significant impact on small communities than has the Crow rate. The consolidation of school units, medical centres, newspapers, post offices, bulk oil and machinery dealerships has been on the same scale in all other parts of Canada as it has in the West.

It would be wrong to conclude that as a result of these trends the growth and development of the Prairies have been stunted. This is not the case at all. In fact, the development of the Prairies, particularly their move toward diversification into such areas as minerals and oil resource development, has put them in an enviable position vis-à-vis most other Canadian Provinces. In the words of the Prairie Rail Action Committee, "Whatever else these trends show, they demonstrate that the Prairies are dynamic, served by pleasant, sophisticated moderately large and growing urban areas."

Let us take a closer look at what is happening on prairie farms. There has been a steady increase in the number of acres in each farming operation. For example, the average Saskatchewan farm increased from 686 acres in 1961 to 939 acres in 1976. Today the average farm size is about 1,000 acres. The same thing has happened in Ontario and in eastern Canada in general.

In 1941 there were 138,713 farms in Saskatchewan. By 1951, the total had increased to 112,018. In 1981 the total was 67,318, or a reduction of 40 per cent in 30 years. The number of farms larger than 1,600 acres increased to 9,055 in 1981 compared with 2,931 in 1951, or an increase of about 300 per cent. There are approximately 145,000 Canadian Wheat Board permit holders in the Prairies. In 1930 there were approximately 300,000. Only one-fifth of the 145,000 currently produce about 50 per cent of total grain receipts.

The prairie farm of 1983 has changed dramatically since 1930. This is not only the case with prairie farmers. It also applies to farms in the rest of Canada. The farm today is capital intensive rather than labour intensive. It is almost possible for a husband working on the combine and his wife driving the truck to bring in the harvest themselves compared

with the fact that it took 15 men to 20 men almost 50 years ago. Most farms have their own machine and repair shops. They carry a limited supply of spare parts such as bearings, belts, bolts and other common items. Farmers no longer need to go to adjacent small towns to purchase half a dozen bolts. Today they purchase them in lots of 1,000 or more, often directly from suppliers. They have their own welders, cutting torches, hydraulic presses to assist with bearing replacements, gear pullers, and the list goes on and on.

In the context of today's farm, let us look at the impact of increased rates. The increased rates will hardly be a sledgehammer, as suggested by the Tory Government of Saskatchewan, since the rate will not even double in 1985. Although it will increase to 5.5 times Crow by 1991, this assumes a total grain movement of 41 million tonnes. Even at that, the rate will cover about 60 per cent of the real rail cost and will represent about 8 per cent of the price of grain forecast for 1991.

Although no farmer, whether he is in the West or in Ontario, likes an increase in costs, the proposed increase in freight rates by 1985-86 will be nominal when compared to a farmer's over-all costs, assuming a typical Saskatchewan farm of 1,200 acres with 700 acres sown to wheat. The total revenue would be about $81,200, using a 29 bushel per acre yield and a $4 per bushel farmgate price. The total production cost would be about $60,000.

Under the present Crow rate, the transportation bill would be $2,842. If one adds the transportation cost of $2,842 to the production cost, the farmers over-all cost would be $62,842. As a percentage of the over-all cost, the transportation cost represents about 4.5 per cent. Using the same logic, this 4.5 per cent would increase to 9 per cent of over-all costs by 1985-86, assuming we still have 1983 grain prices. One could hardly call such an increase a knock-out blow, as have some opponents. While an increase of some $2,800 may sound like a lot of money, it is not so significant when we consider that tractors today sell for as much as $80,000—and that is not the price of a big tractor but a large one by the standards of a few years ago—and combines today sell for $100,000 and up.

• (1450)

Prior to 1949 about 1 per cent of Saskatchewan resident farmers were supplied with electricity. By the end of 1956, approximately 47 per cent or 40,000 farms were served with the power grid. Today virtually every farmer on the Prairies has access to electricity. The Hall Commission reported in 1977 that:

> Rural electrification has no doubt had the most significant positive social impact on rural life . . . due to the ability to keep bread, fresh vegetables and fruits for a longer period, these commodities were purchased in greater quantity, farther from home leading to the closing of local bakeries and stores—

The advent of supermarkets and chains led to more dramatic shopping habits of farmers, not only in western Canada but across Canada. We have the same impact in the rural ridings of Ontario. Contrary to statements that changes to the Crow rate will destroy the social fabric of prairie farms and communities, allow me to put the following excerpts from the Hall report on the record:

> Increased cost of labour forced farmers to improve production technology through capital. This resulted in social repercussions in rural western Canada, i.e. the decline in farm population and in the number of community centres of service.
>
> —tendency to equate the significance of the railway of 35 to 50 years ago with its significance today.

I could not help but notice that the shipping rate for a tractor-trailor truck-train in Ontario is less from Chatham, Ontario to Toronto than the equivalent rail rate. That truck can load at the granary on the farm without having to go to the local elevator and reload. It eliminates one whole handling process. It is the railways which have had to adapt to these changes in order to stay efficient. Again I quote:

> Even bulk farm imports such as fertilizer, fuel, chemicals and equipment are increasingly hauled from regional distribution points by truck.
>
> It is the people and the spirit of the people which gives the community viability, not the railways nor the elevators.
>
> The commission was unable to locate any study which indicated that the viability of a community which was already declining would be served by the retention of the railway.

Again I refer to my constituency. We have had branch lines close down because they could not compete with truck transportation which picked up a product either at the farm or at the gate of the manufacturing plant, in turn taking it to its unloading point or point of destination.

> Vastly improved roads since the early 1950s . . . have enabled people to travel further for goods and services.
>
> Towns being bypassed by modern highways, the development of regional health centres and hosts of other items have contributed to the phasing-out of many smaller centres with their own identities and social patterns. These changes have occurred and will continue to occur with or without the railway.

I must add that we are losing something of that way of life in rural Canada, but we cannot stand still. Improved facilities are being demanded by our population. Improved services go with it.

> The evolvement of few centres rendering a large number of services has taken place only because smaller centres have decreased in size or disappeared altogether. This took place, not as part of a planned development, but as a result of many people making individual decisions on where they wished to shop, do business and socialize.

In a good many cases, this is because of the variety of the options opened to them in the larger centres. In many of the towns and villages throughout my riding, their downtown core has become empty because of supermarket chains establishing malls and shopping centres on the outskirts of those towns or villages. This has happened all over Canada.

All elements of prairie life have changed significantly since the 1930s, not only prairie life but in the rest of Canada, particularly elevator rationalization and road construction. An effort has been made to hold some items constant such as branch line retention and Crow rates. Such a position defies reality and the results are obvious. In 1977-78, following three successive record harvests, the system broke down and prairie grain producers had to lose or forgo major grain sales due to transportation problems.

The change outlined by the federal Government to modernize the Crown rate will be consistent with all the other social and economic changes that have already taken place within the Prairies. Passage of the western grain transportation Bill will ensure that prairie producers, who are among the most efficient and productive in the world, will have a transportation system to match their performance.

We talk about subsidization. I wish to point out that in 1982 the Government of Alberta announced that four canola crushers in that Province would receive a $20.4 million subsidy representing $40 per tonne. This will grant the crusher a 91-cent margin upfront. Coming from outside Alberta, such action may be interpreted as Government interference in the free enterprise system and economy, creating an imbalance across the country. The subsidy, if attached to crushing levels, could create a product-pricing war in competition with the crushers in Saskatchewan and Manitoba, as well as Ontario.

I am an oilseed producer. I have to compete not only with the subsidies being paid to the crushers but with my sales, transportation costs against the subsidized rates for western Canada. In the essence of equity to all Canadians, we have to look at and revise the Crow rate to a standard that is fair and equitable to all Canadians, and yet utilize the potential of our report capability.

Mr. Lambert: Mr. Speaker, I would like to ask the Hon. Member if he recalls that last week it was announced by the Department of Regional Economic Expansion, or whatever passes for that Department now, that three grants had been made to western Canada establishments in each of the three Provinces, one being in Hamilton, Ontario, for the building of new canola crushing plants. This is action by the Government of Canada. The Hon. Member went to pains to point out that the Government of the Province of Alberta had been interfering with the market structure of canola. Now we have the Department of Regional Economic Expansion doing the same thing. I wonder what he would say about its actions?

Mr. Ferguson: Mr. Speaker, I am aware of those grants. I am also aware that the Government of Ontario made a grant of $4.5 million to establish a canola-crushing plant in Hamilton, Ontario. Perhaps there is a large area in the clay belt in Ontario which could utilize these plants, whether they are in the West or in the East. It is much easier to transport the raw products to these plants and then transport the oil or the meal by rail or by ship to the port of export than it is to transport the raw product.

Mr. Lewycky: Mr. Speaker, I must confess I am a little bit disappointed in the speech of the Hon. Member for Lambton-Middlesex (Mr. Ferguson), just as I was earlier with the speech of the Minister of Consumer and Corporate Affairs (Mr. Ouellet). In many ways both of these fellows have indicated an understanding of the West, as the Minister of Consumer and Corporate Affairs has shown with regard to the Post Office when. I have raised questions with him. I was really amazed at his position here.

• (1500)

Similarly, I find it very difficult to understand how the Member who just spoke could introduce a Bill and in fact solicit our support for introducing a Bill that deals with farm closure and the problem that farmers are facing and now try to paint such a rosy picture. I find it very difficult to comprehend this type of walking paradox.

The Member talked about equity and things that are equitable, and I wonder if he could indicate to me how far he has to transport his grain and whether he would consider it equitable that on the Prairies and in constituencies such as mine where there is still abandonment taking place farmers will have to transport their grain 100 miles to 125 miles. I wonder if he could expound on his principle of equity when he takes that kind of position. To me, it is a paradox that I do not understand; maybe he could enlighten me.

Mr. Ferguson: Mr. Speaker, I do not believe that I was painting an exceptionally rosy picture as far as the farm income sector was concerned but perhaps I could enlighten the Member by telling him what some of the costs are. I did indicate that the cost of transporting soybeans was lower by truck from Chatham, Ontario, from my yard as a matter of fact, to Toronto. But for exports, we must pay the cost of handling and export preparation to the Port of Halifax and the Port of Saint John, New Brunswick. Perhaps I should give some examples—

Mr. Lewycky: How far does the Hon. Member have to truck his grain and does he consider 100 to 125 miles equitable?

Mr. Ferguson: Yes, that is the approximate distance from my own farm to the City of Toronto or the City of Hamilton. It is approximately the same distance to a crushing plant or an elevator. We could perhaps ship to a local elevator that is much closer with a tractor and several wagons tied behind it, probably 1,000 bushels at a time, or if we used a smaller truck, 600 bushels at a time. But if we want to sell directly to the terminal elevator, we must travel that far.

I should perhaps make some comparisons between the East and West, and I believe I could use Ontario winter wheat versus western wheat as an example. The handling costs per bushel of western wheat after it arrived at the country elevator was 29.6 cents, according to the statistics of the 1981 Annual Report of the Canadian Wheat Board. We in Ontario do not have the same rates available to us or the same facilities provided by the Government of Canada. We quite often have to load on board ship in Georgian Bay, but the average comparable cost to us last year was approximately 80 cents a bushel. We are not asking for the costs in the West to be raised to that level, but I believe that Ontario farmers have to face these kinds of transportation costs and there should be some system worked out that will at least meet half way and will put us out of competition for the export market but be more fair to all Canadians.

A comment was made a few minutes ago about subsidization of eastern products going west, and I would like to point

out that I have compared prices on a good many occasions, whether it be prices in a hardware store or a plumbing shop, and the prices in the West are almost equal to what I have to pay in my community because the manufacturing plants add in a transportation equalization factor when they determine the price of their product. They must do this to remain competitive, so we are in turn assisting to pay some of those transportation costs from the manufacturing areas to western Canada.

Mr. Neil: Mr. Speaker, the Hon. Member for Lambton-Middlesex (Mr. Ferguson) brought in a Bill to amend the Farmers' Creditors Arrangement Act a few months ago alleging that the farming community was in terrible financial difficulty. He has been present at the same hearings and committees as I have and he has listened to the banks and to the Farm Credit Corporation where the indications given by the witnesses are to the effect that about 10 per cent of the farming population is in financial difficulty. The Member says that an additional expense of $2,800 on average will not hurt the farmer. Is he really sincere when he says that?

If the farming community is in bad shape and 10 per cent of farmers are in real financial difficulty, the average increase of $2,800 will in some cases be $6,000 or $7,000 extra in the West. This is enough to push the farmer over the edge. How does the Member justify doubling the Crow rate in two or three years and five times the Crow rate in ten years.

Mr. Ferguson: Mr. Speaker, I think the point that has been missed here was that I used a 1,200 acre farm with 700 acres of wheat as an example. I would hope that that other 500 acres would not be in summer fallow. I would hope that that farmer would have a poultry operation there that would have 15,000 laying hens. If the farmer makes the average profit of 2.7 cents per dozen eggs, the profit from that would be $8,500, plus it would take 450 acres of barley to produce the feed for those birds. I would hope the farmer would have a margin of profit on that. Consequently, I believe that that farming operation could well afford to pay more of the cost of transporting goods to market just as farmers in eastern Canada do.

This example assumes that there would be no summer fallow on that 450 acres. I understand that there is a great deal of summer fallowing going on in the West but not as much as there used to be because farmers are now finding out that that is one of the causes of saline salts rising to the surface of the ground and making the ground less productive.

There are many other areas where you could have an additional income from a farming operation and feed the grain right on the farm. I used a poultry operation as just one example. That is something we must bear in mind.

Mr. Hobdebo: Mr. Speaker, I would like to make a comment and ask the Hon. Member a question. The Hon. Member for Lambton-Middlesex (Mr. Ferguson) suggested that because the increase would not come into effect all in one year, it would not be a knockout blow as has been described, and he said that the Saskatchewan Government was exaggerating because they suggested that. I wonder if there is very much difference between being hit five times and having the blow increased each time or being hit all at once, because that is what will happen.

Again, I follow the Member for Moose Jaw (Mr. Neil). My question, Mr. Speaker, is what about the farmer who just cannot bear the increase in cost of $3,000 and becomes part of the 10 per cent of farmers who are bankrupt or pushes the number of bankrupticies up from 10 per cent to 20 per cent, as suggested by the Member from Moose Jaw?

In the last five years, many of the farmers in my constituency have not been able to show more than a $4,000 or $5,000 profit. Paying twice the freight rate would put them in a loss situation right away. The number of farmers going bankrupt will be increased by 10 per cent almost immediately.

Mr. Ferguson: Mr. Speaker, I am quite surprised that my colleague would make a suggestion like that because, of course, the final payments for the 1983 crop year will not take place until 1984 and who knows what the prices of those farm commodities will be. I would certainly hope that the price of barley, which is $94 per tonne in Alberta for June delivery this year or $95 per tonne in Winnipeg, would increase in the coming crop year.

I would like to suggest as well that the wet, cool weather we have experienced and the delay in planting in the United States in combination with the PICK program of the United States Department of Agriculture has been a shot in the arm for the grain industry. Perhaps those changes have not taken effect yet but I suggest that as they do the farmers will benefit. The minimal effect of raises in transportation costs over the years will be absorbed with the higher prices.

• (1510)

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I am pleased to speak on Bill C-155, not because I am terribly excited about it but because, as the Minister said, this could be a very historic debate. I am glad the Minister is in the House to listen to my remarks.

When we consider handling grain in western Canada, transportation is not the only thing we must take account of. As was so ably pointed out by the Hon. Member for Vegreville, (Mr. Mazankowski), we must consider the distances faced by the Canadian farmer who has to transport his grain 1,500 to 2,000 miles to the open sea. We compete with farmers in countries who have access to open water within 200 miles or less.

In light of that and the many other problems that agriculture faces in this country we must consider the benefits agriculture has brought to Canada, particularly to the industrial sector. In that whole context we have to consider transportation. I feel that to some extent the Minister has failed to consider the movement of grain in the whole context of agriculture and farming today. I would be the first to recognize that the Minister is sincere in his approach to transportation but I think he has a very narrow perspective.

If you were to choose any time between the 1930s and today to come up with a new method of moving grain and making radical changes to the system, you would not be able to choose a more critical time than the present. The farmer faces some very serious problems. First of all, he faces competition in the international marketplace which puts additional stress on agriculture today.

According to figures given to me by Dr. Andy Schmidt of the Unviersity of Saskatoon, the United States pays its farmers a subsidy of 33 per cent. European countries subsidize wheat production by $5 per bushel. The total subsidies in Canada, including the grain stabilization subsidy and the Crow rate, come to less than 17 per cent. I want to make the point to the Minister of Transport (Mr. Pepin) that it is most important that our farmers be kept in a competitive position in the international marketplace. If they are not, we are in very serious trouble.

Bill C-155 makes a great deal of trouble for farmers and this has been vented in various ways across the country despite the fact that the Minister has said there is a consensus about what he is doing. Many agricultural communities, the towns, villages and municipalities and organizations in the Prairies aare concerned about the Bill. The eyes of the West are focused on this House today as people wonder about the decisions being made on Bill C-155.

I have before me a letter addressed to the Minister from the council of the Town of Gravelbourg. I should like to read it into the record because I think the research is very good. It begins as follows:

Dear Sir:

We as a Council have listened and studied your proposals to change the Crow's Nest Pass statutory freight rates and we feel obligated and compelled to write you.

Your proposals raise much concern and worry in our town and community. The general feeling is that instead of improving the economic and social position of our community your proposals will do just the opposite. This view is widely supported across the nation including Central and Eastern Canada.

Instead of improving the purchasing power of farmers which in turn generates economic activity in the industrial sector your proposals will transfer billion of dollars from the grain producers pockets directly to the railway coffers (this is called force transfer), bypassing our rural communities and cities. Furthermore, grain production will subsidize mineral transportation costs such as coal ore, potash, lumber, oil etc. Farmers are already paying freight both ways for the shipping of his products to market and for the farm inputs.

In our area served by the Town of Gravelbourg we have approximately 220 permit holders, whose average farm is about 960 acres each delivering approximately 12 bushels of grain per acre per year—

This takes into consideration the fact that about half of the farm land in that area is in fallow ground.

—which equals 11,520 bushels (or 315 tonnes) at pesent with the Crow's Nest Pass Rates in place of 4.89 per tonne. The average transportation cost by rail per farmer is approximately $1,533.00 per year.

That is as of today.

Collectively for 220 farmers the total cost equals $337,285.00. If the Crow rates are abolished and the cost of freight triples—

We are talking about increasing the rates five times by the 1990s.

—this amount will be $4,599.00 per farmer

By the year 1990 it will be about $8,500 per permit holder in the Province of Saskatchewan.

Collectively $4,599.00 × 220 farmers equals $1,011,780.00.

I wonder if the Minister can imagine what this outflow of capital will do to every town and village in western Canada, to the communities where branch lines service the farmers.

The Hon. Member who spoke earlier referred to farms becoming larger, and small farmers and young farmers having a hard time competing. I want to suggest to you, Mr. Minister, that this will just complicate further a very difficult situation. I appeal to the Minister that he take a new look at the whole perspective of what this Bill is going to do to the economic situation of the farmers in western Canada, particularly in the grain growing areas. Certainly, there is need for upbuilding the railways; no one would argue that. Certainly, there is a need to continue in a positive direction to provide a better rail line, and so on.

● (1520)

But let us look at the position of the railroad in this. I want to make the statement in this House that this Bill is very rich for the railroads. When you consider, Mr. Speaker, that hopper cars have been bought by the Provinces and have been bought by the Wheat Board or by the farmers, and the rolling stock for the most part belongs right now to the Provinces, the Government and the farmers, and when you consider the upgrading of rail lines and lines which are scheduled for abondonment and the amount of dollars being spent there, you must realize that the railroads have been treated very well.

We had hearings in my riding this fall at Big Beaver and the Colony Line, and it was really quite amusing because of an amount of money which was supposed to have been spent on the railway. I believe it was about $70,000. The question came up before the inquiry as to what happened to the money. The railroad said: "Oh well, that was put on deferred maintenance".

I want to suggest there has been a lot of money paid to the railroad which has gone into "deferred maintenance". As the Hon. Member for Moose Jaw (Mr. Neil) so ably pointed out earlier today, there is a great deal of question about accounting and what the figures mean. The Minister has put before us in the House a very complicated Bill and, if I may say in all sincerity, a Bill not too well explained as to exactly what it means in terms of dollars and cents and guarantees laid out for the farmers in moving grain. I have a great deal of concern about that.

With respect to capital cost allowance, the railways are allowed 20.5 per cent for their capital cost allowance. Let me make a small comparison. For example, if we allowed a farmer who had an investment of $500,000—and that does not take a very big farm today with the cost of land and machinery, and so on—a capital cost allowance every year on that farm, that would mean that he could start at $100,000 income. From that he could start deducting his expenses and so on, and he would then have a pretty profitable farm. He is now probably lucky if he nets $10,000 on that farm.

There seem to be two sets of rules, one for the producers and the other for the railroads. Therefore, I have a great deal of concern when the Minister says he has—I believe these are words he used yesterday—"a great deal of sympathy for the railroads and the great losses which were afforded them". The shortfall has been paid to the railroads year after year by the taxpayer and, quite frankly, I do not see a great deal wrong with that. My position, and I believe the position made clear by the Hon. Member for Vegreville, is that the statutory rate remain and that the Government pick up the shortfall and hold the railroads responsible for rebuilding and putting in place a transportation system which will better serve Canada. And I say Canada and the farmers, because if you break the farmers, you will not be doing Canada a great service. I believe it was Sir Leonard Tilley who said: "Destroy the farmer and grass will grow in the streets of every city in the nation".

I believe it is important in this debate that we clarify in our minds, not only as farmers, not only as responsible people in this House, but as Canadians, exactly what type of Bill has been presented for the benefit of all Canada.

I would like to speak further on some of the more positive aspects of what I think this Bill should do and what it could do, not only for Canada and for the farmers, but also for the world. I would like to make a comparison with the national energy policy. I would like to ask the Minister what was accomplished by bringing in a policy under the National Energy Program which broke the oil fields, which put workers out of work, the Government then purchased oil from Mexico and other points around the world? Not only did the Canadian people in the oil fields of Alberta and Saskatchewan suffer, but all Canadians suffered because of that legislation.

I see a very close parallel in Bill C-155. What advantage is it going to be to Canada if the farmers are rendered bankrupt, as was raised in the questioning just a little ealier? What benefit will that be to Toronto, to Montreal or to central Canada? It will mean that the farmers will not have money to by combines, tractors, rubber and steel, and all those things which are bought from the manufacturing areas of Canada. That is why I appeal to the Minister to look carefully at this Bill, at the whole structure of agriculture, of transportation, and the results which will flow from it.

We are faced in agriculture today with some of the highest costs which we have ever known. I mentioned earlier the national energy policy. One of the highest costs which we face, and the Minister must take this into consideration, is the cost of fuel. It has gone up 90 per cent in the last two years, mostly directly related to the national energy policy. We have farmers today who are paying 66 cents a gallon for their diesel and farm fuel. It does not take a large tractor today to hold 150 gallons of diesel fuel, which means $300 every time the tractor is filled. What do the farmers do? They are wondering just how often they will work their fields. I can tell you that they are cutting back. The farmers in my riding are cutting back in the cultivation of their summer fallow, in their farming operations, simply because of the high cost. What is this going to do? It is going to have a counterproductive reaction to producing wheat.

I would like to bring out this point as well, Mr. Speaker. The country of Canada produces for export for the benefit of all Canadians some $6 billion to $8 billion of surplus trade. This is not important only to the farmer but to the whole economy of Canada. In closing my remarks on this very important subject today, I suggest to the Minister of Transport that if the direction he takes through Bill C-155 proves to be counterproductive to the production of wheat and other agricultural products in Canada, it will have a long-lasting effect not only on agriculture, farmers, towns and villages, but on all of Canada. I ask him to reconsider this Bill seriously.

• (1530)

Mr. Mazankowski: Mr. Speaker, the Hon. Member mentioned the heavy burden of fuel costs which are largely a result of the federal taxes imposed under the National Energy Program. In order to give us an idea of what the aggregate costs are on an average farm, could the Hon. Member roughly outline what an average fuel bill would be for a two-section farm and, in doing so, would he state what the fuel tax component would be?

Mr. Gustafson: Mr. Speaker, I would be glad to answer that question but I cannot be too specific. However, I did some calculations in terms of an average farm, an acre of land and production, and found that the tax alone on farm fuel today at 66 cents a gallon, which is a very exorbitant federal tax, would equal an amount to enable a farmer, in most cases, to ship the grain that that fuel produces. This is an important factor raised by the Hon. Member for Vegreville. Just how much tax can the farmer stand?

We have talked about subsidies. I do not like the word subsidy and I think we should get away from it. The farmer does receive some subsidy, I believe 17 per cent, but he is also paying a very heavy tax in other areas. I think it is important that the Minister take this all into consideration to determine what it will do for agriculture in Canada.

Mr. Pepin: Mr. Speaker, the Hon. Member seems not to be at least theoretically opposed to the thesis that the farmer should pay a greater share of the cost of transportation of his grain. While he does not seem to disagree with that principle, he seems to disagree with that proposition in practice. He has said that now is not the right time. Could he tell me if there has been in the past ten years, for example, since the value of the Crow has been substantially inferior to the real cost of transportation, a time when that change could have been made? Can he anticipate a time in the future when it could be changed?

Mr. Gustafson: Mr. Speaker, of course that is a very hypothetical question but one must take into consideration the ability to pay. I said that the farmer does not now have the ability to pay.

To answer the question, let me draw a comparison with Crosby, North Dakota, where it costs $1.51 Canadian to ship a bushel of wheat. The Minister himself said that the charge will be 70 per cent to 80 per cent of the real cost of the movement of grain in the 1990s. Since it is difficult to equate the cost because of accounting, as the Hon. Member for Moose Jaw said, if we simply take the figures that we have for the Unites States, where it costs $1.51 a bushel to ship wheat to Seattle from Crosby, North Dakota, one can see that the farmer would have to pay approximately $1.11 a bushel in addition to what he is paying now. I can state to the Hon. Minister that every farmer in western Canada would be bankrupt with costs like that.

Certainly there might be some consideration for an increase in cost if the ability to pay was there. But the ability is not there.

Mr. McKenzie: Mr. Speaker, I have a question for the Hon. Member which is not hypothetical, because I think we should be dealing with facts in regard to the Crow. The Hon. Member mentioned the heavy tax burden placed upon the farmers by the Liberal Government. He gave some figures as to the amount of tax. Could he inform the House how much of that is federal tax? I know that the Conservative Government in Saskatchewan lowered taxes in order to help the farmer and the economy in that Province. It was a great boost.

What seems to be hampering farmers and economies in the West is these heavy Liberal energy taxes that have been brought on by the disastrous National Energy Program, which lost some 60,000 jobs in the industries in Ontario and Quebec, drove oil rigs out of the country, and indeed untold millions of dollars were driven out as a result of that program.

If the Liberal Government were to consider some of the policies that have been implemented by the Saskatchewan Government, does he think it would be of assistance to the farmer?

Mr. Gustafson: Just to clarify this difficult situation, there is no provincial sales tax in the Province of Saskatchewan on farm fuel. There is, however, a federal tax of 66 cents per gallon and the removal of that tax would certainly be productive. That is the point I was making.

Many of the Government's actions in the past have been counterproductive. Take metrication, for example. One can ask how that is counterproductive. The farmer can no longer clearly read instructions on how to mix chemicals. There is the fuel tax under the national energy policy. We now have another blow, Bill C-155.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I have a question for my colleague. There has been a tendency in some parts of the country to view this Bill as probably only affecting western Canada. I do not represent a constituency in western Canada as the Hon. Member does. Could the Hon. Member enlighten me and other Members from other parts of the country on the effect this can have beyond what is considered western Canada and the area which is considered to be affected alone? Is this a Bill that affects the country as a whole and, if so, how?

Mr. Gustafson: Mr. Speaker, I do not believe that there could be a Bill implemented in the House that would have more effect on all of Canada than this one. Consider the impact that agriculture has on the entire country. If the industry becomes non-productive to the point where it cannot buy the necessities needed on farms, such as rubber and steel which go into farm machinery as well as other things that go into agricultural production, it would have an impact upon the factories in Ontario and upon every taxpayer in Canada.

I was considering that point recently. One needs only to consider a country in the world that is held in high regard. When one sees the agricultural community in that country and the policies that have built and strengthened the agricultural community, one can see a strong country.

At one time in North America, both in the United States and Canada, 97 per cent of the population was engaged in agriculture. Today, 4.5 per cent produce enough food in North America to feed North America and a great portion of the world. I want to say that this is a credit to North America and also a credit to Canada.

• (1540)

Mr. McKenzie: Mr. Speaker, I have one final question for the Hon. Member for Assiniboia (Mr. Gustafson), who explained the serious problems farmers are having in western Canada, and we know of the burden placed upon them by the National Energy Program. The Hon. Member also mentioned the metrication program. If that program were repealed, would this assist the western farmers?

Mr. Gustafson: Mr. Speaker, that would assist all Canada. First, it would probably save the country a lot of money. Second, we have farmers who do not know what they are doing in terms of measurement when it comes to spraying this spring. This point was brought forward very capably by the Hon. Member for Moose Jaw last evening. He pointed out the importance of it. In addition, there are so many areas where metrication has had devastating effects. I am sure farmers would be much encouraged if that program were reversed.

[*Translation*]

The Acting Speaker (Mr. Blaker): Before recognizing the Hon. Member for Verchères (Mr. Loiselle) who is to take part in the debate—

* * *

[*English*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Blaker): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-35, an Act to incorporate the Eparch of the Eparchy of Saints

Cyril and Methodius of Slovaks of the Byzantine Rite in Canada, to which the concurrence of this House is desired.

* * *

[*Translation*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Pepin that Bill C-155, to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport, and the amendment thereto of Mr. Benjamin (p. 25389).

Mr. Bernard Loiselle (Verchères): Mr. Speaker, it is with—

[*English*]

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I am not one who abuses the Chair or the Table on points of order regarding the rules, but I would like to ask you if you would take under advisement the question of debate at second reading, the time taken up thereon and the time limits placed upon speakers. I understand that the eight-hour limit of 20-minute speeches includes the ten minutes taken up with questions and comments of an Hon. Member following the end of his 20-minute speech.

I would ask you, Mr. Speaker, to take into consideration Standing Order 35(1) which reads as follows:

35. (1) Unless otherwise provided in these Standing Orders, when the Speaker is in the Chair, no Member, except the Prime Minister and the Leader of the Opposition, or a Minister moving a government order and the Member speaking in reply immediately after such Minister, or a Member making a motion of "no-confidence" in the government and a Minister replying thereto, shall speak for more than twenty minutes at a time in any debate.

The next words are crucial:

Following the speech of each Member a period not exceeding ten minutes shall be made available, if required, to allow Members to ask questions and comment briefly on matters relevant to the speech and to allow responses thereto.

You will note it says "Following the speech of each Member", which according to the previous wording is to last not more than 20 minutes.

In Standing Order 35(2), at the bottom of page 27, we find a repetition which reads:

(2) When second reading of a government bill is being considered, no Member except the Prime Minister and the Leader of the Opposition shall speak for more than:

(*a*) forty minutes if that Member is the first, second or third speaker;

(*b*) twenty minutes following the first three speakers, if that Member begins to speak within the next eight hours of consideration; and following the speech of each Member a period not exceeding ten minutes shall be made available, if required, to allow Members to ask questions and comment briefly on matters relevant to the speech and to allow responses thereto;—

It seems to me that means that only the 20-minute speeches of Members at second reading following the first three speakers should be counted in the eight-hour limit, and that the ten minutes for questions and responses is not part of an Hon. Member's 20-minute speech, because the rule says "Following the speech of each Member". That is stated in both Standing Order 35(1) and Standing Order 35(2)(b). The 20-minute speech is the speech and the ten minutes are for questions and answers following, which is not part of the speech. The words are quite clear.

I make this point on the basis that if the ten minutes of questions, responses and comments are not counted as part of a Member's 20 minutes—and I do not think they should be because I believe it has already occurred that another Member has taken up most of the ten minutes with comment and it was not part of the Hon. Member's speech—I do not think that the ten-minute question and response portion can be properly construed as part of the eight-hour time limit. Only 20 minute speeches of Hon. Members shall make up the eight-hour period, not the additional ten minutes of questions and responses.

I would ask you to take this point under advisement, Mr. Speaker, because I know you and the Table are meticulously keeping track of the hours and the minutes taken up by all Hon. Members.

In fairness to all Hon. Members there are those who would be entitled to make a 20-minute speech and they should not be penalized by time taken up at an earlier stage in the debate that had nothing to do with the 20-minute speech time of a previous speaker.

Mr. Baker (Nepean-Carleton): I have listened very carefully to what my friend was saying and I have looked at the words of the revised Standing Orders. I am inclined to think that the Hon. Member for Regina West (Mr. Benjamin) makes a reasonable submission of which the Chair ought to take cognizance. It is not one of those things that the Chair has to decide today but this matter will have to be decided fairly quickly. Perhaps it could be considered over the weekend.

I will not add to the argument of my hon. friend, but I will suggest for the guidance of the Chair that the Chair consider page 14 of the third report of the Special Committee on Standing Orders and Procedure. Item 3, "Length of Speeches", reads this way:

Your Committee is of the opinion that the time limits on speeches should be shortened wherever the standing orders provide for 40-minute (except as provided in the recommendation hereunder relating to second reading of Government Bills) and 30-minute time limits and that an effort should be made to introduce greater spontaneity and more cut and thrust into debate. Your Committee proposes that these speeches be limited to 20 minutes.

It goes on—and these are the important words:

But that an additional ten minutes following each speech should be made available, if required, for questions or comments to the member who has just spoken.

Not a speech, not a speech by the Member, not even an answer to the question or a speech by the questioner, but a comment. You use the words yourself when you ask whether there are any comments by Hon. Members. The paragraph goes on as follows:

Western Grain Transportation Act

Your committee proposes that the amendments to the appropriate standing orders be as simple as possible, but that the new debating process be controlled by the Chair in accordance with the following guidelines.

It then deals with the ten-minute period and says:

Ten minutes set aside following a Member's speech should be used to question a Member or comment briefly on the speech in a manner strictly relevant to the content of that speech.

That all feeds back to what my friend said at the outset of his argument. A speech is a speech, a question in the context of the rules is a question and a comment is a comment. Considering the limitation thereafter on speaking time, one must bear that in mind.

• (1550)

I say with respect that the general principles which should be borne in mind by the Chair are the limitation on debates in terms of time in the broad sense and the right of an Hon. Member to speak. Members rarely have an opportunity to rise and speak forever; therefore there is a limitation, when the House has decided to limit the time of speeches even more, there should be no constriction put on the rules that would limit in any way the speaking time of Members, except to the extent of complying with the rules.

To put it another way, if the Chair should decide that four Members ahead of the ones who would be otherwise cut back should be cut back in their speeches from 20 minutes to ten minutes because of including the ten-minute period, the Chair would by that order and that decision be precluding those four Members from exercising their full rights. In other words, the rules should be construed to permit Hon. Members to utilize to the fullest the scope permitted in the rules.

My respectful submissions to the Chair are that the scope is 20 minutes and that the comments and questions or the new innovation is not to be considered a speech. In fact, the rules indicate that it is not a speech; it is a comment or a question and ought only to be so construed. The rules provide now for eight hours of 20-minute speeches or speaking time. I do not know where it cuts, where it falls or who it cuts out, but it seems to me that it is a reasonable interpretation to place on the rules, especially when we are moving into this experiment which seems to be working quite well.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I listened very carefully to the points raised by Hon. Members who preceded me, and perhaps they may wish to recall that the purpose of these changes in our parliamentary procedure was not to cut down on each Member's speaking time in the House but to give this parliamentary institution a more efficient set of procedures.

This Parliament is literally dying a slow death, because we parliamentarians have been unable to streamline our operations. The Bills that are languishing on the Order Paper are a monument to our collective shame. The lack of efficiency of this Parliament in passing legislation is incredible. Certainly, nobody can beat our record for endless talking, but when it comes to passing legislation we are incredibly ineffective.

I would therefore draw your attention to the fact, Mr. Speaker, that the new Standing Orders prescribe ... They refer to consideration of a Bill for eight hours, and not for periods of twenty minutes. The Standing Orders clearly prescribe that the House of Commons is to consider a Bill for eight hours.

And now we have this new interpretation, this new brainwave that would have exactly the opposite effect to what we wanted to achieve, which is to make debate more interesting and more lively. Enough of those long, repetitive forty minute speeches. Everyone agreed this formula had to be changed.

We therefore decided to have 20 minute speeches and allow another ten minutes, not only for speeches and comments by the Member recognized by the Speaker, but for dialogues and exchanges which allow the Member to complete his speech while replying to the comments of other Members.

It is appropriate to note, Mr. Speaker, that if we accepted the interpretation given by the NDP Member, we would unduly extend the debate and no longer spend eight hours considering a bill, but add many additional ten minute periods, which means that we would no longer be discussing a bill for eight hours, but perhaps for nine or ten hours. I believe that this interpretation is wrong. In any case, I know that you will take the matter under advisement, look fully into it and probably comment on it next week.

[*English*]

The Acting Speaker (Mr. Blaker): Is the Hon. Member for Dauphin-Swan River (Mr. Lewycky) rising on the same point of order?

Mr. Lewycky: Yes, Mr. Speaker. I am afraid I have to disagree with the feelings of the Hon. Minister of Consumer and Corporate Affairs (Mr. Ouellet) on the matter. It seems to me that the rules indicate that time for questions, if required, shall be made available. They allow this additional opportunity for questioning, but I view it as being a supplementary matter to the eight hours of speeches that can be given.

It is similar to interruptions in the proceedings under Statements pursuant to Standing Order 21 or in Question Period. They are not included because they are something different. I think this provision is different in that regard. It is set out as a separate clause from the one dealing with the first three speakers and also from those who speak for ten minutes.

I would just like to say that I concur with my colleague and with the Hon. Member for Nepean-Carleton (Mr. Baker) that it should not be included in the eight hours of consideration.

[*Translation*]

Mr. Lachance: Mr. Speaker, I would like to add a few words to the comments of the Hon. Member for Nepean-Carleton (Mr. Baker) and the Hon. Minister of Consumer and Corporate Affairs (Mr. Ouellet). As a member of the Special Committee on Regulatory Reform, I must say there was no doubt in the Committee members' minds on this point, and I

fail to understand how there can still remain any doubt in the minds of some Members, that this 10-minute period is part of the debate. Standing Order 35(2)(b) which applies in this case reads as follows:

(*b*) twenty minutes following the first three speakers, if that Member begins to speak within the next eight hours of consideration—

If anyone suggests that the 10 minute question period following speeches is not a debate, I must wonder what we are doing in this House. It is a debate. It is simply a different type of debate. During the first 20 minutes, the Member makes his comments and in the next 10 minutes, there is an exchange, in other words a debate among members of this House on the speech just made.

I do not understand how the NDP Members who raised this issue can interpret the Standing Orders as they do, and I believe, Mr. Speaker, that you could even make your ruling immediately since there is no doubt as to the interpretation of this Standing Order.

[*English*]

The Acting Speaker (Mr. Blaker): The Chair will recognize the Hon. Member for Regina West (Mr. Benjamin), but unfortunately it is on the same point of order which, of course, is out of order. As the Hon. Member knows, it is not possible under the Standing Orders to rise a second time on the same point of order. However, it being Friday the thirteenth, we will conclude with the Hon. Member's remarks on something that he can consider a fresh point of order.

Mr. Benjamin: Mr. Speaker, it is an additional point to the original point of order in response to the comments of the Minister of Consumer and Corporate Affairs (Mr. Ouellet). The wording in the Standing Orders is very clear. It indicates that no Member shall speak for more than 20 minutes at any time in any debate. Then it says, and it says it twice in the rule:

• (1600)

Following the speech of each Member a period not exceeding ten minutes—

That is following the speech. It says in two places "following the speech". His speech was 20 minutes. Otherwise, 30-minute periods are counted against all Members in the House for the purpose of arriving at the eight hours of debate instead of 20-minute speeches. That is all we are suggesting. This would provide four additional Members, if they chose to use it, an opportunity to make a 20-minute speech instead of a 10-minute speech.

The Acting Speaker (Mr. Blaker): Obviously, as Hon. Members have indicated and have requested, the matter will be taken under consideration over the weekend and a decision will be rendered on Monday. It is appropriate that on Monday it be rendered as early as possible because, as indicated by the Hon. Member for Regina West and the Hon. Member for Nepean-Carleton (Mr. Baker) in that order, we may be approaching, based upon how one does the calculation, a so-called eight-hour limit.

I do not have the figures in front of me indicating at which point a decision would have to be made, but I am sure that Hon. Members in the House will understand that the decision from the Chair will be made before it puts any Hon. Member at a disadvantage with respect to the interpretation of the eight hours.

Now comes the part which may not be so satisfactory to some Hon. Members, but I want to indicate, so that Members have an opportunity to consider in advance, how the Chair will rule on Monday. Perhaps Hon. Members can be advantaged in that sense so that they may raise the matter further, if they wish, on Monday. I must say that the present occupant of the Chair is inclined toward the same interpretation of Standing Order 35(2)(b)—

[*Translation*]

—in both versions as the one given by the Hon. Member for Rosemont (Mr. Lachance). This means that I do not find much difference between the words "débat" in French and "consideration" in English.

[*English*]

My impression from a reading of both languages would indicate that the eight-hour limit would include the usage of ten-minute periods. However, that is not a final ruling. It is simply to advise the House that that is the present temperament of the Chair in reviewing the matter. There will be an opportunity for Hon. Members to raise the matter further on Monday. We will now continue with debate.

[*Translation*]

Mr. Loiselle: Mr. Speaker, after listening to those comments from Hon. Members well acquainted with procedural matters, I understand why this debate on the Crow rate policy has raised so much controversy. From what I have heard in the last few minutes, I can appreciate how something abudantly clear sometimes may become confusing for those who will not grasp simple matters.

Mr. Speaker, I would like to commend the Minister of Transport (Mr. Pepin) for his courage in addressing a policy which will have an impact all across the land, a policy that nobody else since 1897 had the courage to tackle. That policy has been vilified and abused even before it was made public. I am far from being an expert in transportation matters, although there are several farmers in my constituency. However, in my area of Quebec, on the south shore, I spend more time dealing with other matters besides agriculture. But this time I thought I had a golden opportunity to get to know the issue, or at least familiarize myself with that policy.

I was surprised at the language used by the opponents of the proposal. And I am referring especially to the so-called coalition in Quebec that is headed by Minister Garon. I am surprised and shocked that although the Minister of Transport has now bowed to the will of the caucus sub-committee headed by the Hon. Member for Lotbinière (Mr. Dubois), although he

accepted the bulk of their recommendations for paying all of the benefit to the railways.

I am surprised that no one made the point that throughout the debate on this issue, Mr. Garon does not really seem to have been protecting the interests of Canadian farmers, and I am also surprised to see that some Ministers of Agriculture in other provinces have totally ignored the national interest as far as agriculture is concerned.

Mr. Speaker, if in this country we are not capable of showing more concern for the national interest than has been shown during this debate, I think our country badly needs people with a more responsible outlook to defend it, at both the federal and the provincial level.

I was also somewhat astonished to hear the previous speaker mixing the Government's policy on the metric system and its energy policy in with his speech on the transportation policy, and making a kind of verbal hash as a result. I realize that he may be concerned and worried about these issues, but I do not think it is very sensible to air these concerns when the House is discussing a policy that is vital to this country. I explained to the farmers in my riding that I agreed with and understood the reasons behind the Minister of Transport's first policy statement. If we can doubletrack in the West, and we must, then we must do so in the interests of the entire country and not only of Western Canada. There were certain mechanisms the Minister was proposing and I agreed with them. In turn, I wanted some changes. I thought that if they did not pay according to acreage ... that did not go down very well with our people, and they had more or less convinced me on this point, that payment should be shared between the farmers and the railways. I went along with this point of view, and the point I made when I met farmers in my riding who were members of the Coalition was the following. I told them that I had trouble understanding why they were using the word equity, because for all practical purposes, what the Minister of Transport was proposing was to reduce subsidies on grain transport and to spend substantial amounts on developing the railway network in the West, in order to improve the country's economy, because if we can doubletrack, in the 90s Canadians will be able to ship and sell $2.5 million worth of grain.

Obviously, since farmers will have to spend a little more to get better transportation, they will probably make a bit less per ton of shipped grain, but they will be able to ship more wheat and more grain and more of everything, and in the final instance, their net income will be increased. And I told the Coalition farmers that they were objecting to the fact that because Western farmers would be making fewer profits, they would no longer be able to compete with the West, because Western farmers would be able to export pork, beef, and whatever they would be able to produce in Western Canada, and then I said that I found it somewhat paradoxical when on the one hand they were talking about equity, and at the same time they were saying that their competitive position was being threatened because Western farmers would be subsidized a bit less per ton of wheat.

I said that perhaps we should look at a system where neither Eastern nor Western producers would be subsidized. Nothing. That is fair. There is nothing. No intervention, therefore total reliance on the forces of nature on what our land can produce with the help of the sun and its geographical location. And, may I ask at this point, what would Canadian agriculture be like if there were no subsidies? I would say that the gap which you are so concerned about would be still wider. Therefore, you might say that you would be less competitive, and on the other hand, with no subsidies whatsoever, without Government intervention, my friends, Western producers probably would be poorer because they would have lower incomes and would be unable all by themselves to totally fund the infrastructures they need.

• (1610)

And, when faced with that demonstration, people will say: Yes, maybe you are right. Then I say: What is to be done? What sort of intervention is needed from the federal Government to get the results that will benefit everyone? Because the test is national interest, and we should have this in mind while we make sure that nobody is to be penalized. And I hope that Mr. Caron, who led the battle, will never again contact me on the subject of transmission line corridors. I hope that Mr. Caron, our Minister of Agriculture, will be in a position to support the Minister of Energy if ever the Newfoundlanders, aware of their own interests, require a corridor for transmitting their hydro power across Quebec. Because it would be in the national interest for Newfoundlanders to get richer, and have access to a profitable market.

Throughout this debate during which the Minister has accepted to proceed at a slower pace, and has bowed to the request of a number of groups, including our caucus subcommittee, he has finally agreed in what probably is his wisdom and his greater understanding of Canadian society, and has told himself: Maybe we should go slower, by stages. He did not want to have people up in arms. And I thank him for this, not on behalf of the agricultural industry but because of the spirit of our common development. I hope that this magnificient proof of the Minister's generosity will serve as an example to all other Members. I hope it will be a source of inspiration to all Canadians. If we can show understanding rather than constant confrontation, it might take a bit longer but we should reach our goals.

Mr. Speaker, I thanked the Minister, not for what he has done for agriculture but rather for showing us that harmony has to be built up from scratch in Canada. I am convinced that if all of us on both sides of the House had supported the Minister, not for the policy he has introduced, but for everything he has done since the Gilson report, if Quebecers,

western NDP Members and Progressive Conservatives alike had had the openmindedness of the Minister, we could have defined the national interest and decided what is in the best interest of all Canadians and then tried to help and support the Minister in his quest for means to be taken to reach that objective. Then we could have explained our position to the people who had already made up their minds without quite knowing what the whole thing was all about. I am convinced that, at the meetings of the Quebec coalition where 400 or 500 people were gathered, seldom more than one or two of them had even read the Gilson report. I am convinced that if we could have met with each farmer—impossible, of course—they would have supported the Minister.

As a friend of Jack Horner's, I have met Alberta producers and I know as well a number of Saskatchewan farmers whom I have seen recently and whose needs I am aware of. I have been a Member for nine years now, and every spring and every summer I hear western Members talk about side tracks, what we in Quebec know as country lines. When Mr. Duplessis was Premier he won the elections by promising that those lines would be paved, whereas in Western Canada it seems that the way to win elections is to say that the side tracks will be maintained. I am not so sure. I discussed this issue with some farmers and I am not sure that it would be the most economical way to transport our foodstuffs. If we do not use the cheapest means, the result is that the farmer's net profit is lower. Our Minister of Transport has been trying to find ways so that everybody will be better off in the end. Finally, as it so often happens in Canada, the people took a tougher stand, thereby reducing the scope of the outstanding work which the Minister and the Department had undertaken.

In my opinion, we have a good policy and Bill C-155 is a tremendous step forward, but unfortunately the end result could have been even better, if their enthusiam had not been curtailed for fear of reaching the acceptable limit of change. I know the concern of the Hon. Member for Vegreville (Mr. Mazankowski) who certainly looks after the interests of his constituents, and his reputation and potential extend beyond the limits of his riding. That is a friend of whom all Albertans can certainly be very proud.

I am convinced that deep down—it was not easy to deal with organizations with negative attitudes—the Hon. Member for Vegreville has great admiration for the current Minister of Transport, having been himself for nine months responsible for that portfolio, having looked closely into the problems associated with the transportation of Western grain but without enough time available to carry out the courageous reform implemented by this minister. I am sure he is full of admiration for him, and I wish my friend "Maz" as we call him on this side, had met the various organizations and said: Gentlemen, the plan can be improved in order to better serve your interest. Unfortunately, I know Hon. Members from the Official Opposition are very busy entering races and they did not have time to enter this particular improvement race. However, I hope that during the months and the years to come, the bill will offer us a golden opportunity to review this policy as a whole, around 1986, given the popularity of my Hon. friend from Alberta and I am convinced he will still be here in 1986 if he so wishes—

An Hon. Member: On the other side.

Mr. Loiselle: Yes, on the other side! And it is my hope that at that time we will be able to go all the way and achieve all the benefits we have in mind for the Canadian agriculture.

In closing, Mr. Speaker, I want to remind Hon. Members of the remarkable personality of our Minister of Transport. It must be said again and again that he took into account the views of all the individuals he met, which is a rarity in politics, and especially he took into account our capacity to accept change. I can only hope that we will be able to go as far as he had hoped, in the best interest of all farmers in Quebec and in the West so that our agricultural industry will finally achieve its full potential.

[*English*]

The Acting Speaker (Mr. Corbin): Questions, comments? debate? The Hon. Member for Prince Albert (Mr. Hovdebo).

• (1620)

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to be in Parliament at this time and to take part in the debate on the transportation Bill as it relates to western farmers. I am pleased to be here because I am a product of the western farm. I grew up with the development and growth of western Canada.

I know that the Minister and others are amazed at the tenacity and energy with which farmers have opposed this Bill, this undermining of their trust in the country and a Government which they always thought did things for the benefit of the people. Those people trusted the Government because of the way they think. They have been betrayed before but they thought that most of the time the Government came up with something that was fair.

I know the Minister and others wonder why this issue has generated so much heat and emotion among farmers of the West. The Minister need only look at the history of the people to understand what they are fighting for. It goes far beyond cheap freight rates; they are fighting for a way of life which they built themselves.

Next Tuesday, May 17, in my community of Birch Hills the people will gather for a celebration. May 17 is Norwegian Independence Day. Some say it was the day that the Swedes got tired of the pesky Norwegians and kicked them out, but really it was a mutual decision between the Norwegians and the Swedes, reached through negotiation and understanding. That celebration is repeated in hundreds of communities in the West. Groups take time to celebrate and to remember. They might be Métis Swedes, Hungarians, Rumanians, Irish, English, Polish, Scottish, German or French, because in

Saskatchewan about 60 per cent of the population comes from ethnic backgrounds other than French and English.

What are these people celebrating? To a great extent they are remembering their past or celebrating success. They are saying: "We are here in Canada and we made it; we worked; we believed; we hung on and look at us now. We are important Canadians, free and independent." Our children are the luckiest people in the world because we helped build a nation that is strong and fair and that believes in people.

Part of what they built is being attacked by this Bill—a way of life. It is not necessarily a way of making a living but of a way of life. To illustrate that building process I can only relate to my own experience, to what I saw, was told and felt in the process of growing up in the developing farming country. In the farms around Saskatchewan the Crow rate is part of that development.

The story of the West is the classic story of the development of land, homesteads, wheat pools, wheat boards, branch lines, pasture, cattle, pigs and even gardens. The people have a love for their land and for their country. They are people who trust and believe that if you work hard for the country you would be paid back with a bountiful harvest and fair treatment. Are we in this House going to betray that trust?

My father came to North America when he was ten years old. He came to a place called Weldon, one of a family of seven boys. He filed for a homestead before he was 16 and proved it before he was 18. Proving land in that part of Saskatchewan meant cutting and grubbing out trees, breaking 20 acres and building a house. My dad had the name of being a good man for the country because he and his oxen and horses broke a lot of land in that area in those first few years of development. He and his neighbours were builders who believed in the country. They grew grain when it sold for 20 cents a bushel and cost 19 cents per bushel to thresh. For a while they watched as their grain was purchased by line elevators for 50 cents and sold on the world market and even to the eastern market for $2 per bushel.

They built a wheat pool system to get around that kind of problem. They bypassed some of the speculators through the wheat pool and increased the amount of money that came to them. In the 1920s handling charges for grain went from 22 cents per bushel to two cents per bushel with the advent of the wheat pools. This is a telling commentary on the corporate enterprise rip-off.

The need for western grain was recognized but there seemed to be no reason to grow it because the cost of transportation by train was so exorbitant. Then the Government made a deal with the railways to establish lower rates in exchange for land, property and money, which went to the railways to help them build the lines and also went to contribute to the development of farming communities in the West.

Transportation is one of the things that makes the Canadian West possible. The roads which were the first trails had romantic names, such as Carleton Trail, Kelsey Trail and Edmonton Trail, the three trails which go near my home. Then came the railways and finally the airplanes. These all make the West possible.

If you lop off any one of these modes you effectively change the base of the West. That is what this Bill does, Mr. Speaker. Over a period of time it will lop off the railways as the means of moving grain, at least for the first few steps for a farmer. The first few steps in the movement of grain for export are done by truck. If you remove the rail line you force the farmer to use another mode.

The Minister says: "So what? use another mode." It is possible but it would kill the way of life which is ours. The branch line system was built by the railway companies and they saw the benefits of putting lines within reach of the farmers and within reach of productive lands. The communities grew up along those trails and then along the railways. Communities thrived because they were easily reached by the farmers. Not many people lived more than ten or so miles from town in those days. Post offices, schools, churches, hospitals, curling rinks, hardware stores, machinery dealers, restaurants, skating rinks—in a word, all of the necessities of life grew up in those communities. From these small towns came people like the President of the Board of the CNR, the President of the Bank of Canada, the President of the CBC, people like Gordie Howe and John Diefenbaker. I could go on ad infinitium naming people who have grown up on the Prairies. These communities are still producing high-calibre leaders for Canada because their roots are deep and their support has been firm.

• (1630)

This way of life has been eroding quite quickly in the last few years, aided by trends which some abhor but others espouse, trends such as centralization of schools, hospital care, machinery agencies and so on. These trends have been aided and abetted by Government policies, in some cases the policy of a CCF Government in Saskatchewan. Some of these centralizations were not defensible.

However, I grew up during the Second World War which changed the demographics of the Prairies so that services either had to be centralized or become non-existent. But the death blows to many communities were dealt by rail line abandonment, Mr. Speaker. In many cases, when the railway left the elevator left, and the farmer did not go to that town. Schools closed, stores closed and eventually hospitals and the post office moved out, and another Prairie town was dead. Many westerners see this new direction as being symbolized by the withdrawal of Crow, by variable rates, and by further branch line abandonments. No one should kid themselves about the effects of this Bill and the effects of the elimination of Crow. It means more rail line abandonment and more decimation of small communities. That will be the effect of this legislation, Mr. Speaker.

Many westerners see this as one more devastating blow to their cherished way of life, to the way that they and their parents built their lives. Some will say it is inevitable anyway.

Market stresses will force this kind of centralization eventually. That is a fallacy which comes from a lack of understanding of the people and their way of life. It even lacks an understanding of the history of many countries throughout the world.

Centralization of the control of land in the hands of a few, an inevitable result of the present policy, has happened in many countries in the world. In fact, it was the place where many countries started. In Britain it was called feudalism and it took many years for that country to get rid of the situation where the lord owned the land and the people as well. They finally went from being tenant farmers to private owners of land. Many countries in the Third World, in Asia, South America, Central America and Africa, suffer from this problem of centralized ownership of land.

I am not suggesting, Mr. Speaker, that that is going to happen here, but there is a parallel which should not be ignored. Even now in the State of Kansas a large portion of land is centrally owned and farmed by tenant farmers. That is not our way of life. Centralization is not inevitable or even necessary. Right now in Saskatchewan, viable farm size varies from a quarter section to ten and 20 sections. In many cases small farmers pay as much income tax as the large ones, which implies that ten families could make as good a living on those ten sections as one family does now.

The effect of this Bill will be to force centralization by elimination of the farmer who is small, regardless of how efficient he is. The day may come when there is a move back to small farms. Economic pressures and hig-tech may dictate the direction in which we move in the future where we will need those railways and those branch lines. The time may come when, because of the population of Canada and the need for food in the world, we will be forced to use more efficient methods of farming, of food production. There is no doubt in my mind, and I am sure no doubt in the mind of anyone who has lived on the Prairies, that the small farm is a more efficient producer than is the large farm. We are not planning for that in passing this Bill.

Many people are protesting this particular Bill. They protested it when it started as the Gilson-Pepin report, and they are protesting it now. How are they voicing those protests? We have received around 30,000 letters and signatures, and taking into account what the Minister must have received directly, probably many more than those 30,000 citizens have voiced their protests. We have had letters of endorsement of Crow retention from rural municipalities, from town councils, from cities like Saskatoon, Prince Albert, Yorkton and Melfort, from villages, from chambers of commerce, from church groups. In fact, just the other day the Minister received a letter from the Anglican Diocese of Qu'Appelle, a very conservative group.

The original proposal did not have consensus, Mr. Speaker. The Minister has admitted that. This Bill which he has put forward has even less, he is finding. The Minister should seek consensus for such important legislation. The essence of democracy is that the Government have the consent of the governed. The essence of democracy is that the Government have the essence of the governed. This Government has forgotten that essence. The Minister has never had the consent of the people who are most affected by this Bill.

I have attempted this day, Mr. Speaker, to say why this legislation is tenaciously being fought by the grassroots western farmers, who feel betrayed by their own organizations and by the Government. These two groups are attempting to negotiate away part of the farmers' way of life, the part which they built and in which they took pride.

• (1640)

The committee will be considering the main parts of the Bill which we have been debating. I would advise the Minister to put the Bill away for some time and to reconsider it later. Let him return with a plan that allows the West to be what it has been and can be, as suggested in the amendment.

Mr. Flis: Mr. Speaker, the Hon. Member spent a lot of time on centralization. I believe this is a very important issue. Much centralization has already occurred. Delivery points have already been centralized and the sizes of farms and towns have already been centralized. There are small towns where I live such as Hendon, Saskatchewan and Wadena, Saskatchewan which still have branch lines but the towns are dying out. This trend has occurred even with the present Crow rate in place.

On what studies is the Hon. Members basing his allegation that the abandonment of branch lines will cause this centralization that he is talking about? Because it has already occurred with the present Crow rate.

Mr. Hovdebo: Mr. Speaker, that is exactly the point I was trying to make. There is a certain amount of centralization and it is affecting the way of life of the western farmer who has been there for a long time and wants to remain there. Centralization is resulting in larger farms which will produce less grain.

The Crow rate is simply one more factor. If we had had variable rates before, as we will have in the future, centralization would have occurred much sooner. We would not be concerned about that issue today because it would have already happened.

The responsibility of Governments is to do what is best for the people of the country, not for the big manufacturers. Right now the people in western Canada do not want to move off off the farms but they are being forced to do so. Where can they go but to the cities in order to get jobs which do not exist?

Our farm population could be doubled. The provincial Government in Saskatchewan has said recently that there are now 12,000 more people on the farms than there were a couple of years ago. There are 12,000 more because they had somewhere to go. In Kansas, however, where there are tenant farmers, there is nowhere to go.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my first words are to say to the Minister that I think the House owes a great debt to him for patiently listening to us today. We feel extremely sorry for him, being left out to swing

in the breeze and hang out to dry without the support of some of his major colleagues.

As the previous speaker, the Member for Prince Albert (Mr. Hovdebo), just said, the subject we are debating today not only requires a rational solution to a mathematical problem but is an issue which affects the whole fabric of our nation.

Ever since the nation began we have accepted the fact that it was a large geographic country and that we would help each other with transportation. I will return to that point later.

My remarks are going (a) to set the perspective and (b) to put forward some positive suggestions which might help the Minister follow some of the suggestions that have already been made.

First, I am sure everyone realizes that the question of railway servicing in Canada in the last 20 years has been first and foremost in this Parliament. The first royal commission report came to Parliament in 1962. We spent five years discussing it in Parliament. The Government changed its Ministers and the new Minister worked co-operatively with the then CCF and with us. We were able to draft a new Bill. When it came in, I believe the Opposition made over 70 amendments and all but two were accepted. The House worked well then. We put our thoughts down in a Bill called the National Transportation Act, and with the support of all Parties it laid down very simple objectives for all modes of transport that we knew could not be economically viable in the ordinary commercial sense until we had a much larger population. The principles enunciated by the Hon. Member for Vegreville (Mr. Mazankowski) essentially carry out those objectives that were in the National Transportation Act.

The next major event in this discussion was the Hall Commission on boats, railways, transportation and grain handling facilities. I am sorry that I was not in the House yesterday when the Hon. Member spoke. To many of us in western Canada this was our Magna Carta. It reinforced what we had distinctly taken as a pledge from the CPR when it brought people from Quebec, Ontario, the Atlantic Provinces and eventually Europe to fill up these empty spaces. Some people still carry the advertisements that were put in the European papers by the CPR saying that there was free land and a right to transport grain to markets. While there is not any written law, it is part of the common law of the whole country, not just the West.

The Hall Commission report recommended keeping the Crow rate as it is. If there are any losses that could be proven, we, the taxpayers from all parts of Canada, would pay them. That is the law as it stands today.

It also recommended that we should abandon 2,000 miles of line that probably has no chance for viability. The farmers would accept that. Another 2,000 miles of line would be provided for under the Prairie Rail Authority and run by westerners in order to haul grain and whatever other commodity people wished to transport. When they made money, as they would, the lines would be turned back to the railways with no charge. That was the second proposal.

The third was to build up traffic so that the railways could make more money. The Hall Commission report was not aimed at the railways or the grain companies. It was simply trying to make them more efficient so that they could make more money. The farmers would not have complained if the CPR, the banks and the grain companies could make more money. That is a brief history on the subject.

We now come to the Gilson consensus. It brings me to what I have said in the House, that there has been a great debate occurring in western Europe, the United States, Canada and elsewhere for the past 25 years about what to do with agriculture. One suggestion from Europe was that there were too many farmers and they had to be controlled and elected because the experts knew better what to do than the farmers. This became known as the philosophy of supply and demand. This philosophy was accepted by the Kennedy administration but not by the Diefenbaker administration.

We took the opposing point of view that since the world was hungry we would sell the grain. The price would go up somewhat and no subsidies were required for the farmer. He would feel good because he was feeding the world while making some more money.

The records show that from 1961 to 1968, we entered into the longest period of economic growth in all parts of Canada in our history. The credit for that rise was given to the then Minister of Finance, Walter Gordon, and the then Bank of Canada Governor, Mr. Rasminsky, because we had sold that grain in the export markets and had gone into the manufacturing areas of Ontario and Quebec and sold their products. That rise resulted not only from the export of goods but putting the dollar into a position where it could take advantage of the fact that we could increase our exports because it was down to its real value.

• (1650)

That is all history. But on the other side of the coin those who believe we should control the number of farmers and reduce production were still working away in Washington and Ottawa. They set up a task force for agriculture after the defeat of the Diefenbaker Government. The report is here for everyone to read. It is dated 1970 and recommended that we get rid of two out of every three farmers in Canada and that in the West we cut the acreage down to half so there would be enough living for the few that were left.

That is the philosophy of the elite, our experts, in all countries. The Americans are still looking for the domination of that group, but in Canada I thought there would at least be some sort of fight here against that philosophy.

The Government appointed Professor Gilson to take charge of this consensus based on an unofficial report from a nonexistent person as far as Canada is concerned, Mr. Snavely. The only group authorized to do studies on costs under the law is the Canadian Transport Commission. That was ignored by the Department of Transport and the Minister is now paying the price for that.

The Snavely report is so visibly and obviously fallacious that he even included as costs on grain the assets created by Government. The farmers gave the railways all this rolling stock, which was then depreciated and put in as a cost. That is as bad as what they have always done. For 20 years they have put in deferred maintenance costs, which they never spent, as a cost against grain. I believe the Hon. Member for Assiniboia (Mr. Gustafson) mentioned that.

I am simply pointing out to the Minister that he is suffering from the philosophy of these experts that really there is no place for the farmers in any part of Canada, and that you have to reduce their numbers just to supply the local population.

One of the Minister's predecessors, the Hon. Otto Lang, discussed this with me and decided to go along with this philosophy. He introduced four different proposals. One was called Lower Inventory For Tomorrow, LIFT. He forced the Canadian Wheat Board to ignore the law and said to the farmers: "If you do not follow this proposal to reduce production to nothing for grain, for wheat, you lose your right to sell". When the head of the Wheat Board could not accept my advice—he had no power in the Act—the Government got rid of him and put him in the Senate.

This is a sad story. Otto Lang, as able a man as ever sat in this House, paid a heavy price for going the way of the experts. I will not say anything more about that. When I look at how the railways accepted this advice and did not spend any money on maintenance, on buying new rolling stock for all the great opportunities that existed and when I look at how the grain companies held up their modernization, we were all to blame. But what is the use of going back and rehashing all of this history? We are here to decide, and only Parliament can decide, a change in the Crow rates.

The reasons this Bill is unacceptable have been stated well by the Hon. Member for Vegreville. He had 14 different reasons. Most of those reasons had a constructive tinge to them. Basically the trouble with this Gilson consensus is that the Minister is trapped into two separate problems. There is one problem he should be dealing with and that is the problem of transportation. That is difficult enough, but try to work into that consensus meeting the needs of the livestock people of Quebec and of the West and try to make them meld. There has been discrimination against livestock people. But to try and mix up the needs of additional value-added industries in western Canada is the basic reason for the failure of this consensus to work.

My suggestion, very briefly, is that we need some time in this House. You cannot handle this type of problem in three or four days of debate. There is a motion for a six months' hoist. That is hardly enough time but at least it would give time for the Government to bring in policies absolutely removed from the Minister's responsibility and provide justice to the livestock industry. We have the machinery now. With a little patience and a little work we could adapt it to give the benefit of the Crow rate, as they call it in the West, to the livestock industry without interfering with transportation whatsoever, It is there. Let us keep that problem separate because there is discrimination in fairness and equity. Let us deal with it. The same with the commodity groups. There are any number of ways to give them roughly equitable positions in the export market for value-added industries.

The grain farmer is living in a new age today. The Hon. Member for Lambton-Middlesex (Mr. Ferguson) was correct. Twenty-five years ago the average income of a farmer in my area was $2,000 a year. It is a lot higher today, we know that. The farmer has seen his costs rising and his income coming down and he is worried. But he is not panicking. This decision, known as the Gilson suggestion originally, then the Pepin suggestiona nd now the consensus, or whatever it is, has scared the living daylights out of him. Farmers think they are now fighting for survival. I would think that the way to bring back a little hope is to keep in mind some simple economics that have never been talked about too much in this debate.

The railway is still a fixed cost industry. That means the fixed costs do not change. Variables do change. Let me put it in simple terms. Supposing you get $100 revenue for hauling a certain unit of production and your costs are, say, fifty-fifty, variable and mixed. You just break even; you do not make any profit. Supposing you double the amount of goods moving. There would be $200 worth of revenue coming in. The fixed costs would still be $50 on a fifty-fifty breakdown and the variables would be $100, double. There is a profit of $50 just by doubling the traffic.

That simple explanation is the answer to the problem of the railways, and they know it. They have seen it happen before. They tried to prove they were losing money on the Crow rate, the last time in 1962-1963, and then the Hall Commission report came down. During the period the railways were talking to Parliament the export of grain doubled, from $300 million to $600 million worth of wheat. The railways admitted to us they were making money on the Crow rate. Even though the figures sound small, half a cent a tonne mile, if you can make half a cent a tonne mile on a heck of a big tonnage, you are making money.

Let us apply that same principle to other products such as coal, potash, gravel and lumber. Why is lumber hauled by the Great Northern Railway to Ontario from B.C.? All of the people who live in southern Manitoba, Saskatchewan and Alberta get their lumber via the Great Northern Railway. They haul at a charge that gives them a profit, not this high rate which the railways have set in Canada.

I see that my time is coming to a close and I shall come to my conclusions very quickly. I have a list of suggestions here. The Hon. Member for Vegreville had 14; I have only seven. There is a time factor. Take the principles enunciated by the Hon. Member for Vegreville and set a statutory committee instead of an advisory committee for Parliament, with competent help so we will have an over-all viewpoint.

Second, start the CTC working on the Snavely report right away. It will take the CTC about two years to figure it out, but at least we will know with what we are dealing. We will guarantee to the railways that we will pay their costs, maybe even a fraction more, if we find there is injustice to them.

Finally, what is killing all parts of Canada but particularly the productive boys in Canada is interest rates. Give to the farmers and the small-businessman the principle of the Small Business Development Bond or any of the other things our fellows have been suggesting where you can get interest at half rate and no one loses. You can do a lot to restore the hope and confidence that there has to be in a producer's area at a time like this when the future is so great for us all.

The Acting Speaker (Mr. Blaker): Hon. Members will realize that it is five o'clock. The Chair has been privately advised that there might be a disposition to allow some additional time. I am in the hands of the House. If that is the desire of the House, we can do so.

Mr. Mazankowski: Mr. Speaker, if the Hon. Member has not completed his remarks I suggest that we seek unanimous consent for him to do so. I am not sure whether he has been able to round out his speech, but I believe we all found it to be a very interesting, very positive and forthright speech. He is a distinguished Hon. Member and has a great reputation in agriculture and transportation matters. If the Hon. Member wanted to conclude his speech in three or four minutes, I would certainly seek the unanimous consent of the House for that purpose.

Mr. Benjamin: Mr. Speaker, we would agree that the Hon. Member should have his full 20 minutes.

The Acting Speaker (Mr. Blaker): The agreement of the House is a great courtesy to the Hon. Member, but he has just informed me that he will decline the offer.

It being after five o'clock p.m., this House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 2.

At 5.03 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, May 16, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed from Friday, May 13, 1983, consideration of the motion of Mr. Pepin that Bill C-155, to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport; and the amendment thereto of Mr. Benjamin (p. 25389).

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Mr. Speaker, it is my purpose at this point in the debate to draw the attention of the Members of this House to the importance of this initiative to Canada's economic development as a whole and to regional development.

Canada, as we know, has always been a country of regional particularities and it is the stronger for that. Economically strong regions in association and in co-operation mutually benefit each other, and also, of course, benefit the whole country.

[*Translation*]

Together with the budget measures announced recently by the Minister of Finance (Mr. Lalonde), the transportation plan will be one of the main driving forces of our economic recovery today. In addition, and this will be more important in the long run, it will help provide a stimulus for economic development in the years to come. Among all the measures taken by the Government to promote economic recovery and development, the western transportation measure certainly is one of its most important initiatives. Although basically aimed at strengthening the agricultural and transportation sectors of our economy, it also constitutes a multifacetted and long-term measure that will have a positive and durable impact on many other sectors of our economy. It is therefore a vital part of the Government's general strategy for getting Canada out of the worldwide economic recession.

[*English*]

Agriculture and transportation are two of the principal pillars of the Canadian economy. Agricultural production, traditionally an economic mainstay, now generates 16 per cent of the Gross National Product. It accounts for 10 per cent of Canada's total exports. The efficiency and hard work of Canada's farmers has contributed greatly to our export earnings and contributed also to a situation in which Canadians spend a smaller proportion of their incomes on food than is the case in most other countries. Canadians spend on average less than 17 per cent of their incomes on food, second only to the United States in the entire world.

The transportation sector is equally important. Without a sound, efficient and reliable method of moving Canada's products to markets within the nation and from there to world markets, our country's position as one of the world's great trading nations would be severely undermined.

• (1110)

It is a historical fact and a fact of some interest that many of the early European explorers came here not so much to find Canada as to find a way around Canada, that is, in search of the Northwest Passage to China and the Orient, in pursuit of trade and of commerce. They failed in that endeavour, or so they thought. But when the first transcontinental passenger train reached Vancouver in 1887, it seemed to many at the time to be at long last the realization of the dreams of those early explorers. The fabled passage had been found, with the added benefit of the riches of a new land to be worked and husbanded. That it was achieved through a combination of water and rail transport rather than through water alone was a matter of minor moment. The important fact was that the great nation-building link had been established at last.

What we are seeking today, some 95 years later, with the western transportation initiative is to achieve a modernization of those passageways of commerce. The goals are the same as they were for the railway builders of the nineteenth century—the furtherance of nation building and the expansion of commerce, both goals in the interest of all Canadians wherever they live and whatever the livelihood they pursue.

The construction of the western railway system was, as I said, both in the interests of commerce and of nation building. Indeed, it was part of the Confederation bargain, necessary for the settlement of the West and for moving its products to markets. Likewise the establishment of the Crow rate in 1897 in return for the building of a new line allowed settlers' goods into the West and grain out at low freight rates. It served its purpose well in its time. But as other speakers have indicated,

another major new adjustment is now necessary, in large measure to free the new Canadian West from the constraints and distortions caused by the old rate structure. The western transportation initiative is, therefore, nothing less than a major new phase of Canada's development, which, like many other phases before it, will benefit not only the new West but the nation as a whole.

The general economic benefits of the initiative can be discussed under at least two headings. One consists of those benefits which will flow from the construction activity itself which will be felt over the short and medium term. The other set of benefits, eventually more important for our children and grandchildren, will be the modernization of the transportation system which will contribute to making the Canadian economy much more fit to meet the economic challenges of the twenty-first century.

Let me deal first with the short and medium-term effects. In the short term the initiative means that thousands of construction jobs can be started up almost immediately—laying the rails, building the bridges and tunneling the mountains. This is indeed already under way as a result of interim financial assistance to the railways. There will be an immediate need for steel rail and wooden ties, providing useful work for the steelworkers and forest product workers, too many of whom have been idled by the world recession or forced into other occupations where their acquired skills are not now put to best use. From the wages paid out to them there will be an important multiplier effect which will be felt significantly by those who service these industries, especially in the steel and forest products communities that have been so devastated by the international recession.

But that is just a start. Over the coming decade, as the system is put in place and begins to show results, many sectors of the economy will be called upon to respond. Stronger agricultural production will require more farm machinery, fertilizer and other farm inputs and services. Manufacturers will be called upon to produce the rolling stock to move not only the increased agricultural products but other western resources and products, such as potash, petrochemicals and coal which can be moved confidently to world markets by a reliable transportation system. The railways will be equipping themselves with the most advanced communications, traffic control and safety systems, providing important new opportunities for our high technology industries.

• (1115)

The Government estimates that the $16.5 billion to be spent by the railways between 1983 and 1992 will lead directly and indirectly to $34.8 billion in industrial sales. We estimate that nearly 375,000 person-years of employment will be created during that period with a resulting labour income of $12.2 billion.

[*Translation*]

I may also add that during this decade, Canadian industry and Canadian workers and production teams in various industrial sectors will upgrade their skills and develop new ones. Skills, that is, expertise and know-how in the field of new means of transportation and communications, will themselves be a marketable commodity to be exported to many other countries that are obliged to modernize their transportation network.

In this new era, knowledge and information are as valuable as material products, and skills will be a new and important asset to the future of our economy as a whole. However, as I said before, Canada is a country made of economic regions that complement and rely on each other, and as a result, we must also consider the many ways in which the economic spinoffs associated with the construction phase of the western transportation measure can be shared among Canada's various regions.

As the Minister of State for Economic Development and Minister of State for Science and Technology, I am particularly interested in this aspect. Although we are speaking of a western transportation measure, the scope of this project is such that all regions can expect to feel the impact on their respective economies.

The proposed distribution of spinoffs is equitable and has the additional advantage of being economically sound, in that it builds on the strength of each region so that all regions are able to contribute to a project that in the final instance, will benefit each and every one.

[*English*]

It is also because this is a western transportation initiative that it is appropriate that the new Canadian West should be the main focus of the economic activity generated by the project. The four Provinces of the West will, when taken together, absorb about 57 per cent of the economic stimulus provided by the anticipated $16.5 billion of expenditures over the next ten years. Over the same period more than 157,000 person-years of employment could be created in the four western Provinces with all the spin-off and ripple effects which, as I have already indicated, augmented payrolls bring in their wake.

British Columbia, with a projected share of one-third of the $16.5 billion to be invested by the railways, will be the main site of construction activity. The major challenge of double-tracking through the mountains will create thousands of contruction jobs. These will be supplemented by jobs created to upgrade terminals, expand existing and build new repair shops. The mining, metal fabrication and forest industries will be significantly affected. It is expected that the new economic activity associated with the western transportation initiative will generate 87,000 person-years in British Columbia alone.

The timely expansion of port facilities on the Pacific coast will ensure that British Columbia is properly poised to move the increased product that will be delivered on a modernized and improved railway system. The federal Government has contributed millions of dollars to the expansion of the bulk coal handling terminal at Roberts Bank in the Lower Mainland and

the Ridley Island grain and coal terminals near Prince Rupert. Work on the development of these superports is well under way.

Almost as many person-years, more than 70,000, will be brought into being in the three other Provinces of the Canadian West which will, of course, be the principal ultimate beneficiaries of the initiative as a whole. About one-quarter of the funds to be spent by the railways over the years 1983 to 1992 will be spent, we estimate, in Alberta, Saskatchewan and Manitoba. Alberta's share alone should amount to $2.7 billion. And the largest shares of these expenditures, by the way, should be in metal and wood fabrication, which can be expected to contribute to that diversification of the Alberta economy which is desired by Albertans in general. Manitoba and Saskatchewan will also receive equitable shares of the work to be done. Some 25,000 jobs will be created in these two Provinces in such projects as new repair facilities in Moose Jaw and Winnipeg. Again, as in British Columbia and throughout the nation, there will be related multiplier effects felt by other economic sectors.

• (1120)

[*Translation*]

The provinces in Central Canada—Ontario and Quebec—will also share in the economic activity resulting from the western transportation measure. We expect that 37 per cent of the $16.5 billion which the railway companies will be spending will go to Ontario and Quebec. In the short and medium term, the main impact on Ontario and Quebec will be the purchase of rails, rolling stock and locomotives. All this will be the result of an increase in railway capacity in Western Canada. Expenditures on transportation equipment in Ontario and in Quebec should account for 60 per cent of a total of over $6 billion that will be spent in these two provinces. During the decade, these expenditures, with those in other sectors, are expected to create 135,000 person-years in Ontario and about 60,000 in Quebec. At this point I would like to say that the entire western transportation measure will have no harmful effects on the distribution and routing of grain to Eastern Canada. Up to now, all major studies have shown that the grain transportation and handling industry will experience healthy growth and will continue to do so within the foreseeable future.

[*English*]

The cumulative economic impact on all four Atlantic Provinces could be 23,500 person-years, half a billion dollars in labour income and total industrial sales of $1.6 billion.

Those are some of the dry statistics of what I regard as the short and medium-term effects of the economic activity to be generated throughout the country by this most important new Government initiative. It is a plan, I believe, which allows all parts of the country to make significant contributions to this vital national project. It will strengthen all of the regions by building on their own strengths and existing natural advantages.

But I would be remiss if I did not also share with you some of my hopes and expectations about the way the western transportation initiative will strengthen the Canadian economy as a whole. This program is much, much more than a job-creation program although it is surely also that. The 375,000 person-years of work it will bring into being, which will be, as I have said, equitably distributed throughout the country, are an important element in the Government's program for Canadian economic recovery from the world-wide recession.

But the western transportation initiative is also an investment in Canada's future. In the first instance, to be sure, it is an investment in the long-term development of the new Canadian West. You have heard this before, of course, Mr. Speaker, but I assure you that it deserves repetition. The existing rate structure for western rail transport distorts the western Canadian economy and locks it unreasonably into patterns of the past, restricting its flexibility in responding to the challenges of the future. The deadhand of the past restrains the West from making the best use of its natural economic advantages. This is a loss not just to the West; it is a loss to us all.

Without an improved western transportation system, these distortions will continue to exist. As long as the existing rate structure remains, the West will be restricted in its ability to diversify its economy. There will be a disincentive to western Canadian farmers to diversify their production.

Western Canada has many other products that will be in growing demand on world markets as the recovery strengthens, presenting an opportunity for the rapid growth and development of the western economy. As always, the geography of Canada means western producers of all products, grain and non-grain, face a major challenge—getting their products to those world markets. Maintaining the Crow rate compounds the problem by leaving our competitive western producers at the end of an inadequate transportation system. The changes to the Crow provide the impetus and financial leverage required to put in place a transportation system that gives western Canada access to world markets and will enhance our image as a reliable, cost-competitive exporter.

The economic development of the entire west is at stake. And the development of the West on its own terms, utilizing its own economic opportunities, making its own economic decisions is something which can only benefit all Canadians.

• (1125)

[*Translation*]

Too often, economic issues are discussed as if participants were either winners or losers. That has never been, and should never be, the basic principle of our Canadian economic union. This union should be seen as an agreement under which all Canadians are winners within the context of a wise and properly administrated policy. The western transportation measures are one of those wise policies by which all Canadians stand to gain, both now and in the future. That is why these measures deserve the support of all Members of this House.

[*English*]

Mr. Waddell: Mr. Speaker, I have a question for the Minister which is more in the nature of a political question. Basically, the Government does not have any Members in western Canada; there are two in Manitoba but none in Saskatchewan or Alberta and these Provinces are going to be fundamentally affected by changes in the Crow rate. Does the Minister not think it is inappropriate for a Government that does not have any representation there to make fundamental changes in the nature of western Canada which will result from the change in the Crow rate?

I am not disputing with the Minister the fact that the Government does have the legal right to do that; of course it has. It is the Government of all of us and is elected as such.

Perhaps I can give an analogy. Suppose this Party or the Conservative Party were the Government with strong representation in western Canada but no Members in Quebec and we were to make some fundamental changes in the economy of Quebec against the wishes of Quebecers. Would that be politically proper? I do not think it would but I would like to ask the Minister to comment on it. Perhaps this is a question which has not been asked about the Crow.

Does the Minister think it is politically right that a Government with virtually no representation in western Canada should make fundamental changes to the economy of western Canada when those changes are opposed by the people there? If we were to do that in Quebec there would be a revolution.

Mr. Johnston: Mr. Speaker, the Hon. Member for Vancouver-Kingsway (Mr. Waddell) is suggesting that a Government which might not be represented in a particular sector of the country should effectively abdicate its mandate to govern the country. That would be to say, I suppose, that if a Party were not to have representation, say, in northern Ontario, which is a very substantial part of Ontario, it could not take steps to improve the economy of that particular region.

This initiative has been the subject of consultation by my colleague the Minister of Transport (Mr. Pepin), who is in the House today, of a kind and to an extent that has perhaps never been seen before. In addition, when the Hon. Member for Vancouver-Kingsway says that this is politically a move which he questions, I would point out to him that the Liberal Party, which is the Government, had a very substantial representation from its membership throughout the country which represents the voice of many people in western Canada.

The issue was the subject of a very substantial resolution during the national policy convention which the Liberal Party holds on a regular basis, unlike some other Parties in the House, and that convention was fully supportive of the measures the Government is taking.

I reject out of hand any suggestion that the national Government of this country should abdicate its responsibilities because it is not represented in a particular region. I would suggest that the only way that a Party would never be represented in a region of the country is if it were to leave the impression with Canadians that the problems of the people in western Canada are not our problems. But they very much are.

Mr. Benjamin: Mr. Speaker, I note that the hon. gentleman neglected to mention that the Liberal Party in Saskatchewan Alberta and Manitoba—what is left of it—opposed this plan. It made that plain and it made it public. It wanted to keep the statutory freight rate for grain producers.

• (1130)

I would like to ask the Minister, believing in free enterprise as he does, if he considers it proper for a Government to take taxpayers' money and use it as capital for investment in any project, without there being eligible for some kind of return on that investment? In other words, money which has been put into Canadair and a few other projects is money over which Canadians have some ownership, control or some say, whereas in the case of the railways it is a straight gift. Would the Minister not agree that it would make sense for Canada—Mr. Speaker, I wish the Minister of Transport (Mr. Pepin) would stop trying to prime the Minister with an answer, which will not be correct in any event. It shows a lack of courtesy on his part and it certainly indicates that his Cabinet colleague does not know a damned thing about this subject when it has to be whispered into his ear what to say.

Would the Minister not consider it more proper, in return for funds put up for capital, for Canada to take increased equity ownership in Canadian National for the value of that capital which they receive, and equity shares in Canadian Pacific Limited, in order to be eligible for any interest or dividends, or any return on that investment? Why just hand it out so that only Canadian Pacific Limited shareholders will receive the return on the investment made by the taxpayer?

Mr. Johnston: Mr. Speaker, I am not surprised at that question coming from the Hon. Member. Apart from his social and economic philosophy, I believe I have a great deal in common with some of the views which he expresses on occasion, but not in this area.

First of all, he suggests that we increase our equity in CN. We own 100 per cent of CN; I do not know how we could increase our equity in CN. If there are dividends paid out by CN, I know of no other recipient of those dividends than the Canadian Government. It may be in part a misunderstanding of the nature of a corporation and the activities it carries on which leads the Hon. Member to express the kind of philosophy which he is putting forward for review by us here today. There are many activities where the federal Government on behalf of the Canadian taxpayer elects to subsidize a particular private sector activity, and in such case we do have a very major return on that investment, Mr. Speaker, in increased jobs and in increased services to the Canadian public. But more importantly, what Hon. Members seem to forget is that the Canadian Government is a 50 per cent partner in every private sector corporation in this country through the fiscal system. That is how our fiscal system works. That is what its

purpose is, to allow the Canadian people to participate equitably in the profits which may be realized from any activity in the private sector. I often feel that Hon. Members in the New Democratic Party tend to forget that, Mr. Speaker.

Mr. Thacker: Mr. Speaker, the Minister spoke about winners and losers. I wonder if he would agree with me that the livestock industry and secondary processing industry will surely have to feel that they are losers, because the original Gilson compromise had 81 per cent of the money going to farmers and 19 per cent to the railways, which was designed to do away with the distortion which the Crow rate had come to cause over the years. The Minister of Transport (Mr. Pepin) then knocked that down to fifty-fifty and as a result of the representations of the Quebec caucus it went down to 100 per cent to the railways and zero to the producers. Does the Minister not agree that the livestock industry is the loser in that context?

Mr. Johnston: Mr. Speaker, in the long term everyone is a winner out of this proposed initiative. As I understand the formula, if you take the Lakehead feed grain price and deduct the cost of transportation, certainly it will reduce at a slower pace than might have been the case under the other proposal. However, everyone is a winner under this proposal and the winning is just a little slower than it would have been under the first proposal.

Mr. Deputy Speaker: Order. Last Friday afternoon the Hon. Member for Regina West (Mr. Benjamin) raised a point of order which maintained that the ten minutes allowed for questions and comments following Members' speeches in the eight-hour period, at second reading of Bills, should not be counted as being a part of that eight-hour period. The Chair heard arguments on Friday afternoon, has considered the arguments raised during the weekend, and is now ready to rule on the matter.

In addition to those arguments, in coming to a conclusion the Chair considered the third report to the House of the Special Committee on Standing Orders and Procedure, the present Provisional Standing Orders, as well as our practice established since the coming into force of the Provisional Standing Orders.

The third report of the Special Committee sets out specifically a new procedure for second reading of Bills which it splits into three distinct periods, and I quote from that report:

> Your Committee recommends that the first three speakers be limited to forty minutes each, allowing for a contribution from the three Parties, but not to be followed by ten-minute exchanges. This would then be followed by speeches of a maximum length of twenty minutes for the first eight hours followed by ten-minute exchanges in each case, if required. Thereafter speeches would be limited to ten minutes without the provisions for exchanges.

The Chair understands that the Special Committee intended the ten-minute period to be included in the eight hours.

Secondly, it seems evident from reading the specific Standing Order 35(2), which sets out expressly these three distinct periods, that the second of those periods in subparagraph (b) provides for a total period of eight hours during which speeches will be limited to 20 minutes in length and may be followed by ten minutes of questions and comments.

Thirdly, our practice, as developed since the beginning of this year, confirms the intent of the report and the Provisional Standing Orders in that sense. The ten-minute questions, answers and comment period has always been included within the eight hours.

I thank Hon. Members for bringing this matter to the Chair's attention as it has permitted a study of the matter. It is my conclusion that the time taken for the ten-minute question and answer period must be added to the actual time of speeches in determining the total eight-hour period during the second segment of consideration of second reading of a Bill.

Mr. Hnatyshyn: Mr. Speaker, I would like to raise a new point of order for your consideration, having ruled on what I thought was a valid point of order raised by my colleague, the Hon. Member for Regina West (Mr. Benjamin), with respect to the interpretation of the new rules. We all understand that this is on a temporary basis and we must look at the rules as they are in fact in the Standing Orders now during this trial period.

My point of order relates to another aspect on which I would ask for a ruling from the Chair. The wording of the new Standing Orders with respect to time limits on speeches relates to different stages in the proccedings, whether it be second reading or indeed with respect to any state of the proceedings. What it is silent on, though, is with respect to the rules which will apply in the event, as we now have it in this particular debate, of an amendment being brought forward by a Member which is accepted by the Chair on second reading. Therefore, the Hon. Member for Regina West rose and moved a motion, which is accepted by the Chair, to put a completely new and novel dimension on this debate in terms of the subject matter for consideration by the House.

His motion, as you will recall, Mr. Speaker, was simply that this matter not be now debated but be suspended for consideration for a period of six months. That puts a new item before the House for consideration, Mr. Speaker. When we look at the rules and at the Standing Orders, it refers to eight hours with respect to the matter under consideration. It does not talk about second reading. It talks about a stage or item under consideration. My submission to you, Mr. Speaker, is that when a motion, particularly in the case of second reading motions, is brought forward, as we know, we are very much limited in the type of amendment which is acceptable and will be accepted by the Chair under our rules on second reading. There are very few amendments which are acceptable on the part of the Chair. Therefore, when we do have a motion of amendment which, in effect, is accepted by the Chair and by the House, it seems to me only reasonable that we should have full opportunity of examining that matter which is then under consideration.

This is a matter of some considerable substance. This is an excellent Bill on which to raise this point because what the Government is purporting to do under this legislation is not a

trifling or incidental matter; it is attempting to change what has been referred to as Magna Carta of western Canada in terms of transportation policy.

• (1140)

Therefore it becomes extremely important for Members of Parliament, in fulfilling their responsibility, to be able to have an adequate or reasonable period of time for debate. The rules should be so interpreted because we are, after all, Parliamentarians representing our constituents. We should not be thwarted on a narrow or limited reading of the Standing Orders if there is a question or ambiguity.

With respect to the wording of the matter under consideration, we are now considering technically and for all purposes the amendment of the Hon. Member for Regina West which asks the House to vote on the proposition that this Bill be stood over for six months and brought back for consideration at that time.

When we have consideration of important legislation which is so highly emotional, and such importance is attached to it by people, particularly those in one important region of Canada, it seems to me that a reasonable interpretation of the Standing Orders should be that when we have an amendment at second reading the time clock should start again. We have a situation where we are entitled to full and legitimate debate on a proper amendment, properly accepted, properly before the House. We in the House of Commons who want to speak for a period of time on a matter which affects the very livelihood of the people we represent should not be thwarted by some unreasonable reading of this particular rule.

Mr. Speaker, I ask for your consideration of this particular point of order because I think it is more than legitimate and one which is of very serious consequence to this particular Bill.

Mr. Lewis: I rise on the same point of order.

Mr. Deputy Speaker: Is the Hon. Member for Regina West (Mr. Benjamin) seeking to speak on the same point of order?

Mr. Benjamin: Yes, Mr. Speaker. I thank the Hon. Member for Saskatoon West (Mr. Hnatyshyn) for raising this sort of ancillary or similar point of order to the one, which was just dealt with and on which I will not comment. I just wish the rule read the way Your Honour has ruled.

Mr. Deputy Speaker: The Hon. Member is raising a point of order. He cannot go back on a decision of the Chair.

Mr. Benjamin: That is right, Mr. Speaker. I want to say to the Chair that I agree with the point raised by the Hon. Member for Saskatoon West, that the time period presently being counted also counts on a debate on the amendment. Once the amendment has been dealt with, however long it may take, we return to debate the main motion and a new time period commences with reference to the eight hours and 20-minute speeches.

Mr. Thacker: I rise on the same point of order.

Mr. Deputy Speaker: The Hon. Member for Simcoe North (Mr. Lewis) was rising on the same point of order.

Mr. Lewis: Yes, Mr. Speaker, I would like to join my colleague from Saskatoon West (Mr. Hnatyshyn) in making reference to this point of order. The amendments at second reading, as the Speaker will know, are very limited as to their application and what type of amendment can be made. The debate which has proceeded since the introduction of the amendment on the six-month hoist is basically as to whether or not the Bill is appropriate for the time and whether the six-month hoist should apply.

I would draw Your Honour's attention to the fact that the Bill has a great deal of importance in Western Canada. Unfortunately, the Government—

Mr. Benjamin: All of Canada.

Mr. Lewis: —is in a very vulnerable position because it has no speakers of any import or knowledge from western Canada. It is very vital to the understanding of the Bill by the Parliament of Canada, by Hon. Members such as the Minister who is leaving the House, that we be able to hear the western Members and the viewpoint which they bring to the House.

Mr. Hnatyshyn: The Prime Minister (Mr. Trudeau) asked us to.

Mr. Lewis: I think for that reason alone we should have a broad interpretation of when that eight hours is to take place. Is it to be on the consideration of the entire Bill at second reading or, as we would suggest to Your Honour, is it to be on the six-month hoist amendment? Surely if we are to allow every Hon. Member to be heard, if we are to bring to the floor of the House the experience our Party on this important Bill, if Hon. Members from all over the country are properly to represent their constituents, surely we should have ample time.

I would suggest that that reason alone would bring Your Honour to rule that the eight-hour debate and eight-hour time limit should only relate to the six-month hoist amendment, that once the debate has collapsed on that matter and we have had a vote, we can then return to the second reading debate. Every Hon. Member in this House, for the benefit of the Government which lacks any Hon. Members from western Canada, can then be heard.

Mr. Smith: Mr. Speaker, I would first like to say that I am disappointed that my friend, the Hon. Member for Simcoe North (Mr. Lewis), has suggested that any Hon. Members from the House of Commons are not important when he said that we did not have any important Members from the West. We have two Hon. Members from Manitoba.

Mr. Lewis: That is what I meant. I said that.

Mr. Smith: All Hon. Members of the House are important.

Mr. Lewis: That is what I said.

Mr. Hargrave: You are a little sensitive this morning.

Mr. Smith: Second, I think it is important to—

Mr. Lewis: A point of order! A question of privilege, Mr. Speaker!

Mr. Cousineau: You cannot rise on a point of order.

Mr. Deputy Speaker: With all due respect to the Hon. Member for Simcoe North (Mr. Lewis), the Parliamentary Secretary is rising to speak to the same point of order. The Hon. Member, I think, may take exception to the remarks, but he will be recognized later.

Mr. Lewis: I rise on a question of privilege, Mr. Speaker, very much a question of privilege.

Mr. Deputy Speaker: At the end of the Parliamentary Secretary's remarks I will hear the Hon Member on a question of privilege.

Mr. Smith: Mr. Speaker, the phrase that the Hon. Member used, and he may not recall it, was that we on this side of the House did not have any Hon. Members from the West of any import.

Mr. McCain: He was right, dead right.

Mr. Smith: If he would like to withdraw that remark, I think it would be appropriate. He can check the blues and satisfy himself, but that is what I heard. We do not tailor the rules to satisfy the political achievements of whatever it is we are wanting to do. The rules are the rules.

Mr. Lewis: That is not what Perrault said.

Mr. Smith: They apply equally under all circumstances.

Mr. Lewis: Senator Perrault didn't say that.

Mr. Smith: I am disappointed that this interpretation of this particular new rule has been argued by Hon. Members who spent a bit of time on the committee which recommended this change. I have served on the committee. I know the background of it. The background as to why this was brought in was to prevent filibustering from going on at second reading.

If one considers the time spent on Government legislation in recent years, one finds that over 60 per cent of the time in the House has been spent on second reading debates which are supposed to be debates of general principle. It is pretty clear that what has in fact happened has been that the Opposition Parties—and this could have been true when the sides were reversed—have frequently staged filibusters at second reading stage so as to present the House from dealing with a measure. As a result, this change was recommended.

There cannot be an end run through a six-month hoist amendment. The rules quite clearly state, "When second reading of a Government Bill is being considered", etc. Then it gives the time limits. It does not make any exceptions and it does not state that it does not apply when we are discussing an amendment such as a six-month hoist. Second reading is second reading, and all things which fall within second reading are included in the calculation of times as set out.

Mr. Deputy Speaker: Are there other Hon. Members speaking to the point of order? The Chair recognizes, on a point of privilege, the Hon. Member for Simcoe North (Mr. Lewis).

Mr. Lewis: I would like to raise a point of privilege, Mr. Speaker. I want to reassure the Parliamentary Secretary to the President of the Privy Council (Mr. Smith) that I did say there were no Hon. Members of import from western Canada. In fact, neither of them, according to my records, has even spoken on the Bill to this point.

Mr. Pepin: They will.

Mr. Deputy Speaker: The Hon. Member is not really raising a question of privilege or point of order.

Mr. Thacker: Mr. Speaker, I agree with the Parliamentary Secretary that Your Honour should interpret the rules. If one considers Section 35(1), it states that the general rule is that on a debate, Members speak for 20 minutes unless otherwise provided in the Standing Orders. Then when one considers Section 35(2), there is an "otherwise", providing that during second reading one is restricted to eight hours, 20 minute speeches, each with a ten-minute question period. However, the point is that we are not second reading; we are debating a special amendment. It is true that the Chair should probably restrict that debate to the six-month hoist. Nothing is relevant except the six-month hoist.

Mr. Smith: That's the most outrageous thing I have ever heard in the House.

Mr. Deputy Speaker: I say to the Hon. Member, when Orders of the Day were called, second reading was called. The Chair finds it difficult to accept the argument that the presentation of an amendment, which is part of the process of debate, would terminate second reading. This is still second reading of the Bill.

• (1150)

Mr. Taylor: I just want to make one comment. On Friday there was a point of order which lasted for 22 minutes. We have now been on a point of order which has taken approximately 20 minutes. Surely this point of order should not come off the eight hours.

Mr. Deputy Speaker: The Hon. Member's point is well taken. If there are no further interventions concerning the point of order that has been raised, the Chair will reserve a decision on the matter. The Chair will recognize the Hon. Member for Esquimalt-Saanich (Mr. Munro).

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I join with the Hon. Member for Bow River (Mr. Taylor) and urge the Chair to make sure that the eight-hour period for debate, whether on second reading or on the amendment, does not

include interruptions, for good purposes, to deal with matters—

Mr. Deputy Speaker: Order. The matter has been settled. The Chair is not counting the 20-minute intervention against the eight hours. The Hon. Member is recognized for debate.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, basically I have two and possibly three matters that I wish to address in my comments this morning. The first question relates to a rather unusual telegram which was received in my office last week on the day that the Bill on the Crow rate was introduced in the House of Commons and we agreed to give it first reading in the House. The telegram urges me to support the Government's proposals. I believe that is worth underlining.

The telegram came to me from the President and Chief Executive Officer of a prominent lumber firm in British Columbia. It is not the telegram which concerns me but the manner in which it reached me. I do not know how many private sector companies in British Columbia or elsewhere have been extended the privilege of calling on the Prime Minister's office to act as their messenger. This particular firm seems to enjoy that privilege and I wonder how many other Canadians have that privilege. Would the Canadian Cattlemen's Association enjoy a privilege of having a telegram sent to the Prime Minister's office for distribution to all Members in the House of Commons? I doubt it, but this is what happened.

I am holding a telegram which bears the names of all the Members from British Columbia. It arrived on my desk via what is very clearly marked up in the corner "The Com Centre of the PCO—PMO", which is the Prime Minister's office and the Privy Council office. It was obviously sent there to be distributed to Members from British Columbia.

The text of the telegram makes it quite clear that those of us from British Columbia are being urged to follow the Government's plan to abolish the statutory Crow rate. I find it rather unusual that the Prime Minister's office should receive a telegram of this sort and distribute it not only on paper, which presumably is part of the stationery supply of the Prime Minister's office, but also in an envelope which states at the bottom "PCO", presumably the Privy Council office, "Room 616, Postal Station B", and delivered by a messenger from the Prime Minister's office.

I wonder if all private sector corporations in Canada enjoy this particular privilege. I would find it strange if they did. How can any private sector corporation expect the Prime Minister's office to receive, print and distribute their messages for them? Apparently they do not trust the private sector any more than they trust the post office or CN-CP Telecommunications. While I frequently receive telegrams from CN-CP Telecommunications, this is the first time to my knowledge that I have received a telegram of this sort through the courtesy of the Prime Minister's office.

I also wonder whether this particular private sector corporation enjoys the use of the facilities of the office of the Hon. Senator from Vancouver in order to get their messages quickly and cheaply to Ottawa and distributed once here. How many British Columbia companies enjoy this special privilege? Do other private sector companies in other Provinces enjoy this privilege? Do Crown corporations enjoy it in order to cut down on overhead?

If this is a general service that is being offered by the Prime Minister's Office, I think I will suggest to my constituents in my next householder that all they have to do if they have an urgent message they wish to send me is to get in touch with the office of Senator Perrault from Vancouver, leave their message there and it will be communicated presumably by telex to the Prime Minister's office or the PCO and will reach me with very little cost to them. It seems to me to be somewhat of a lobby scam and I find it odd that any reputable organization should use this particular method to get its communications to a Member of Parliament.

My second comment relates specifically and exclusively to Section 62 of the Bill now before us. This particular sector authorizes "the Government of Canada" to do certain things with the lands it "selected" in British Columbia in 1897 with what are known as the Dominion coal lands.

I think it is worth drawing a number of aspects of this particular Bill to the attention of the House. I would like to read the text of that article into the record. It states:

> 62. Notwithstanding the Crow's Nest Pass Act and any agreement made pursuant thereto, the Government of Canada may hold, dispose of or otherwise deal with the lands it selected under paragraph 1(i.) of that Act in any manner and on any conditions it thinks fit.

These are rich coal lands in southeastern British Columbia is the Crowsnest Pass area which got into the hands of the Crown in the right of the Dominion in a rather unusual way. These are the lands that are being spoken of which involve 50,000 acres, or about 80 square miles. It is an area of eight miles in one direction and 10 miles in another and contains easily accessible high-grade metallurgical grade coal said to amount to anywhere from one billion to 8.5 billion tonnes. The lands are a source of considerable wealth both to the firm granted the mining permit and the Government taxing the product. The lands border on properties already producing plentiful supplies of coal, Sparwood and Fernie, for shipment to Japan.

Those 80 square miles of British Columbia territory were retained by the Crown in right of Canada in 1930 when all other natural resources were returned, through the constitutional amendment covering natural resource transfers and other matters, to British Columbia and to Alberta, Saskatchewan and Manitoba as well. That 80 square miles of British Columbia land was specifically excluded from the 1930 amendment and was also retained by the Crown in right of the Dominion despite the terms of Section 92A of the BNA Act, now the Constitution Act of 1867, appearing as Part VI of the Constitution Act of 1981.

Section 92A deals specifically with non-renewable resources and in whose jurisdiction their governance and regulation lies.

It is perhaps worth recalling the terms of Section 92A which was an amendment to the Constitution Act of 1867. It reads:

• (1200)

In each province the legislature may exclusively make laws in relation to

(a) exploration for non-renewable natural resources in the Province;

(b) development, conservation and management of non-renewable natural resources—in the Province, including laws in relation to the rate of primary production therefrom—

That is Subsection (1). Subsection (4) of Section 92A reads this way:

In each province the legislature may make law in relation to the raising of money by any more or system of taxation in respect of

(a) non-renewable natural resources—in the Province and the primary production therefrom—

It is quite clear that the intent of Section 92A(1) is that the non-renewable resources are within the jurisdiction of the Province. Yet, Mr. Speaker, we find those 50,000 acres, 80 square miles, is still retained by the Crown in right of the Dominion. This exclusive jurisdiction enjoyed by the Province over its natural resources and its power to levy taxes on the production of those resources does not restore to B.C. the 80 square miles of the so-called Dominion coal lands which the Crown in right of the Dominion now controls.

I cannot help but ask myself why that should be. British Columbia—and this is the conclusion one must draw—is the only Province that has had to pay in land losses to the Crown in right of the Dominion for having a railway pass over its territory.

How did this land get into the hands of the Crown in right of the Dominion in the first place? The story is long and devious, the details of which may not be yet fully revealed. In any event, the lands passed from the Province by grant to the B.C. Southern Railway as an inducement to the B.C. Southern Railway to build a line into southeastern British Columbia to open it up and to make the products of that area, coal and minerals, transportable through Canada rather than through the United States to its markets.

The lands in question are in the area through which the railway was to pass. It was eventually called the Crow's Nest Pass Railway. Once the B.C. Southern Railway had been acquired by the CPR and the CPR was prepared to build a Crowsnest Pass line from Lethbridge to Nelson, the Dominion Government stepped in to compel the CPR to cede 50,000 acres of coal-bearing land conveyed to it by British Columbia to the Crown in right of the Dominion. The Crown went further. It "selected" the land which was to be conveyed. That land and its riches are still in the hands of the Crown in right of the Dominion. They were not returned to British Columbia in 1930 when all non-renewable resources were returned to British Columbia as well as to Manitoba, Saskatchewan and Alberta so as to put the western Provinces on the same footing as the eastern Provinces, which entered Confederation with control over their natural resources.

Nor were those 50,000 acres returned to B.C. during the negotiations over the Constitution, although as we have seen, Section 92A specifically grants jurisdiction to the Provinces over all non-renewable resources in a Province.

This brings us back to Clause 62 of the present Bill. What does the federal Government plan to do with the lands under the provisions of this Bill? It is not quite certain. I have already read the text of that particular clause into the record. I note the Government of Canada may "hold, dispose of or otherwise deal with" the lands it selected under paragraph 1(i) of that Act.

From that I think there are a number of considerations that flow. First, I wonder whether we should examine the wording of this, what the Government of Canada may do this, that and the other. The French version of that particular article reads as follows:

Sa Majesté du chef du Canada peut posséder ou vendre les terres qu'elle a choisies conformément, . . .

I do not see that "the Government of Canada" and "*Sa Majesté du chef du Canada*" are exactly the same thing. I suspect that the French version was the version of the original Clause 62 and the English version followed. I do not think it was a very good translation. I understand there are examples of this.

If we look at the explanatory notes opposite on page 33a of Bill C-155, we find in the English version three different versions of the authorities that may do this, that or the other. In one case it is the "Crown in the interest of Canada". Second, it is "the Government" which selected the lands. Finally, we find it is the "Governor in Council" which may do this, that or the other.

In the French version of the same Bill, which is, of course, the Crow's Nest Pass Act, we find it is "*la Couronne, pour l'avantage du Canada*". I do not know whether "*la Couronne, pour l'avantage du Canada*" is being considered as an entity is or simply "*la Couronne*". We also find that it is "*Sa Majesté—en sera autrement disposé par Sa Majesté*".

Then we find it is "*le Gouverneur en conseil dans le but d'assurer un approvisionnement de houille suffisant et convenable*". I think there is some cleaning up necessary in this particular Bill so that we can determine exactly what it is that will be authorized under this Bill to do what the Bill provides it may do.

The Crow's Nest Pass Act of 1897 did two things. One was to require the CPR to carry certain products, including coal and grain, at fixed rates in return for which the CPR was granted running rights. Second, the Bill of 1897 conveyed 50,000 acres, 80 squares miles, to the Crown in right of Canada.

Today we have legislation before us that undoes one of those things. It withdraws the rate structure defined at the time to remain in effect in perpetuity, but it does not undo the other thing. It does not return to British Columbia the 50,000 acres of coal-rich lands which were ceded, if you like, by the railway—not by British Columbia, but by the railway—to the Crown. Why the one, I ask myself, and not the other?

Finally, I would like to comment on another matter which came to my attention this week. Before doing so, however, I think we ought to recognize that the matters connected with the ceding of the 50,000 acres was first raised on March 15, if I remember correctly, by the Hon. Member for Kootenay-East Revelstoke (Mr. Parker) and also on May 10 during Private Members' Hour. These 50,000 acres are in his riding and he is duly concerned. I am as concerned as a British Columbian as he is concerned as a British Columbian that the Government is planning to do one thing and not planning to do right by British Columbia by upsetting all the provisions of the Bill.

• (1210)

Another matter on which I would like to speak concerns the representations I have received from the Council of Forest Industries, (COFI) in British Columbia. This time, however, it did not reach me through the office of the Prime Minister (Mr. Trudeau) but thanks to Canada Post. It may well be that the author of the letter, because he sits on the board of directors of Canada Post, decided that he would use that particular method of communicating his message to Members of Parliament. I assume that all other Members from British Columbia received the same.

This particular organization COFI is short of the lobby group for the Canadian forest industries. One of its recommendations, its fourth recommendation which it urges us to support, was that "Government funding should preferably be paid to the producers if a subsidy is required". I just put that on the record.

I see that the Speaker is somewhat worried that I might speak beyond my time, but I find it odd that we should be encouraged to support a recommendation that Government funding should preferably be paid to producers if a subsidy is required when it is quite contrary to the purposes of this particular Bill.

No one is quarreling with the need to upgrade the facilities of the railways, double-tracking, more hopper cars and other types of rolling stock. That work has to be done and done soon. I suggest that CN is wasting a great deal of its funds by advertising on television. I have puzzled for a long time why CN should advertise on television. CN is not appealing to individual Canadians for business. It is not selling anything to the individual Canadian any more. It used to when it ran a passenger service. I could understand VIA Rail advertising, but I feel that CN ought to expend its funds a little more judiciously, perhaps by upgrading some of its rolling stock.

The Acting Speaker (Mr. Blaker): I am sorry to interrupt the Hon. Member but his time has expired. However, as he may be aware, there is a ten-minute question and answer period and possibly he will be entitled to make further comments during that ten minutes.

The House, of course, is well aware that several points of order have been raised, in the main with respect to the matter of the definition of eight hours of debating time. I will try to deal with each of the points in order.

To begin with, I refer Hon. Members to the fact that it is commonly known that on Friday this issue was raised. I happened to be in the chair at the time and I indicated that the ruling would be made today. A few moments ago the Deputy Speaker did in fact rule on that matter, and I understand that the issue of eight hours and the ten-minute question and answer period has now been resolved.

That takes us to a second point which was raised by Hon. Members, again on the definition of what constitutes eight hours of debate, and in this connection particularly the argument of the Hon. Member for Saskatoon West (Mr. Hnatyshyn) as to whether or not the eight hours as defined within the Standing Orders referred to debate on the main motion or on an amendment—in this case the six-month hoist—or whether they are to be taken together.

One can refer to Standing Order 35(2) and the words "Bill is being considered", to the word "considered", or in the French language, as I mentioned on Friday, to the word "*débat*". Also I refer Hon. Members to Beauchesne's Fourth Edition, page 111, Citation 120 as follows:

> The interval between the proposing and the putting of the question, which is usually used for discussion, gives an opportunity for further proceedings such as the moving of an amendment; and this may give rise to a subsidiary debate, with its own question and decision, within the principal debate.

May I repeat those last words "within the principal debate". On the face of it, then, an amendment would be considered within the principal debate and consequently would be subject to the provision of a total of eight hours of time.

For further clarification, I refer Hon. Members to Beauchesne's Fifth Edition, page 225, Citation 740 as follows:

> There are three types of amendments that may be proposed at the second reading stage of a Bill. These are:
>
> 1. the six months' hoist;—

It is the conclusion of the Chair that an amendment which is in order—and the six-month hoist is one of those which is in order—falls within the scope of Standing Order 35(2) and consequently the application of eight hours of debate applies not only to the main motion but to any one of the three types of acceptable motions at that stage in the proceedings of the House.

With that matter out of the way, we have a third point of order which I understand relates to whether or not points of order themselves and the amount of time they take shall be included in the eight hours of debate. As I was arriving in the Chamber, I noticed the Hon. Member for Esquimalt-Saanich (Mr. Munro) was commenting on that.

Mr. Hnatyshyn: That has been ruled on by the Deputy Speaker already.

The Acting Speaker (Mr. Blaker): I want to inform Hon. Members that I am aware of the wording of the Deputy Speaker who was in the chair at that time. It may be that Hon. Members will want to check *Hansard* very carefully in that regard. The quote that my memory tells me is accurate is that the Chair informed the Hon. Member for Esquimalt-Saanich, I believe it was, that "the point is well taken". In any event,

my understanding is that no final ruling has been made and I will proceed on that basis.

In the tradition of the House, where the debate or speech of an Hon. Member has been interrupted by points of order, the Chair at its own discretion has allowed the Hon. Member additional time; sometimes the exact amount that was accorded the point of order, or at other times the Chair makes a judgment as to what seems to be fair in the circumstances. However, it is completely the tradition of the House that points of order, while they may not be taken from the debate time of an individual Member, are very definitely taken from the total allotted debate time on a motion. There is no question about that.

Mr. Hnatyshyn: Oh, come on!

The Acting Speaker (Mr. Blaker): I hear an Hon. Member saying "come on!"

Mr. Hnatyshyn: I say "come on!" with justification.

The Acting Speaker (Mr. Blaker): My ruling is always open to question. I encourage Hon. Members who may wish to do their homework in that regard to re-open the question if they see fit.

Mr. Hnatyshyn: What is this place for?

The Acting Speaker (Mr. Blaker): I indicate again to Hon. Members that a check of today's "blues" or *Hansard* will give them some of the answers for which they may be looking and a further check of the procedures of the House will, I am quite certain, assure Hon. Members of the accuracy of the ruling I have just given.

According to those rulings taken together, the eight-hour debate period will end at 12.24 p.m. However, I want to point out that first there is a ten-minute question and answer period relevant to the speech of the Hon. Member for Esquimalt-Saanich.

Mr. Hnatyshyn: I suppose your time is not taken off.

The Acting Speaker (Mr. Blaker): Second, if the next Hon. Member seen by the Chair begins his debate before 12.24 p.m., I will then recognize that Hon. Member to continue his debate to a maximum time of 20 minutes and to enjoy the benefit of a ten-minute question and answer period as well.

Questions, answers, comments? Does the Hon. Member for Dauphin-Swan River (Mr. Lewycky) rise on questions and answers?

Mr. Lewycky: On debate, Mr. Speaker.

The Acting Speaker (Mr. Blaker): Questions and answers?

Mr. Hargrave: On debate, Mr. Speaker.

The Acting Speaker (Mr. Blaker): Questions, comments, answers? Debate, the Hon. Member for Dauphin-Swan River.

Mr. Lewycky: Thank you very much, Mr. Speaker.

Mr. Taylor: Mr. Speaker, I rise on a point of order. We have only had two speakers since the last NDP speaker, and we are entitled to three, with all respect to the Hon. Member.

The Acting Speaker (Mr. Blaker): I am relying on my predecessor in the chair whose advice was that, having worked out a reasonable order of speakers in his view, the next Hon. Member who ought to be recognized is the Hon. Member for Dauphin-Swan River. However, if the Hon. Member for Bow River (Mr. Taylor) insists that I check that to my own satisfaction, I will do so, but I will need a couple of minutes to do so.

• (1220)

Mr. Taylor: Mr. Speaker, I can give you the exact figures.

The Acting Speaker (Mr. Blaker): I appreciate the Hon. Member's offer. If the House will allow me a moment, I will do the homework necessary. I say again that this may raise problems related to the 20-minute period and 12.24 and so forth.

Mr. Benjamin: Mr. Speaker, it is possible the Hon. Member for Bow River (Mr. Taylor) is not aware that on the last day of debate there was an agreement reached between the Hon. Member for Vegreville (Mr. Mazankowski) and a couple of us to allow one of the Conservative Members to speak sooner in the debate than he would otherwise have been entitled to in order that he could catch an airplane. We agreed to that. That is why it appears as though the Hon. Member for Dauphin-Swan River (Mr. Lewycky) is getting up after only two Conservative speakers. That was a little arrangement we arrived at in order to convenience one another the other day.

Mr. Taylor: Mr. Speaker, I knew nothing about that arrangement. If that is the arrangement made with the Hon. Member for Vegreville, that is fine with me.

Mr. Hnatyshyn: Mr. Speaker, before I start on my point of order, in view of what I consider to be a very, very important statement made by yourself, I want to make sure I am not interfering. If you have recognized the Hon. Member for Dauphin-Swan River, he is entitled to 20 minutes. I do not want the point of order I am now about to raise to be in any way an abrogation of the opportunity of any Member of this House to be able to speak for the fullest possible length of time.

The Acting Speaker (Mr. Blaker): Order, please. The point being raised by the Hon. Member for Saskatoon West (Mr. Hnatyshyn) is a great courtesy. Unless I have some serious point of order objecting to that, I will be prepared to see the time of 12.24 go past and yet continue to recognize the Hon. Member for Dauphin-Swan River, and to continue in his case and his alone the 20-minute debate and 10-minute period for questions and answers. I hope that will be agreeable to the House.

Mr. Hnatyshyn: Mr. Speaker, I want to deal with this point of order. I say that the ruling which has been brought down is one which will seriously abrogate the rights and abilities of Members of Parliament to deal with—

Mr. Pinard: Order.

Mr. Hnatyshyn: Let me just finish. The House Leader is so anxious to ram through this matter—

Mr. Pinard: You cannot question the ruling.

Mr. Hnatyshyn: I am not questioning the ruling; I am questioning the cold premise upon which the ruling was made. I do not recall anybody standing in this House and asking for a ruling on the particular matter on which you apparently have made the ruling, that is to say whether points of order are to be taken off the time available for debate. This is a very important consideration, because if we were ready to debate that matter and raise it as a point of order, all the arguments should be made to the Speaker a ruling is made with respect to the proposition.

Let me put this to you, Mr. Speaker, regarding order and points of order, the kind of example and argument that should be placed before you before making a ruling of this significance. A point of order deals with a matter of order in the House. It may extend from disorder on the part of some Members interrupting the free flow of democratic debate in our House to a matter relating to procedural matters so that there can be a clarification. Indeed, a legitimate point of order is one in which the Speaker will hear out the representations, as was the case in this instance, as to what procedure should be followed. It does not have anything to do with the substance of the matter under consideration or the subject matter of the Bill. It is a matter of order in the House, and how without argument we can come to the conclusion—

The Acting Speaker (Mr. Blaker): Order, please. I am going to hear the Hon. Member, although I would encourage him to come to his point of order fairly soon. I know he is aware that once a ruling is made on a point of order, the same point of order ought not to be brought up again for discussion.

I am going to hear the Hon. Member, but I wonder if he is aware that a point of order was raised by the Hon. Member for Bow River (Mr. Taylor) as to whether or not points of order are to be counted within the eight-hour time limit. Is he also aware, as I referred to in my ruling, that the Hon. Member for Esquimalt-Saanich (Mr. Munro) referred to the same point of order? To the best of my understanding, no further representations were made on that point of order. Accordingly, I gave a ruling. I will hear the Hon. Member, but I would appreciate if he could come to his point.

Mr. Hnatyshyn: Mr. Speaker, that is precisely the point I am raising now. When the Deputy Speaker left the chair—I do not care what interpretation of the English language one uses—there was no question in my mind that he had simply said there was no point of order, that the matter speaks for itself and the time would not be deducted from the time for debate. That is what he said. I am prepared to look at the blues to back that up. I would have stood up, as would have other Members in this House, to argue about that point of order if there had been any equivocation or any doubt in our minds that the Deputy Speaker, when he left this place, had any other conclusion but that the time was not—the members of the Table may have blanched. I did not blanch because I believe the Deputy Speaker was telling us there was absolutely no time on points of order to be taken off the time allocated for debate. I want the right to look at the blues and come back on this issue because I do not believe in thwarting the ability of Members of Parliament in this House unduly.

The Acting Speaker (Mr. Blaker): I indicated when I made the ruling that I thought the words used by the Deputy Speaker, which were, as I recall, "the point is well taken", could be interpreted in both fashions; that is, he had accepted the point and given in some sense a ruling; or, alternatively, he could have meant that the point was well taken and that he would in due course consider it.

I thought it was my duty on coming here to avoid the issue whether or not the 40-odd minutes referred to taken up on points of order would have to be considered as part of the debate or not. I wanted the House to understand in what time frame it was acting.

I have no objection at all to what the Hon. Member for Saskatoon West proposes, and I made that clear in my comments. I make it clear again that for the moment the ruling is and was that debate began after the eight-hour period at 12.24. If the Hon. Member for Saskatoon West and other wish to raise that matter, I provide them with two opportunities. One is to do it immediately. The other is, as was suggested, to allow time for Members to examine *Hansard* and raise the matter again. I have indicated that in the circumstances that is the fairest way to proceed.

For the moment, the ruling is made. I think I have invented a new procedure and that is that Hon. Members may wish to take the occasion to appeal this subject if they so see fit tomorrow.

Mr. Lewis: Mr. Speaker, my point of order has to do with two points. The first is with respect to the comments of my colleague in the NDP and the suggestion that an arrangement may have been made on Friday. The Deputy Whip and myself obviously were not part of that discussion or we would have confirmed or denied it immediately. Therefore, we cannot comment on that.

The one thing I would like to draw to Your Honour's attention is this. According to my records, if you recognize the NDP at this time you will then have recognized nine Members of the Official Opposition, the Conservative Party, during the eight-hour debate and four Members of the NDP during the same eight-hour debate. That will give a time weight of 70 per cent to the Official Opposition and 30 per cent to the NDP.

With all due respect to the Chair's right to choose Members who rise to speak, I know Your Honour will want to give a proper mathematical division to the way the Members are

recognized in order that the number of seats held by each Party in the House will be properly respected when the eight-hour debate is over. I suggest that if you recognize the NDP at this time, you will be giving them 30 per cent of the debating time. Based on the number of seats held in the House, 132, broken down 31 and 101, to sort it out properly and fairly between the two Opposition Parties, 75-25 is a more accurate split of debating time.

• (1230)

I would therefore suggest that the Chair might reflect upon its desire to do justice to the number of seats in the House, and on that basis reconsider who the Chair recognizes at this point in the debate.

Mr. Althouse: Mr. Speaker, on the same point of order, I believe that if you are to reflect on the number of seats as proposed by the House Leader for the Official Opposition, you should put the statistics into a framework that is more fair than what he suggests. I believe the House Orders read that there shall be one speaker from each of the three Parties on the first round. I think those first round speakers must be taken out of the figures that were presented to us here today in order to use proportional representation as is normally followed in the House for the speaking rounds after the first three speeches have taken place. That will change the proportion somewhat.

Mr. Lewis: Mr. Speaker, with reference to the comments made by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), I am sure he would want to be fair and point out that the Leader of the Opposition (Mr. Nielsen) and the Prime Minister (Mr. Trudeau) get unlimited time in debate. There is no reference to that privilege being granted to the NDP Party as a minor Opposition Party. If we are to put all of those items on the plate, let us deal with everything pertaining to time allocation.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I believe the point that must be underlined is that the eight-hour debate period does not embrace those three speakers with unlimited time. The eight hours begin after the three Party spokesmen have made their contributions, so the calculation must be based upon those eight hours of debate and not upon the time used in the preceding by three speakers.

The Acting Speaker (Mr. Blaker): Let us see if we can dispose of this matter. The Hon. Member for Simcoe North (Mr. Lewis) was quite courteous to the Chair and indicated that he would want the Chair to be fair. I caught the implication that in his view the Chair would also want to be reasonable with the Parties. He is, incidentally, quite correct. The Chair does work with a mathematical ratio. If it has been in error, I believe that between myself and the other occupants of the chair we will come to a conclusion whereby we could see that any necessary redress is made.

I hope that the Hon. Member is not now arguing that we should reverse the decision made by the Chair with respect to recognizing the Hon. Member for Dauphin-Swan River (Mr. Lewycky); but if he is, he can raise a motion in that regard, as he well knows. I simply indicate that I and the other members of the Chair will examine the situation very closely to see whether or not the proper ratios have been followed; if not, we will seek to make any redress appropriate.

The Hon. Member for Regina West on a fresh point of order?

Mr. Benjamin: No, Mr. Speaker, I only wanted to add to the point raised by the Hon. Member for Saskatoon West (Mr. Hnatyshyn) following the point the Hon. Member for Bow River (Mr. Taylor) made about the length of time taken on points of order not being included in the eight hours. It was certainly my intention to rise on that point of order, but the Deputy Speaker said that the point was well taken, and I believe he made another remark a few minutes later when another Hon. Member rose to speak. It was my impression that the Speaker then said something to the effect that time taken on points of order would not be included in the eight hours of debate. If he had not said that, the Hon. Member for Saskatoon West and myself and probably others would have been on our feet right then and there. However, it was our impression and assumption that the matter was then closed and that time taken up on points of order would not be included in the eight hours of debate time.

The Acting Speaker (Mr. Blaker): I say to the House that I believe this is a repetition of the point already made. I wish to put a simple proposal to the House which I am now putting to the House for the third time. I recognize that the words used by my predecessor in the Chair, the Deputy Speaker, lent themselves to several interpretations or understandings. Time is available for Hon. Members to review *Hansard*, seek precedents and review procedures. I did not want to make any suggestions in that regard earlier but I would now suggest that Hon. Members might see the opening of the House tomorrow at 11 o'clock as an appropriate time to review this matter. I do not want to suggest to the House the manner in which it ought to proceed, but I do want to say that I have made a ruling and the ruling is that at 12.24 we began the next classification of debate; but the Chair is open to renewing that point of order and to reviewing it completely.

Mr. Taylor: Mr. Speaker, I have only two points to raise. When the Hon. Member for Esquimalt-Saanich (Mr. Munro) begin to raise the point again, your predecessor in the Chair, the Deputy Speaker, said that that point had been settled and the time taken would not be included in the debate. I believe that *Hansard* will bear that out.

The second point I would like to make, Mr. Speaker, is that it would be very unreasonable to include time spent on point of order in the time spent on debate. For instance, with respect, you yourself took seven minutes to give a ruling. If it is to take seven or ten minutes for the Speaker to give a ruling, it would not be fair to take that time away from the Members' allowed time in debate. I say that with respect.

In considering this question, it should be remembered that there is much talking going on and the Deputy Speaker himself takes considerable time in giving a ruling. This should certainly not be used as a denial of Members' opportunities to deal with and debate the Bill before the House.

Mr. Benjamin: Mr. Speaker, my next point of order is, what will happen in the meantime? You have already ruled on the time of 12.24. There is to be one more 20-minute speech before going to ten-minute speeches. Let us say that later this day or some other day the Hon. Member for Saskatoon West (Mr. Hnatyshyn) and I raise a point of order and it is decided and agreed that time taken up by points of order is not counted in the eight-hour debate time. What would you do then, Mr. Speaker? Would you revert to 20-minute speeches when some Members have already been limited to ten minutes? It seems to me that the situation will only get worse.

I submit, Mr. Speaker, that if this ruling is to stand, then any Party could decide to raise all the points of order it wishes about what some Member happens to be wearing, or whether the clocks are correct, or a host of other subjects in order to prevent the full eight hours of debate.

Mr. Smith: We would not do that.

Mr. Benjamin: Oh no? Surely, Mr. Speaker, with all the prerogatives the Chair has, if very many deliberately minor, inconsequential and time-consuming points of order are raised, the Chair may always cut them off very quickly. But it seems to me that all points of order raised so far having to do with these rules and the context of this debate have been legitimate points and there have been contributions made from all sides. Surely those contributions are not part of a debate about western transportation and the statutory grain rates.

It seems to me that nobody can claim that the points of order raised to this time have been malicious or frivolous or anything like that. But if it is concluded or decided that this time will be counted in the eight hours, I predict that decision will cause great difficulties in the future because particularly the Government Party could completely hamstring much of the Opposition's time by dealing with points of order on any darned thing it pleased that would have nothing to do with the Bill before the House.

Mr. Smith: We have never done that.

Mr. Benjamin: But the opportunity is there for any Party to do that. The opportunity is there for individual Members to do that. Surely that cannot be allowed to stand, Mr. Speaker. The time cannot be included in the eight hours of debate.

• (1240)

The Acting Speaker (Mr. Blaker): I must say I am surprised that the Hon. Member for Regina West even considers the possibility that I might have made an erroneous ruling! I hope that he and other Members regard all my rulings as little gems, but obviously I am not going to have that support today.

I have said, and this will be for the fourth time, that in view of the words used by my predecessor in the Chair, if Hon. Members would like to take the time to check those words, the opportunity for consideration can arise again tomorrow.

The Hon. Member raised a hypothetical problem about whether we might have to reverse my ruling. I can assure him, sitting where I do in the boar's nest, that I am confident of my ruling and that he will be satisfied by tomorrow. We will see whether it is appropriate to have that ruling again at 11 a.m. or 3 p.m., depending upon whether Hon. Members want to pursue the point. If Hon. Members do pursue the point, they will find that the Chair is correct.

Now may I recognize the Hon. Member for Dauphin-Swan River (Mr. Lewycky).

Mr. Taylor: Mr. Speaker, as a final point of order, I suggest that the next three speakers get 20 minutes so that there will be no difficulty later.

The Acting Speaker (Mr. Blaker): I can give the Hon. Member for Bow River (Mr. Taylor) the absolute assurance that only one Member will be recognized for 20 minutes and then there will be a ten-minute question and answer period. I made that ruling prior to 12.24 and I intend to honour it.

Mr. Taylor: That is completely unfair.

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I am delighted to be able to participate in this debate and on the specific amendment made by my colleague. I want to express my heartfelt gratitude also to the Conservative Party for honouring the agreement they made with us on Friday to allow one of their Members to catch a plane and to adjust the order somewhat today.

Much has been said about the history and the philosophy behind the Crow rate. I should like to address the subject from the perspective of some of the producers and the impact that this Pepin proposal will have upon primary producers in areas such as Dauphin-Swan River.

I know that the Crow issue might be a little bit difficult for some Hon. Members opposite to comprehend as they do not have a direct relationship to the people of the land or to some of the individuals who will be affected by the legislation.

If I could use an illustration from the farming area, I know that some of the seed thoughts that I will sow today will be lost because some will fall on rocky soil. As a result, the seed thoughts I am trying to plant regarding the negative implications of the Pepin proposal will be lost because there is no good soil opposite in which they can take root and grow.

On different occasions the Minister who introduced the Bill said that those who opposed his position—in other words, those who favour the retention of the Crow—are reactionaries. This is the word he has used maybe to ridicule some of his own backbenchers who may want to turn an attentive ear to the rational and realistic position that I want to put before the Minister.

Because the writ of habeas corpus dates back to 1679, that does not mean that anyone wanting to support the position should be considered reactionary. We have medicare in this country. Because we in the New Democratic Party support it, that does not mean that we should be viewed as being reactionary but, rather, as taking a positive and realistic approach.

I want to point out some of the negative implications that this proposal will have on farmers in the West, especially those in certain regions of the country where the impact might be disproportionate to others. In some ways it is curious that the Ministers who have spoken have seemed to propose a new vision for the West. This is in contrast to the vision of people at the beginning of the twentieth century for populating and developing the West. The Pepin proposal will work in reverse to the vision at the beginning of the twentieth century in that rather than having prosperity and population growth in the West we will have depopulation and decay.

I say that because I want to address this from the perspective of some of the farmers who will be affected by this Bill. I want to take the perspective of residents of my constituency. As I have mentioned several times in the House, farmers in the West are being dealt a double whammy. There are rail line abandonment policies proceeding at full tilt and there is the Pepin proposal which will take money out of the pockets of the farmers.

I want to give some concrete examples of this. There has been a series of rail line abandonment hearings in my area and certain decisions have been made by the CTC with regard to the closing of the Winnipegosis subdivision and consequently the closing of the elevator at Fork River.

What will this mean to the farmers in the area? With the loss of the elevator at Fork River many producers of the region will face the prospect of transporting their grain 160 kilometres to 200 kilometres. This means that if a farmer has to truck his grain that extra distance he may only be able to make one trip per day, and it is likely he will have to contend with line-ups at the elevator. He will be in competition with the farmer who has a local elevator and only has to transport his grain 15 kilometres or 20 kilometres.

Someone like the Minister of Transport (Mr. Pepin) might argue that such producers should work farms in other areas. I would point out to him that the rail line went through this particular region some 85 years ago and at that time everyone had every reason to assume that there would be, in perpetuity, some way for the farmer to transport his grain.

Let me turn now to the cost element. In my area some farmers tell me that it costs them $2.50 per bushel to produce barley. When they add 25 cents per bushel to the cost of hauling the grain beyond Fork River, for example, there will be no profit for them.

In addition, when they lose the local elevators they are losing regional experts. These people live in the area and can inform the farmer about the local weed control situation, about pesticides suitable for the local soil and so on. All this expertise will be lost. In addition, the local grain elevators serve as depots for fertilizers, sprays and seed grain. This is part one of the double whammy that the Minister of Transport is allowing to occur on the Prairies.

Let us consider now the increased base cost of the Pepin proposal. If, for example, a farmer in the Waterhen or Rorketon area has to transport his grain beyond Fork River, that means that such things as a telephone call will be more costly because he will have to use a different exchange. There is also more wear and tear on the farmer's truck. We have the huge increase in fuel prices which farmers have to contend with. And there is the spiralling interest costs which have posed a great problem for the farmers in my area. In addition, they have had huge increases in the cost of fertilizer and other costs.

• (1250)

Let me give an example of what this will mean with respect to income. We have heard grandiose representations this morning by one of the Ministers about the fantastic growth potential, savings and all the added income which would be garnered on the Prairies as a result of this Pepin initiative. I point out that in many regions of Canada the average income, especially in constituencies such as mine, is considerably lower than other parts of Canada. Revenue Canada statistics for 1978—I am sorry but these are the latest I have—indicate that the average income for the Fork River region was $5,706 for the year. If we were to compare this with the rest of Canada, the national average of net income for that particular year was $10,313. Their income is about half what it is in the national arena.

Even if you project the proportionate increase for 1983, you would find that the $2,800 which the Hon. Member for Lambton-Middlesex (Mr. Ferguson) spoke of as being peanuts would have a fantastic impact on farmers in my area. And it is not just this area; I could give illustrations of other parts of Manitoba and draw comparisons there.

The reason I am pointing this out to the Hon. Minister, Mr. Speaker, is that the Minister, on many occasions in this House, has said he cannot understand why Hon. Members from different parts of the West are saying different things. I would just like to indicate to him why it is that some Hon. Members might be saying different things. I would like the Hon. Minister to have, perhaps, an iota more of discernment so he would be able to recognize the perspective which Members are bringing to this debate. Up to this point he has not indicated, to me at least, that he has had the ability to listen and learn in terms of the different perspectives of various Hon. Members.

I will give an illustration of the average income in Manitoba so the Minister will understand why, for example, the Hon. Member for Lisgar (Mr. Murta) might bring forward a different point of view in his perspective. In 1978 in the Brandon Manitoba area, the average income was $9,060. In Portage la Prairie Manitoba the average income for that year was $9,044. In Stonewall Manitoba, which is very near Winnipeg, the average income was $9,209.

Let us take a look at some of these regions where the Minister of Transport is administering his double whammy and see what type of disproportionate impact this is having. In an area like Ethelbert, Manitoba in 1978, the average income was $4,603. In an area such as Grandview, Manitoba the income was $5,800. In the area of Winnipegosis, Manitoba the average income was $5,706, half of what it is in the rest of Manitoba and even less than what it is for all of Canada.

I wish the Hon. Minister would take these matters into consideration and try to examine them in the over-all context, because up to this point he obviously has not realized the disproportionate impact which his proposal would bring on people in the West. My constituency is not totally unique. There are many farming and rural constituencies such as mine which have identical problems. I think it is important that this matter be taken into consideration.

Much has been said about the benefit that this Pepin proposal will bring to the West. It seems as if there is a real carrot there which the Government is offering, that there will be some very precise benefits. However, I would like to ask what would happen with the Pepin proposal by, say, 1990 at 5.1 times Crow, if that was the amount which was being levied on the farmers? I will just take representative examples for the Hon. Minister to look at in terms of how much of a loss this would be to communities in my area. Inglis, Manitoba, for example, is paying 18 cents a hundred-weight for their Crow rate. Let us say the handle at Inglis is some 20.6 thousand metric tonnes. What would be the loss to a place like Inglis? The loss would be some $335,000.

Mr. Pepin: What about the gains?

Mr. Lewycky: There will be no gains at Inglis. This is the loss which we will have in that particular community, which is in the southwest section of my constituency. Let us take a look at the southeast section of my constituency, at a place called Amaranth. The current Crow rate there is 16 cents a hundred-weight. The reason I mention these different areas is because, obviously, Government backbenchers do not even realize there are differences in terms of the Crow rate for those various areas. However, in Amaranth the handle there is some 11.3 thousand metric tonnes, and the loss to a small community like this is going to be some $163,600.

So that urban Members might be able to understand this, I will draw an analogy. Let us say an urban area is one square mile. Try to transport this into a block or two of your constituency and realize what the economic implications are there. I am not even covering all the communities, all the elevators in my riding; I am just trying to give some representative examples from a huge riding, some 500 kilometres from the north to the south and 350 kilometres across, just to give an appreciation of what that size means. If we move to the northern part of my constituency, to a place such as Swan River, right now they are paying some 19 cents a hundred-weight for their base. They have a production of 69,000 metric tonnes. The loss to this community at 5.1 times Crow would amount to $1,187,000.

That is a substantial loss, Mr. Speaker, when you consider that this is a community of some 4,500 people. I would ask the Hon. Minister to select 4,500 people from his area and try to suck $1 million out of that small group of people. It is the farming community which is assisting our balance of payments in Canada and which is putting bread on the table of urban Canadians and I feel that this is a very important consideration.

At the same time, what do we have? In constituencies such as mine there has recently been a large number of railway abandonment hearings. I have already raised in this House the fact that in Manitoba we have had some 18 hearings and not one of the decisions has been in favour of the citizens. They have all been in favour of the railways. Farmers find it difficult to understand these formulas which are being used by the railways which continue depreciation on into eternity, railways which can have a revenue from one part of the line but will not attribute that revenue to the entire line. But at the same time, when there are costs to the railway they can attribute a certain segment to the railway as having no return.

• (1300)

I see that it is one o'clock, Mr. Speaker, so I will sit down at this time and resume later.

The Acting Speaker (Mr. Blaker): I thank the Hon. Member. May I point out to him that at three o'clock, or as soon as Orders of the Day are called, the Hon. Member will have one minute remaining in his time for debate and will then have accessible to him the ten-minute question and answer period which we agreed on earlier today.

In the interim, the Chair indicated to the House, particularly to Her Majesty's Loyal Opposition, that a verification would be made to determine whether or not complete fairness has been ascribed by the Chair in recognizing certain speakers. There has been a fractional unfairness to the Official Opposition. That, I think, could be easily corrected.

The Hon. Member for Simcoe North (Mr. Lewis), I understand, wishes to rise on a point of order and seek the consent of the House for a slight modification of time allocation with respect to one of the Hon. Members of his Party. I want to indicate that that discussion has taken place with the Chair, and providing it is acceptable to all Hon. Members of the House, by unanimous consent we would proceed that way this afternoon.

Mr. Lewis: Mr. Speaker, I appreciate your remarks. We did feel that there may have been a slight imbalance in recognition of Hon. Members during the 20-minute time for debate. I appreciate that, considering the point of order and other interjections in the normal flow of debate, it may be difficult always to keep that ratio in order.

With that in mind, I would suggest to the Chair that you might want to suggest to the House that the next Hon. Member to speak from our side be recognized for a 20-minute period and that that should be the last Hon. Member recognized for the purpose of 20-minute speeches. I would request that perhaps Your Honour might make this suggestion to the

House in the interest of allowing everyone to be heard fully, in view of the importance of this debate.

The Acting Speaker (Mr. Blaker): I think I should clarify the statement of the Hon. Member for Simcoe North. The proposal is made on the understanding that rulings have been made that the eight-hour period of debate is over, that the House will now seek only to adjust certain time frames which were allotted to each of the two Opposition Parties. The proposal put forward by the Hon. Member for Simcoe North is that the Hon. Member for Medicine Hat (Mr. Hargrave) be accorded a full 20 minutes, but not be subject to the ten-minute question and answer period and not, in any way, continue the eight-hour debate. I wanted the House to know that from the point of view of an examination of the records, that does appear to be a fair proposal. However, it is a request that requires unanimous consent.

Is there unanimous consent to the proposal of the Hon. Member for Simcoe North?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): There is unanimous consent. Accordingly, it is so ordered.

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

At 1.04 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

HOUSING

POSSIBILITY OF HIGH HOURLY WAGE OFFSETTING $2,000 QUEBEC SUBSIDY

Mr. Gaston Gourde (Lévis): I would like to draw the attention of the House to a rather unusual situation. A few days ago, the Minister of Finance (Mr. Lalonde) and the Minister of Public Works (Mr. LeBlanc) confirmed that the Canadian Home Ownership Stimulation Program had been terminated. Funds had run out and buyers of new homes could no longer receive the $3,000 grant.

The Quebec Minister of Finance, Mr. Parizeau, thought he was being very clever when he announced that the Government of Quebec would pay $2,000 as a substitute for the Canadian program. However, he neglected to point out that as of May 1 of this year, the Government of Quebec has allowed a ten-

percent increase in wages in the construction industry. For instance, a carpenter will now be getting $16.22 per hour instead of $14.74. In fact, the effect of the $2,000 grant announced by Mr. Parizeau is offset by an equivalent rise in labour costs.

Construction workers I spoke to this weekend were all agains the wage increase, which was stage-managed by René Lévesque and Louis Laberge and has now created a situation that actually harms the interests of construction workers, who are sick and tired of posting certificates in the living room stating that they earn $16.22 an hour, while they are not working at all. As a result of these high hourly rates, there is a good market for illegal construction workers. In my opinion, this is a state of affairs that must be remedied.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

REFUSAL OF DOCUMENTS SOUGHT BY RCMP DEFENDANTS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, the Minister of Justice (Mr. MacGuigan) and, indeed, the entire Government must be aware of the lack of natural justice concerning the prosecutions against certain members of the RCMP Security Service.

They will recall that the Government gave both the Keable and McDonald Commissions documentation upon which the Crown is now apparently basing much of its prosecution against these men. In his recent decision Chief Justice Thurlow indicated that he was not prepared to allow the defence to have certain RCMP files and documents, and it is reported that he did not even feel disposed to review the documents to see whether or not they were objectionable on grounds of national security or international relations.

Defence counsel Richard Mongeau appealed on May 5, 1983, and I urge the Government to instruct its counsel to take a different approach so that members of the Security Service, who were encouraged by their superiors and undoubtedly by certain Ministers of the Crown and the PMO to use every possible means of obtaining information relating to political activities in Quebec, will not now be abandoned.

It is a travesty that Counsel, taking instructions from the Government, are using every legal means to deny RCMP members a comprehensive legal defence. It is a pity that some of the individuals who urged the original initiatives and who operate in a political framework are not facing the same situation as the police officers. We would then see quite a change in the availability of evidence for their defence.

S.O. 21

RACISM

RE-EMERGENCE OF ANTI-SEMITISM IN ALBERTA

Mr. Gordon Taylor (Bow River): Madam Speaker, I am ashamed to say that anti-semitism has again raised its ugly head in my home Province. When I returned home from overseas as a Social Credit MLA, I found antisemitism in the Social Credit movement. Premier Manning was also concerned and asked me to take over the Social Credit paper to root out all anti-semitism. I accepted this chore and fired all of the staff who indicated any anti-semitism, and after editing the paper for several months it appeared that anti-semitism had been cleaned out of the movement.

Now it has raised its ugly head again and Premier Lougheed has declared that anti-semitism has no place in the PC Party. Our own Leader, the Hon. Member for Yukon (Mr. Nielsen), in an address before the Canadian Jewish Congress in Montreal yesterday, stated, "I find it shameful and intolerable that individuals are ignorant of one of the world's ghastly catastrophies", and in dealing with Nazi participants in the Holocaust, "We are dealing with mass murderers".

Thousands of Canadians of all racial origins, including Canadians of Jewish origin, fought and many died in the last war in order that never again would millions of people of any race be exterminated. The Holocaust is real; more than six million Jews died, and those who lived through it can never forget. Yet Abraham Heschel, a Jew from Poland, was able to say "The earth is the Lord's." From the burning embers of the Holocaust was born the new State of Israel where the hopes and aspirations of the Jewish people are being realized.

But there can be no statute of limitations on the war criminals responsible for the living horror perpetuated on the Jews in the Holocaust.

* * *

TRADE

SUGGESTED TOPICS FOR TALKS WITH VISITING SOVIET OFFICIALS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, it has been brought to our attention that there are a number of Soviet officials in Canada who will be visiting throughout the country, and meeting with the Government of Canada. The purpose of the meeting is to improve trade relations.

I hope that the Government bears in mind, when meeting with the Soviet officials, the wish of the majority of Canadians that there be a concerted effort toward the de-escalation of the arms race and that we want to see from the Soviets as well as the United States an effort made to eliminate the threat of nuclear war from Europe.

Equally important, I hope that the Government raises with those officials the plight of Soviet Jews, which has long been of concern to Canadians, and that it ask the officials representing Canada at the talks to make clear to the Soviet officials visiting Canada that these issues must be part of the over-all discussion since they are of primary concern to Canadians.

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SPORTS

PROPOSED TRANSFER OF NATIONAL HOCKEY LEAGUE FRANCHISE TO SASKATOON

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, this week Mr. Bill Hunter and his colleagues, as well as Mayor Cliff Wright of Saskatoon, and Culture and Youth Minister Paul Schoenhals of Saskatchewan, will meet with the NHL Board of Governors. The object of this visit is, of course, to secure the transfer of the St. Louis Blues to Saskatoon, Saskatchewan.

This transfer is considered by Saskatchewan residents to be of the utmost importance. To possess within our borders a National Hockey League franchise is, for us, a coming of age. It provides the city and the Province with a certain prestige. More important, it confirms Saskatoon and Saskatchewan for what they are—major league in every way, including sports.

Residents of Saskatoon and Saskatchewan have always been avid sports participants and supporters. The exploits of football's Saskatchewan Roughriders, with one of the highest levels of fan support in Canada, are well known. Every little town has its own skating rink and its own curling rink. It is no small wonder that hockey greats like Gordie Howe, the Bentleys, Brian Trottier and Bob Bourne, to name only a few, have come from our towns and villages.

It is good for Canada and national unity to have a major international sports franchise within our Province. It brings attention to Canada and it sparks pride within our nation. It is the creation of an institution that truly means something to the average man, woman, and child.

Saskatchewan residents are prepared and able to support this endeavour. When the possibility of a team became known in Saskatchewan, Mr. Hunter received 18,000 requests for season tickets.

I call upon the Government to lend its support for this transfer to the City of Saskatoon. It is important that the federal Government state and communicate its support for a very worthy and popular project to the National Hockey League Board of Governors.

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EMPLOYMENT

PRINCE EDWARD ISLAND STUDENT CENTRE—ATTENDANCE AT OPENING CEREMONY

Mr. Mel Gass (Malpeque): Madam Speaker, I would like to address a situation which was brought to my attention through a memorandum sent to the managers of the Canadian Employment Centres located in Charlottetown and Summerside, Prince Edward Island, by the regional manager of public

affairs. It is with regard to the official opening of the Canadian Employment Centre for students in Charlottetown and Summerside. At that time the Minister's office contacted the Hon. Members from Cardigan and Egmont to address the opening ceremonies. If the designated Member was unable to attend, the most senior local official would perform the function on behalf of the Minister.

It is interesting to note that it was specifically stated in the memo that Members of the provincial Parliament were not to be invited, and that the Progressive Conservative Members of Parliament were also not to be invited even if the Canada Employment Centre was in their riding. I feel that this is another example of the pettiness and underhandedness which is so evident in the Liberal Government's practices.

• (1410)

The Canada Employment Centre for Students serves many students of all political, cultural, and denominational beliefs. By discriminating against the people's representative who should have attended the opening ceremonies one cannot help but wonder just how fairly the Employment Centres are to be run. This is a blatant attempt by the Minister to have a higher profile for the Liberal Members and to downgrade the Conservative MPs and provincial MLAs. This is proof positive that the Minister does not have an ounce of common courtesy or decency in his whole being, and he bloody well should be ashamed of himself for being involved in such sleazy tactics.

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SHIPBUILDING

VANCOUVER BID FOR SHARE OF FRIGATE CONSTRUCTION PROGRAM

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I have a letter before me that I have just received from the Vancouver Metal Trades Council which I would like to bring to the attention of the House and the Government. The Council represents 5,000 workers normally employed in the shipbuilding and repair industry in British Columbia, my own Province. I am told the affiliates of the Council report that approximately 60 per cent of them are unemployed.

Yesterday a Dome Petroleum boat, I believe called *Placentia Bay* was launched. Two boats have been built in Canada and four are to be built in Korea. To me this seems ridiculous. We should be building all of this kind of shipping in Canada. In any case, I am told that there are to be bids very shortly on the Canadian Patrol Frigate Program. The Burrard Yarrows Corporation of Vancouver has put in applications for that program. I realize the Government, has to consider all different regions and all different shipbuilders across the country, but I hope that British Columbia will receive its proportionate share. It is very important for my constituents in Vancouver, many of whom are in the metal trades business, and they would like to work building Canadian ships for use by Canadian companies.

ORAL QUESTION PERIOD

[*English*]

HOUSING

STATUS OF $3,000 GRANT PROGRAM

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the Minister responsible for housing. I am sure he has been unavoidably detained because I understood he was to be here. I will direct my question, then, to the Acting Prime Minister.

To identify my question for the Acting Prime Minister, it has to do with the $3,000 grant program concerning which thousands of people are awaiting resolution. Last week the Minister responsible for housing said outside the House that he was going to look into the situation to see what could be done, particularly for those who had applied for the program, and as well with respect to the necessity for extra funding.

We are into another week. Those thousands of people are still waiting to find out what is going to happen to their applications and to their hopes for owning a home of their own. What does the Government intend to do about this situation?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I was here last week and I heard the Prime Minister saying exactly what the question is today, that the Minister responsible for housing was going to look at the program and take into account the people who had already made their applications, and he was going to see if there were enough funds for them in the present existing budget. If not, the Minister of Public Works was going to see if he could find some more. The answer really is in the question. I presume the Minister will report on that quite soon.

Mr. Baker (Nepean-Carleton): Madam Speaker, I think the people have been waiting long enough. The Government has had a weekend to consider this matter. People are still waiting for those homes and that housing. There are not two ways about it, people were led to expect that there would be sufficient money for this program to last until May 31.

FUNDING AND NUMBER OF APPLICATIONS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, what is the situation with regard to this program? Surely the Prime Minister, or the Minister responsible for housing, who is just coming into the House, can tell us what the situation is; how much money has been committed under the program and how many people have been left out of the program. Can the Minister tell us what the current situation is with respect to this program, and can the Minister responsible for housing bring us beyond last week, which is as far as the Acting Prime Minister has been able to bring us?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I indicated that we would not be in a position before

at least the middle of this week, or possibly toward the end of this week, to say how many people will qualify whose applications are valid, who have had footings poured and are ready to accept the $3,000 grant. Again, this is not because we are counting paper slowly; it is because an application and a final awarding of the grant are dependent upon the inspection of the site. That is what our people are doing. They are working overtime, and we have added inspectors to the list.

Mr. Baker (Nepean-Carleton): Madam Speaker, I want to tell the Minister of Public Works that there are thousands of people in the country who believe the Government is, in fact, counting paper very slowly.

SOURCE OF FUNDING

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I think the Government is obviously counting paper hoping to find more funds. The Minister should be in a position to tell the House where he is going to look for these funds. Is he going to look for these funds out of other programs under his jurisdiction, or from programs within the envelope from which his funds are drawn, or is he going to ask the Minister of Finance for more money? Has there been an approach made to the Minister of Finance for more money? Do we have his word that the decision will be made later this week and announced here in the House of Commons?

Mr. Nielsen: He could take it out of the $200 million.

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I am afraid most of the Hon. Member's questions are theoretical, and will be theoretical until I know exactly what is the size of the problem with which we are dealing. I can certainly not go to the Minister of Finance in a convincing way unless I can give him at least an indication of the amount of money I am talking about.

Mr. Nielsen: Two hundred million dollars did not bother him.

Mr. LeBlanc: If it were a modest amount, it is quite possible that we could rearrange within the total housing budget—

Mr. Baker (Nepean-Carleton): What is modest?

Mr. LeBlanc: The Hon. Member asks what is modest—

Mr. Nielsen: Anything within $200 million.

Mr. LeBlanc: —I am afraid I will not risk answering that question.

TIME SPENT INSPECTING SITES

Hon. Bill Jarvis (Perth): Madam Speaker, I have a supplementary question for the Minister of Public Works. I understand the Minister's undertaking vis-à-vis northern and isolated communities. There has been a very definite commitment there and I agree with that. But is the Minister now saying that he will not make representations to cabinet and to the Minister of Finance with respect to all these people out there who are left dangling and waiting until his entire inspection process is done? In other words, is the Minister in a position where he will not assess what he calls the size of the problem until that very, very lengthy inspection process is completed? If so, does the Minister not appreciate what he is doing to those thousands of potential home owners because of that delay?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I really think the Hon. Member is over dramatizing the inspection aspect. As I have said, the inspection operation consists of verification of whether footings have been poured. This is a very quick and summary operation. My officials tell me that by the middle or toward the end of this week we will know the size of the problem with which we are dealing in the overrun, and if the applications are beyond the $30 million allocated, I think I would be unfair to those who are waiting for an answer if I led them to expect too much or if I led them to be pessimistic.

Mr. Baker (Nepean-Carleton): You led them by the nose.

Mr. LeBlanc: I said in the House lask week that I would be as reasonable and as flexible as possible. The idea of the program was to encourage home building. That has been achieved. Surely we do not want to discourage those last applicants if we can find a way to help them.

Mr. Lewis: They are still dangling.

REQUEST THAT MINISTER UNDERTAKE TO MAKE STATEMENT

Hon. Bill Jarvis (Perth): Madam Speaker, one thing that would not lead to undue optimism or undue pessimism would be some degree of certainty. If, as the Minister has just said, the inspection process will be done by mid-week or the end of this week, will he not undertake to advise this House a week from today—and through us those people who are sitting with offers to purchase that cannot be accepted or acted upon—of what will become of those people?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, if I am in a position to do this before next Monday, obviously I will. I certainly want to answer as quickly as possible the concerns of those who are worried.

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AIR CANADA

PROPOSAL THAT QUEBECAIR LEASE AIRCRAFT

Mr. Les Benjamin (Regina West): Madam Speaker, I have a question for the Minister of Transport concerning a $200 million proposal which would have Quebecair operate a mothballed Air Canada DC-8 jet aircraft to be leased by, I believe, a travel company named Solvac. Could the Minister

tell us why Air Canada is not agreeable to leasing this aircraft or to letting the proposal proceed which would create jobs?

• (1420)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, let me say first that discussions between Air Canada and Quebecair are going on now, so the door has not been closed on either side.

The first point to observe is that the board of Quebecair has not yet approved the project. The second point to observe is that Air Canada has expressed some views on the subject at the request of Quebecair, pointing out, for example, that it is all right to commit a plane for ten years but that it would have to be refitted after a while—someone has to pay for the refitting—and also pointing out that Air Canada, on behalf of the Canadian Government, is to be involved in the restructuring of Quebecair. This project will be either a success or a failure; the Government of Canada has an interest in ensuring that it is not a failure. For all these reasons the negotiations and conversations are continuing now.

Mr. Benjamin: I do not follow the Minister's line of reasoning. Even if Air Canada were to become involved with Quebecair, especially a direct involvement, it would automatically include the leasing of aircraft.

REASONS FOR NOT LEASING AIRCRAFT

Mr. Les Benjamin (Regina West): Madam Speaker, Air Canada currently leases L-1011 aircraft to Eastern Airlines of the United States and to Air Lanka of Sri Lanka, which have been approved by the Transport Ministry. Could the Minister tell us why Air Canada finds it so difficult to lease a jet to a Canadian operator if it can lease jets to foreign operators? By leasing this DC-8 to this travel agency, Air Canada will be reimbursed for maintenance, because it will be doing the maintenance and it will create about 60 jobs. What is the problem? No matter what the subsequent events may be, the leasing of aircraft sitting in the Arizona desert should be an objective of Air Canada since it told us in the Standing Committee on Transport a few days ago that it would be attempting to lease aircraft sitting out there in the desert doing nothing?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, obviously there is nothing wrong with the leasing of airplanes. Both Air Canada and Quebecair do it. Quebecair just leased three Boeing 737s to Pan American. There is nothing wrong in the device itself. The problem I have indicated is that should Air Canada on behalf of Canada, and Quebecair on behalf of the Quebec Government, be associated, obviously the two parties will have to share in both the profits and the losses. Consequently, since the losses of Quebecair have already been announced at $16 million this year, the Government of Canada and Air Canada have an interest in not contributing to an increase in these losses, hence the attention that is given to it now.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HIS BEATITUDE JOHN PETER XVIII KASPARIAN, ARMENIAN CATHOLIC PATRIARCH OF CILICIA

Madam Speaker: I have the honour of drawing the attention of the House to the distinguished presence in our gallery of His Beatitude John Peter XVIII Kasparian, Armenian Catholic Patriarch of Cilicia.

Some Hon. Members: Hear, hear!

* * *

[*English*]

AIR SAFETY

DUBIN REPORT RECOMMENDATION TO ESTABLISH AIR SAFETY BOARD

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, my question is directed to the Minister of Transport. Volume I of the Report of the Commission of Inquiry on Aviation Safety recommended the establishment of an independant Air Safety Board. Mr. Justice Dubin submitted the report to the Minister in March, 1981, and it was presented to the House in May, 1981. Two years later the Minister of Transport has still not tabled the legislation. Can he indicate to the House when the legislation, which I know is ready, will be tabled and at least given first reading?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, it will be tabled as soon as there is a real possibility that the Committee will study the Bill. As my hon. friend just said, the Bill is ready to go. I regret that it is not already in Committee, but the Committee has been busy with other things. More than that, the rest of the Dubin report will also be ready in the Fall. Should we not be able to study it now because of the western initiatives Bill, we may be able to consider both the air safety Bill and the amendments to the Aeronautics Act in the Fall, together.

CONSEQUENCES OF DELAY IN INTRODUCING LEGISLATION

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, my supplementary question concerns the amendments to the Aeronautics Act. I gather from what the Minister said that, although both of these pieces of legislation are ready and that we could have dealt with them over the past six weeks to eight weeks, we will now have to wait until the Crow legislation is completed and will not get a look at them until the late Fall. Could the Minister tell the House whether he has some concern for air safety in the interim? By then he will be dragging this on for almost three years.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, just to be clear on one subject, the amendments to the Aeronautics Act will not be ready before the Fall. I did not say anything opposite to that.

This matter could have been resolved if the house had been ready to form a special committee to take care of the western rail initiative. That has not taken place yet and I am still open to suggestion on that subject, but I have not been able to convince people that we should have a special committee. Should that be possible, indeed we could attend to the establishment of the Air Safety Board now instead of waiting for the Fall.

APPOINTMENT OF COMMITTEE

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, without having a lengthy discussion with my House leader, I think it would be fair to say that we would be delighted to have a special committee. In fact, we have been asking for a special committee.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there are three Parties in the House and obviously all three must agree—

Madam Speaker: I am sorry, that was not a question; it was simply a comment.

Mr. Baker (Nepean-Carleton): It was an implied question.

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AIR CANADA

REPORT OF CHAIRMAN'S MEETING WITH FUGITIVE FROM JUSTICE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Minister of Transport. Surely the Minister must be aware of the story that appeared in *The Gazette* of Montreal on Saturday, reporting that Rene Amyot, Chairman of Air Canada, met Joseph Zappia in Rome in March, 1982. This is the same Mr. Zappia who is a fugitive from Canadian justice and wanted in Quebec to face charges of fraud, extortion and kickbacks in connection with the construction of the Olympic Village.

Could the Minister please tell the House in what capacity the Chairman of Air Canada met with Mr. Zappia and, if in his personal capacity for whatever reason, can he assure the House that no Air Canada tickets, property or stationary were used in connection with the meeting?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my hon. friend is really very persevering on that subject. I think he is wrong. We have said often enough that there is an inquiry on that subject. It is impossible for me to comment for the reasons I have indicated many times. I will not even be naughty on the subject. I read that Mr. Zappia was running at one time for the leadership of the Conservative Party, but I will not say that, just because the idea is not to impute motive or to have guilt by association or anything of this kind in Canada. I would suggest very respectfully to my hon. friend that he lay off for a little while and await the results of the inquiry, when all his problems will be resolved.

Mr. Nowlan: I understand part of the Minister's dilemma, but the dilemma for a member of the Opposition is to find out what is under investigation.

REPORT OF MEETING ON FINANCING OF NEW HEADQUARTERS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I think the first question on this matter occurred on December 9, 1982. That was over six months ago. We do not know whether the investigation involves Air Canada or the personal activities, affairs, and business dealings of Rene Amyot and his friends. That is why I am forced to ask some questions. Since there has been no statement in the House from the Minister of Justice, the Solicitor General or the Minister of Transport as to the parameters of the investigation, the time it began and when it is to conclude, I think these questions are properly in the public domain.

The other part of the story in *The Gazette* reported that Mr. Amyot—and this may touch on the ivnestigation; perhaps the Minister can tell us and I will shut up on this type of question—Montreal businessmen Isaac Gelber and Sheldon Mintzberg met with a French financier to discuss financing for Place Mont Royal, a possible site for Air Canada's new headquarters. Again, can the Minister tell the House whether Mr. Amyot attended this meeting on behalf of Air Canada? If not, why was Mr. Amyot holding discussions about the financing of a project that was a contender for the Air Canada headquarters?

• (1430)

Hon. Jean-Luc Pepin (Minister of Transport): No, Madam Speaker, I cannot, for reasons often given.

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INCOME TAX

REQUIREMENT THAT SENIOR CITIZENS PAY ON QUARTERLY BASIS

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my question was for the Minister of Finance. In his absence I will direct it to the Minister of National Revenue. On November 17, 1982, I asked the Minister to review the tax policy requiring senior citizens to pay income tax on a quarterly basis. His response was that he would seriously consider doing so in consultation with the Minister of National Revenue. I ask the Minister whether he has done so to date.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I think I indicated to the House on previous occasions that under the provisions of the Income Tax Act, we must, when conditions so require, ask taxpayers to make quarterly payments. Unfortunately, until the Act is amended,

it will be impossible to exempt taxpayers to whom such conditions apply. However, I can give the Hon. Member the assurance that we have no intention of unduly burdening a specific group of taxpayers such as senior citizens and that we are giving serious thought to ways of helping this group avoid potential problems.

[*English*]

AMOUNT COLLECTED IN PENALTIES

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my supplementary question is for the Minister of National Revenue. On March 17 of this year I asked him to review the provisions which require that senior citizens pay income tax quarterly. His answer was, "I will be giving special attention to this point". In response to my March 11 question on the Order Paper, the Minister stated that over $31 million in penalties was collected from senior citizens who did not properly make installment payments in 1981. I ask the Minister, is this not proof enough that most seniors do not understand the present filing procedures? What has he done and what will he do to speed up the process of informing our senior citizens that either they should pay quarterly or they are exempt from this procedure which is now in existence?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, perhaps the Hon. Member will recall that quite recently, an insert was sent with the Old Age Security cheques to explain the procedure to be followed when a person has additional income and is therefore obliged under the Act to make quarterly payments. I believe that the number of senior citizens who are obliged to make such payments is very limited, and that it would probably be very confusing for the vast majority of senior citizens if we were to send them information which does not, in fact, apply to them. People who are obliged to make quarterly payments are so advised by the offices of the Department of National Revenue, and as I have indicated before, the number of senior citizens to whom this procedures applies is very limited.

* * *

[*English*]

CRIMINAL CODE

PORNOGRAPHY—INQUIRY RESPECTING MINISTERIAL ACTION

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, in the absence of the Minister of Communications I will direct my question to the Minister responsible for the Status of Women, on the issue of pornography. The Minister no doubt will be aware that her colleague has passed the buck on this back to the CRTC. She is presumably also aware recently the President of the CRTC and the past President of the CRTC, now President of the CBC, said that it was not up to the CRTC to act on pornography, but it was up to the courts and to the Parliament of Canada. Will the Minister comment on this and tell us what she sees as her responsibility, given that while child abuse in pornography is increasing, the large number of victims are women? Is she prepared only to try to buck up the Minister and get him to do his job in communications, or is she prepared to take any initiatives herself?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I can inform the Hon. Member that I have under consideration amendments to the law on obscenity which, of course, will affect that law wherever it is applied, broadcasting or anywhere else. I hope that, when introduced, these amendments will have the support of the Hon. Member and her Party. I think that at the moment this is a better way to proceed than attempting to segment particular areas and to have a special law which relates to them.

INTRODUCTION OF LEGISLATION

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, the Minister said that he would be bringing in some obscenity legislation. In April last, when appearing before the Justice Committee, the Minister said it would be within a month or so. Can he give us some kind of date on when we may expect this? Will the Minister undertake to communicate with women's groups as to the content of this legislation?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, there is always a lot of consultation that goes into the presentation of any such amendments. When my friend and I had the dialogue in committee, it was in April, several weeks ago. I hope to be in a position before very long, if I have the agreement of the House Leader, to bring in such legislation.

DEFINITION OF OBSCENITY

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, I would like the Minister of Justice to comment on the relationship between obscenity in the Criminal Code and in the broadcasting regulations. It is forbidden to broadcast indecent, profane and obscene comments and pictorial representation. There are no penalties stated and there are no definitions. In effect this regulation is a dead letter. Will the Minister tell us what effect amending the Criminal Code might have and if there is some way to make the regulations more effective?

Mr. Nielsen: That is a legal opinion.

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, as I pointed out, if we put something in the Criminal Code it would apply to the presentation of material, whether that occurs in broadcasting or anywhere else. The Code does so now. If we make it even more effective, that would make the law as it applies to broadcasting more effective as well.

Oral Questions

ADMINISTRATION OF JUSTICE

DEPARTMENT'S REFUSAL TO PAY COURT ORDERED COSTS

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is directed to the Minister of Justice. It involves a case called *Her Majesty the Queen versus George Garnet Jackson*, which arose out of expropriation proceedings some years ago at the Vancouver airport. That case proceeded to the Supreme Court of Canada where it was dismissed. The Supreme Court of Canada has ordered $4,000 in costs which has instructed law officials in Vancouver not to pay costs because the law officers in Vancouver now want to take a second action in another court. I would ask the Minister of Justice whether this is an appropriate way to proceed against a couple who have been in this lawsuit since 1974, who now have a judgment for costs from the Supreme Court of Canada in their favour, and who are no longer young? They are in their mid-seventies.

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I have no personal knowledge about the case. Therefore, I will take my hon. friend's question as notice.

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PENITENTIARIES

EDMONTON INSTITUTION—WORK TO RULE SECURITY STAFF DECISION

Mr. Peter Elzinga (Pembina): Madam Speaker, my question is for the Solicitor General. As the Minister is no doubt aware, the security officers at the Edmonton maximum security institution have decided to work to rule because the many grievances that they have expressed to Commissioner Yeomens have not been dealt with. They have a deep concern as it relates not only to their own safety but to public safety. Can the Minister indicate what action he or his Department is going to take?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I have reviewed the shift change procedure and the other changes that have been introduced recently at the Edmonton maximum security institution. As I am satisfied that they are not against the public interest and that they do not reduce the security of the institution, I do not propose to make any changes. In addition, from the reports I have on the work to rule program, I can assure the House that there is no danger to the community surrounding that institution or, indeed, to the people in it resulting from the work to rule campaign to the present point.

REQUEST FOR INQUIRY INTO GUARDS' GRIEVANCES

Mr. Peter Elzinga (Pembina): Madam Speaker, as the Minister is also no doubt aware, the security officers throughout all of Canada have expressed a vote of no confidence in the Commissioner. Will the Solicitor General conduct an independent inquiry into the information that he is receiving from the Commissioner so that we will have an independent inquiry as to the grievances which the security guards have been expressing for over a year relating to some of the security precautions? We can then be assured that the Commissioner is telling the Solicitor General the truth. If that inquiry indicates that the Commissioner is not, would the Solicitor General ask for the Commissioner's resignation?

• (1440)

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I can assure the Hon. Member that I have confidence in the Commissioner and in his reports about the correctional service, but I think the Hon. Member should be aware also of how a Government department works.

I can assure the Member that I do not depend only up on the reports that I get from the Commissioner of the Correctional Service of Canada. I also meet with the union, with their leadership and with local branches, so that I am aware of their concerns. I meet with inmate committees, I meet with citizens' advisory committees. I receive hundreds of letters, indeed thousands of letters, referring to way the Correctional Service of Canada is operating, so the Hon. Member should be under no illusion that information to the Solicitor General is all channelled through one person, however reliable that person is. There are many sources of information upon which I base my judgment and the conclusions that I have expressed about the situation at Edmonton Institution, including his own view, to which I gave very serious consideration.

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EXPORT DEVELOPMENT CORPORATION

SUPPORT SOUGHT FOR HAWKER SIDDELEY EXPORTS TO NIGERIA

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is directed to the Minister of State for Economic Development in the absence of two of his brother Ministers who have jurisdiction. The Minister knows that the situation at Hawker Siddeley in Trenton, Nova Scotia, continues to be very serious, but there have been reports of progress in achieving orders for exports to Nigeria and Indonesia. Will the Minister indicate whether, since the company has achieved a favourable bidding position in Nigeria, the Government will in fact step forward through the Export Development Corporation and finance the order? Will the Government also give its assurances that the success the company has achieved in getting orders for exports to Nigeria, and Indonesia if this happens, will not be a factor in having its allocation of domestic orders reduced since it has achieved this success through its own initiatives and hard work?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I am sure that the company deserves congratulations for the activities the Hon. Member has described. I will bring the question to the attention of my

colleagues, but I cannot imagine why the company would not continue to benefit from the programs which are available to it.

Mr. MacKay: I appreciate the Minister's answer.

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CANADIAN NATIONAL RAILWAYS

MANUFACTURE OF NEW COAL CARS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I have a supplementary question for the Minister of Transport. I would like to ask the Minister of Transport whether or not it is true that his Department has more or less turned a cold shoulder to the request of Dr. LeClair of CN for assistance in repairing railway rolling stock but is quite prepared to allocate taxpayers' money so that new coal cars can be manufactured at the Transcona works, new coal cars which could and should be manufactured more efficiently by private sector companies in areas where there is greater need for employment?

Hon. Jean-Luc Pepin (Minister of Transport): Yes, Madam Speaker, no money will be allocated to rolling stock repairs as a consequence of the budget. With respect to hopper cars and coal cars, however, I will be making an announcement in a few days' time.

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GOVERNMENT EXPENDITURES

ISSUANCE OF PRESS RELEASES—APPLICATION OF RESTRAINT PROGRAM

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the President of the Treasury Board who is in charge of the six and five program and the Government restraint program. I would ask the Minister if he has approved or if he has even seen the two press releases sent out by the Minister of Agriculture, one on Agriculture Canada press release letterhead announcing the Atlantic Veterinary College funding, and an identical communique on special recovery projects, which is word for word the same, both sent to all Members' offices and obviously to the Press Gallery, and both having a very beautiful six and five program logo emblazoned on the bottom. Can he explain how those add up to restraint in Government spending?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I personally have not seen these press releases as yet. I am sure that the Minister of Agriculture has noted the Hon. Member's representation, but I would also like to thank the Hon. Member for drawing the attention of the House to this very important federal Government initiative which will mean a new veterinary college for the Atlantic Provinces. I thank the Hon. Member for recognizing that.

SECRETARY OF STATE PRESS RELEASES

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I am glad that the President of the Treasury Board answered my question in such a frivolous manner. May I point out that the Secretary of State has sent out 14 identical press releases, changing only the names on them, and they were all mailed to every Member and to every person in the Press Gallery, and across the country, a gross waste of taxpayers' money. The Secretary of State could have made the same announcement on two pages. Has the Minister sent a directive to the Cabinet telling it to tighten up on its Government expenditures, or is his restraint program just a great big farce?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, last August we began a series of measures designed to bring about restraint in areas like advertising and Government publications. I will be happy to review the press releases to see whether there are any inconsistencies between that program and those press releases but, once again, I believe that we do have an obligation to ensure that the public at large is made aware of positive Government initiatives.

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THE ADMINISTRATION

PRESENTATION OF GOVERNMENT CHEQUES BY MEMBERS OF PARLIAMENT

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, the Minister has said that he had not seen the press releases referred to by my hon. friend. Perhaps he might be familiar with something close to his own Department, namely, a Treasury Board circular No. 786993, dated March 31, 1983, which changes the Government's policy so as to permit Receiver General's cheques to be received by Members of Parliament for the purpose of formal presentation, no doubt in instances such as that referred to by my friend. Can the President of the Treasury Board confirm that the Government has indeed altered its policy to the extent that Receiver General's cheques are now being forwarded to Members of Parliament for formal presentation for projects of this nature?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, previously the administrative policy was that certain types of cheques could be returned to Departments for formal presentation by the Minister or Deputy Minister of the Department. We have agreed to allow this policy to be broadened so that, if a Minister agrees, cheques may be presented formally by MPs on behalf of the Minister. I believe that this is a very positive way to help ensure that the public is made aware of the role and presence of the federal Government.

APPLICATION OF POLICY

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, this new policy is a radical departure from past policies of the Government, and in the Treasury Board's

circular itself it says that cheques shall not be forwarded to Members of Parliament for presentation without the prior approval of the Minister responsible for the program but that the approval may be given on an individual payment for each presentation, the cheques going to the Member of Parliament. May I ask the Minister if he will pay particular attention to a question that I supplied the Table with today, for printing on tomorrow's Notice Paper, indicating a list of some 100 projects, some 60 per cent of which are in the Province of Quebec, and tell me whether this policy in the Treasury Board circular is applicable to each of those projects and, if so, will that policy be applied to all Members of Parliament, or will it only be applied for the convenience of Liberal Members of Parliament?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, in addition to the portion of the circular referred to by my hon. friend, I should point out that it covers classes of payments as well as individual presentations. The circular makes it clear that whether this provision is to be used is a matter for decision by the individual Ministers, so I am afraid that my hon. friend will have to address his questions with respect to any particular project to the Minister responsible.

QUESTION PLACED ON ORDER PAPER—ASSURANCE OF RESPONSE REQUESTED

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, the Minister has not answered my question. My question is essentially this. Will the policy be applicable to all Members of Parliament or is it confined to the presentation of such cheques by Liberal Members of Parliament only? Again I draw the Minister's attention to the question that I placed on today's Order Paper indicating almost 200 projects, and I would ask him now, since each of them is listed specifically, both by name and by amount, whether he will answer that question that I put on the Order Paper with respect to the cheques being allotted to Members of Parliament for the ridings in which those projects are located.

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, if my hon. friend has put a question on the Order Paper, then obviously the rules with regard to response will be respected. But to return to his specific question, I repeat that the matter of whether a cheque is to be formally presented on behalf of the Government by a Member, and if so, which one, is a matter for discretionary decision by the responsible Minister.

• (1450)

FEDERAL BUSINESS DEVELOPMENT BANK

POLICY GOVERNING FUNDING OF PROJECTS ON INDIAN RESERVES

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is for the Minister responsible for the Federal Business Development Bank, but in his absence I will address it to the Parliamentary Secretary.

After raising this issue last Friday I have had the opportunity to confirm once again that the Federal Business Development Bank in British Columbia discriminates against certain businesses wishing to locate in industrial parks on Indian reserves. For a non-Indian business person wishing to obtain a loan from the Federal Business Development Bank for a business in an industrial park on an Indian reservation, the policy of the bank is not to fund such a business. That policy does not exist in any other Province of Canada. Can the Parliamentary Secretary explain why there is this discrimination?

[*Translation*]

Mr. René Cousineau (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Madam Speaker, I must repeat what I said before, since the Government has certainly not adopted a special policy where Indians are concerned, whether or not they live on the reserve. I pointed out to the Hon. Member last week that the problem concerns collateral guarantees.

[*English*]

It was a matter of collateral, of a guarantee. At that time the unfortunate part was that the Indian was not the owner of the land.

Second, the decision of the band council did not oblige successive band councils. That is the reason why the loans were sometimes refused.

If the Hon. Member has a specific case I would gladly pass it on to the Minister.

REQUEST THAT INSTRUCTIONS BE ISSUED TO BANK

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I want to confirm to the Parliamentary Secretary that I am referring specifically to non-Indian businesses located on Indian reservations. I would remind him that the Royal Bank of Canada, the Commerce, the TD, the Nova Scotia, and the Bank of British Columbia, as well as other financial institutions, are all prepared to lend money to enterprises locating on Indian reservations.

Would the Parliamentary Secretary confirm today that he is prepared to go to the officials of the Federal Business Development Bank and ask them to stop this discriminatory practice? Applying this strictly to one Province of Canada and one kind of business opportunity is something that we, as parliamentarians, should not condone. I am sure the Government would not

want to condone it either. This is federal land and this is a federal bank.

[*Translation*]

Mr. René Cousineau (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Madam Speaker, I would like to point out to the Hon. Member that asking Government officials to stop this discrimination would be asking them to stop something that does not exist. However, if the Hon. Member would care to provide concrete examples, these will be looked into and the Minister will be duly informed.

* * *

[*English*]

FISHERIES

RESTRUCTURING OF INDUSTRY IN NEWFOUNDLAND

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. The Minister met with his Newfoundland counterpart last week and the subject of discussion, of course, was the question of restructuring. The Minister knows that there are at least six important deep-sea plants in Newfoundland that are still down, awaiting this critical decision. Has the Minister reached an agreement with the Government of Newfoundland on restructuring and, if so, will he tell the House or will we have to wait and learn from the press?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I have to tell the Hon. Member that I will have the pleasure of meeting with the Minister of Fisheries for Newfoundland and Labrador in Ottawa tomorrow morning on precisely that topic.

Mr. McGrath: Madam Speaker, the Minister knows that justice delayed is justice denied. Newfoundland has approximately one in four people unemployed. These deep-sea plants are critical in terms of the number of jobs involved. The trawler fleet that services these plants, and the inshore fishermen are awaiting this critical decision.

REQUEST THAT ANNOUNCEMENT BE MADE IN HOUSE OF COMMONS

Hon. James A. McGrath (St. John's East): Madam Speaker, may I ask the Minister if he will announce tomorrow a decision has been made on restructuring, so that the plants may know their future? I know the Minister is a House of Commons man. Will he extend to us the courtesy of coming to the House and making that announcement?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, obviously either way, particularly if there is an agreement, I will be most pleased to advise the House. I can already assure the Hon. Member, however, that the federal Government is committed to establishing in Newfoundland not only a very healthy structure but also that the number of people, in total, who make their living from the fishery in Newfoundland will not suffer any substantial decrease.

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THE ADMINISTRATION

ROLE OF MEMBERS OF PARLIAMENT IN PRESENTATION OF GOVERNMENT CHEQUES

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is supplementary to that posed by the Leader of the Opposition to the President of the Treasury Board with respect to this interesting circular on the presentation of Government cheques.

In the past, on occasion the Government has given cheques from a Ministry to a Member of Parliament to deliver. This circular seems to indicate that, once a Minister has approved it, the cheque will go direct to the Member of Parliament. Can the President of the Treasury Board assure the House that these cheques will be delivered to all Members of Parliament, irrespective of political Party? Is this going to be conducted on a straightforward basis, or does the Government intend to pick and choose between its supporters and other Members of Parliament?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, first of all I should like to thank my hon. friend for confirming that in the past there have been occasions when cheques have been presented to groups by MPs on behalf of Ministers in a formal sense. The situation described in the circular is not entirely a new departure.

Second, I would have to say to my hon. friend that whether any cheques are delivered by MPs and which MPs would be involved are strictly a matter for the responsible Minister. The Ministers may well decide to continue with the previous practice or to follow the new circular. It is up to the Ministers to decide which MP they wish to ask.

INQUIRY RESPECTING POSSIBLE USE FOR POLITICAL PURPOSES

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my supplementary question is directed to the same Minister. Is it Treasury Board policy to allow these cheques to be used by Liberal partisans for partisan political purposes?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, the circular makes no reference to partisans of any particular Party, or to any Party at all. It simply says that, if the responsible Minister agrees, individual cheques or cheques of a particular class can be sent by the chief financial officer of the Department to the MP or MPs the responsible Minister has designated as being able to present the cheques on his or her behalf.

ROLE OF PRESIDENT OF LIBERAL PARTY IN PRESENTATION OF CHEQUES

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I have a supplementary question. Is the Minister aware that the President of the Liberal Party of Canada has been giving cheques from the Government to interested parties, on behalf of the Liberal Party of Canada?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I am sorry, I was not aware of that. Certainly the circular in question talked only about the presentation of cheques on behalf of the Government by MPs if they are designated by the responsible Minister.

REQUEST FOR MINISTERIAL ACTION

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, if I am able to provide proof of this action to the Minister, will he take corrective action so that the Liberal Party does not profit from the Government's activities?

Hon. Herb Gray (President of the Treasury Board): Again without accepting the premises of my hon. friend's question, I would be very happy to get any details he has and look into his question so that appropriate action can be taken.

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CHARTER OF RIGHTS

APPLICATION TO UNBORN CHILD

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is for the Minister of Justice. Department of Justice counsel in the Regina abortion case has taken the position on national television that the new Charter of Rights gives no rights whatsoever to the unborn child. Will the Minister tell the House if he agrees and if that was his instruction? Does he agree that an unborn child, until the time it comes out of the mother, has no more rights than, for example, a blade of grass?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, the counsel in the case in Regina to which my hon. friend refers is taking the position that the law becomes relevant at the time of birth, and the evidence as to the state of life before that time is not relevant to the particular issue which is on trial in that case. This is based on a great deal of precedent and it is, of course, for the court to weigh that case. My hon. friend may wish to weight it, but right now it is being argued before a court. I would not want to pronounce on it and I do not believe my hon. friend should be pronouncing on it while it is under consideration.

• (1500)

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. KORCHINSKI—NUCLEAR ARMS RACE

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, I have the honour to present a petition signed by 27 members of All Saints' Church in La Ronge in the Province of Saskatchewan who are concerned that the increasing danger of nuclear war and the building of ever more destructive weapons, if used, would threaten the very survival of human life on this earth. These people pray and call upon this Honourable House to urge the Government to renounce all present and future involvement in the nuclear arms race and turn every effort to the attainment of peace, giving positive leadership through Canada's Ambassador for disarmament in the United Nations.

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BUSINESS OF THE HOUSE

NOTICE OF ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-155

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I wish to inform the House that there have been consultations among the representatives of the Parties and that it has not been possible to reach an agreement pursuant to Standing Order 80 or 81 with regard to the allocation of time to the second reading stage og Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof; and that therefore at the next sitting of the House, I shall propose a motion pursuant to Standing Order 82 to allocate one sitting day to the said stage of the said Bill.

Some Hon. Members: Oh, oh!

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,775, 4,776 and 4,792.

[*Text*]

CALLOUT PROGRAM AT CFB GAGETOWN

Question No. 4,775—**Mr. Howie:**

1. For the fiscal year (a) 1980-81 (b) 1981-82 (c) 1982-83, how many militia personnel were employed under the callout program at CFB Gagetown, New Brunswick?

2. For each year, how many militia personnel were on callout for a term of six months or less at CFB Gagetown?

Hon. J. Gilles Lamontagne (Minister of National Defence): 1. (a) 300, (b) 381, (c) 424.

2. (a) 205, (b) 300, (c) 394.

REPAIRS AND MAINTENANCE AT CFB GAGETOWN

Question No. 4,776—**Mr. Howie:**

For the fiscal year (a) 1980-81 (b) 1981-82 (c) 1982-83, what was the total value of contracts for repairs and maintenance awarded by the (i) Defence Construction (1951) Ltd. (ii) Construction Engineering Company at CFB Gagetown, New Brunswick?

Hon. J. Gilles Lamontagne (Minister of National Defence): The value of contracts for repairs and maintenance at CFB Gagetown for the two fiscal years in question were as follows:

	Defence Construction (1951) Ltd.	Construction Engineering Company
(a)	4,571,129	1,463,858
(b)	4,305,544	1,521,846
(c)* (to date)	2,861,756	1,269,079

*Final figures for 1982/83 will not be known till early summer.

F 404 PROGRAM

Question No. 4,792—**Mr. Herbert:**

1. Has a tender call been prepared for the F 404 program and, if so (a) who will be invited to prepare submissions (b) on what date is it intended to call for bids (c) what will be the closing date for tenders?

2. Are there any special conditions in the tender document referring to Canadian content and, if so, what are they?

Hon. J.-J. Blais (Minister of Supply and Services): 1. Yes, (a) Air Canada (Montreal), Orenda Division—Hawker Siddeley Canada Inc. (Toronto) and Rolls-Royce Ltd. (Montreal). (b) On or about May 4, 1983. (c) June 29, 1983.

2. The solicitation document requires Canadian contractors to identify the Canadian content in their proposal and this will be one of the factors considered in the evaluation of proposals submitted.

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Pepin that Bill C-155, to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport; and the amendment thereto of Mr. Benjamin (p. 25389).

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, just before the luncheon adjournment I was closing my comments on this particular Bill. In conclusion, I would just like to say that I support the motion of the Hon. Member for Regina West (Mr. Benjamin) that we have this particular Bill hoisted for six months because, as I tried to point out, it will have a disproportionate impact on the communities in the West which the Hon. Minister has certainly failed to take into consideration. There will be a disproportionate impact on individuals. I tried to indicate for the elucidation and edification of the Minister of Transport (Mr. Pepin), who obviously needs a lot of that in the days ahead, that the income in these areas in certainly disproportionately low, and to have this Bill come forward with this double whammy certainly would have a negative impact on the people there.

I tried also to point out, Mr. Speaker, by way of a specific case study, what would happen in a certain area where we have the removal of an elevator or a rail line which is going to be abandoned. I gave the illustration of the Winnipegosis subdivision.

In addition to that I pointed out what the negative impact would be on the farmer who has to truck his grain 150 kilometres to 200 kilometres; and on top of that, if you add the increase in the Crow rate, I referred to the negative impact this would have on the incomes of individual farmers who are putting bread and butter on our tables.

Mr. Parker: Mr. Speaker, I have a question for the Hon. Member for Dauphin-Swan River (Mr. Lewycky). The Hon. Member has pointed out the costs involved and has stated that we are not opposed to that. Part II, Clause 34, of the Bill states that in the crop year 1983-84 the federal Government will be supplying $564.5 million in aid to the railways, and the railways state they intend to go to tender for the main tunnelling work at Rogers Pass towards the end of 1983, assuming the Crow legislation is in place and economic conditions improve.

Here we have the federal Government guaranteeing $564.5 million in aid to the railways and no guarantee that the railways are going to improve this portion, at least, of the tunnelling to help accommodate this grain. Does the Hon. Member think this is a fair and reasonable situation?

Mr. Lewycky: Mr. Speaker, I certainly do not accept that kind of guarantee on the part of the CPR to enhance our western transportation. Certainly, depending on economic conditions to improve does not give me any kind of assurance that the railways will be doing anything. It sort of reminds me of the type of guarantees we receive from the Minister of Transport. I know on my own desk I have numerous letters and representations which I have made to the Minister of Transport, to which I certainly have not received any response. I have drawn this to the attention of the Parliamentary Secretary and others and I would say, outside of perhaps Revenue Canada, the Minister of Transport has to be one of the worst in terms of receiving any kind of response from him. We certainly would not be prepared, therefore, to accept any kind of loose guarantees about economic conditions improving. We cannot expect anything like that.

Mr. Benjamin: Mr. Speaker, I would like to ask my colleague, the Hon. Member for Dauphin-Swan River (Mr. Lewycky), to elucidate his reference to the increased costs for grain producers in higher freight rates. He also mentioned various communities affected. I would like to ask him if he has had representations from municipalities, towns and villages in his area or anywhere else about increased costs to them in terms of maintenance, upkeep and construction of roads in order to handle larger truckloads of grain over longer distances while branch lines are being abandoned.

Mr. Lewycky: Mr. Speaker, yes, indeed I have had representations. By way of illustration I could speak about resolutions and requests from municipalities such as Mossy River, that if there is any rail line abandonment the municipalities certainly will not be able to upkeep or upgrade the particular roadways. In some of the areas of Manitoba there is a high degree of swamp or bog land and the cost of rebuilding a road or maintaining a highway is incredibly high. It certainly would be much more practical and profitable if the railways were maintained and the appropriate subsidies were given to the entire railway. We know that the railways have to be improved and we believe there are ways of doing that, but this should not be done at the expense of the farmers.

• (1510)

Mr. Althouse: The Hon. Member referred to the kind of grain transportation program that he thought was useful. He pointed out that upgrading railways is much cheaper to society than the constant maintenance of roads to haul long distance traffic such as grain. I wonder if he would be prepared to tell the House what sort of upgrading program he is proposing as an alternative or adjunct to the proposal which is before the House in the form of Bill C-155.

Mr. Lewycky: Mr. Speaker, I think that the New Democratic Party has made a very substantial proposal in terms of what could be done to upgrade the railway.

Mr. Smith: You don't know about it.

Mr. Lewycky: For the benefit of the Parliamentary Secretary to the President of the Privy Council (Mr. Smith), I will send him a complete copy of it so he can read it. In that way he can become educated and he will not open up his mouth every single time he sits down when he has nothing to say.

Mr. Smith: Send it to Vic, too. He wants to know the answer.

Mr. Malone: Mr. Speaker, I was just wondering, since an NDP Member spoke and three or four others asked questions, if the NDP caucus might consider having caucuses on Wednesday to handle those internal difficulties.

Mr. Deputy Speaker: The Hon. Member for Medicine Hat (Mr. Hargrave), by agreement, will be allotted 20 minutes.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I would like to thank the Speaker and Members of the House for this indulgence in allowing me to speak for a full 20 minutes, which I greatly appreciate. I would just like to take a moment to say that I think it is simply incredible that the Minister of Agriculture (Mr. Whelan) just stood up in the House and introduced closure on what I consider to be the most important piece of legislation on agriculture in the last ten years. It is an incredible insult to every farmer in western Canada that, after less than three days of debate, we should now have closure have thrust upon us.

Some Hon. Members: Hear, hear!

Mr. Hargrave: However, I want to get on with my remarks. I would very simply say that I have been waiting ten and a half years for an opportunity to get into this debate, that is, ever since I was first elected in 1972. I will quickly add that this should have been the most important debate in that ten-year period, certainly for western Canada and even for all of Canada. I say that because other major debates, such as the debate on the Constitution, could have been set aside for a few years. Our nation would have survived some way or another without, shall we say, the Charter of Rights for maybe another five years or ten years. However, western Canada's total agricultural industry and all the other resource-related developments cannot survive without the adequate resolution of this Crow freight rate issue.

The dramatic turnaround by the Government two weeks ago to pay all of the benefit to the railways and none to the grain producers has changed everything, including my own position on this vital issue. Let me briefly review a few of the important background developments on this Crow issue.

The statutory Crow freight rate on grain from the Prairies does indeed still exist in perpetuity at one half a cent per ton mile. Early last year it became apparent that the Prime Minister (Mr. Trudeau) has encouraged the Minister of Transport (Mr. Pepin) to get on with the resolution of this Crow issue. I was glad to see that.

The first very important evidence which emerged was the Gilson Committee or, as I call it, the Gilson group. Gilson's

group tackled what many would have described as the impossible. Those in the Gilson group are to be commended for their efforts. After all, and this is a personal opinion, they were the best brains in western Canada to put to work on this issue. They were able to reach a consensus that something must be done, even though they did not immediately identify what had to be done.

Eventually, the Gilson group was able to reach a compromise within the group which led to the Gilson recommendation of last June. Essentially it proposed that western grain producers give up their legal rights in perpetuity for the Crow rate in return for an annual federal subsidy or benefit of $651.6 million, also in perpetuity. The Gilson group recommended that this benefit should be phased in over a seven-year or eight-year period, with 100 per cent going to the railways in the first year, and ending after the phase-in with 81 per cent going to the western grain producers and 19 per cent remaining with the railways. There were many other details in the Gilson recommendation, but that was the essence of its deliberations.

Western Canadian farm opinion on this matter settled into two main groups. First, there was the Western Agricultural Conference, essentially the three prairie Wheat Pools which favoured paying the benefit to the railways. Then there was the Prairie Farm Commodity Coalition consisting of the broad grouping of the value added sector, which included livestock feeding, agricultural processors and domestic feed grain producers, in all about 20 different commodity groups. This commodity coalition strongly supported paying the benefit to the farmer, that is, the grain producer, and the user in the western Prairies.

Last February 1 the Minister of Transport changed the Gilson main recommendations significantly by stopping the phase-in at the mid-point and paying half to each of the farmers and the railways. This was done by a ministerial statement; there was not yet legislation.

This is my personal position at which I arrived after the February 1 statement: I strongly supported the Gilson recommendation and the manner in which it was reached. With somewhat less enthusiasm, I also supported the February 1 fifty-fifty compromise of the Minister. I would now say to the Minister—and I appreciate the fact that he is now sitting in his seat—that he is aware of how I felt in both of those situations. However, the political intervention of Quebec's UPA and its own internal coalition group and, more specifically, the political intervention of the federal Quebec Liberal caucus, has changed my position dramatically.

Mr. Pepin: Say something about the West.

Mr. Hargrave: I cannot and will not support this legislation as it is now before us. I would say to the Minister especially that the entire western Canadian beef cattle industry, in fact the total livestock industry and all of the value added industries, the feeding sector especially, are now very annoyed, very upset, and are presently organizing some protest meetings, even in the midst of Spring work. That is how they feel about that switch by the Minister. The legislation must be changed significantly or indefinitely held up, one of the two, for the sake of the long-term resource development which is so necessary in western Canada.

I would like to say a word about what I am calling the "Mazankowski option". It was included in our former Minister's opening speech. That option should be very seriously considered, especially at the committee stage. I will make a very serious and genuine suggestion to the Minister. I say to him that the Minister of Transport should ask the Gilson group, that is, that inner group of about 12 or 13 committee members, less the railway representatives, to reconvene privately, to study and assess Bill C-155, including the Mazankowski option, and then have Dr. Gilson appear on his own before our committee as a witness. I ask that most sincerely of the Minister of Transport.

Some Hon. Members: Hear, hear!

Mr. Hargrave: The Mazankowski option, of course, is to allow the grain producer to designate who should receive his individual share of the Crow benefit, himself or the railways. The Quebec UPA and the Quebec Liberal caucus in this House are obviously concerned that the Gilson recommendations will somehow destroy what they have been referring to as the balance in Canada's livestock industry.

• (1520)

Let us look at the facts and see if there is a balance. Over the last ten years the Quebec hog industry has grown by 140 per cent while the western hog industry has declined by about 23 per cent.

Quebec's beef cattle feeding industry has also expanded significantly. In both hogs and cattle, Quebec expansion has been largely due to what I would call a very rich provincial subsidy program. Our hog industry decline in the West has been continuing for some time and was due to a combination of three factors. First, there was the aftermath of the surplus grain era when barley prices changed from three bushels for $1 to one bushel for $3. Second, a more efficient total hog industry in the United States corn belt is where we lost our hog industry, not to Quebec. The third and most important factor was the detrimental impact of cheaper transportation costs on grain shipments to Quebec in its raw form due to the Crow rate.

In the crop year 1981-82, 45 million bushels of western feed grains went to Quebec. By 1990-91 it is expected to decline to 12 million bushels. In percentages, the Prairies now supply about 30 per cent of Quebec's feed grain, nearly all barley. By 1990-91 it will drop to 9 per cent. As well, Quebec is now about 45 per cent self-sufficient in feed grains and will be 80 per cent self sufficient by 1990-91. Of course, this is as it should be. As transportation costs increase due to higher new rates and higher inflationary costs, this is inevitable. However, if railways improve their export quantities through improved export facilities for grain, the relevant feed grain prices

between the Prairie and other parts of Canada will remain the same.

Both Alberta and Quebec are very fortunate since each Province is relatively close to a huge market potential for both pork and beef in the United States. Alberta is directly north of the huge state of California and Quebec is immediately adjacent to the huge population centre of the northeastern United States. These respective markets will have to be won in open competition but it can be done. We are presently enjoying some access to these two markets. It will be a very slow process to win that market.

Quebec Members should remember that it is 2,230 miles from Calgary to Montreal and our value added beef products now cost the equivalent of $51 per animal carcass to ship from Calgary to the Montreal market. That amounts to $8.50 per hundred weight. That cost comes right off the top of our cattle and beef market prices.

Presently, about 60 per cent of Alberta's fed cattle production, that is finished steers and heifers, are shipped to the Montreal market. All of it is shipped on orders from Montreal brokers or wholesalers and is not shipped by Alberta producers on speculation. Our Canadian packing industry is currently experiencing very difficult times. This is partly because our plants are not competitive with the American packing industry due to significantly higher labour costs in Canada. We have seen six plants close down in Alberta since 1977 and there is still some surplus plant capacity.

If we are serious about making significant changes to our 86-year old Crow freight rate, I say to the Minister that we should do it properly so that it will stand the test of time. The next federal election should not dictate the terms of a new policy. I say that knowing full well the political situation in two Provinces especially, Quebec and Saskatchewan.

It is not the next ten years of adjustment that will be necessary for this new market development. That readjustment for our new markets may take another 20 years. However, we should be considering the next 100 years and determining the necessary and proper development of our western resources of which grain is only one. We should not be so obsessed with the need for guarantees from the railways respecting grain movement. Surely the best guarantee will be the opportunity for both railways to make a profit for the first time in about 25 years on their grain operations. The more grain they move, the more money they will make, instead of the reserve where the more they moved the more money they lost.

If there is still any opportunity left in Canada for the concept of private enterprise, especially in the West, then the Crow benefit must surely be paid to the farmer as a grain producer. I suggest that the Minister let the farmer decide what grain he can grow best on his own farm. Let the farmer decide if he can haul his own grain more efficiently by trucking it himself to a delivery point that may be very close or further away. Above all, let the farmer decide if he wants to go the value added way by feeding grain.

This can only be done by paying the benefit to the farmer. The railways will be receiving their compensatory costs. That has been agreed to. They do not need to have a direct payment at the expense of denying western Canada the opportunity to develop their natural resources, with their natural advantages.

Mr. Jack Murta (Lisgar): Mr. Speaker, I assume that we are presently in the period of ten-minute speeches. I find it somewhat frustrating to have waited so long for the legislation and be allowed only ten minutes to comment on it. I find it even more frustrating to have to comment on the legislation under the threat of closure.

What is most concerning is that this vitally important issue to the Prairies, and in fact all of Canada, has literally been debated for months and years in the Prairies and other parts of Canada, most recently with Quebec, but it closure is imposed upon us tomorrow night, Parliament will have had four days of debate on this legislation. Even if one was in favour of the legislation from an Opposition point of view, closure would force anyone defending western Canadian rights and interests, regardless of the position, to vote against this particular measure. It is neither right nor excusable to give four days to debate a measure as important as this.

When I was first elected in the early winter of 1970, grain transportaiton was probably the most important issue in Canada at that particular time since there was a tremendous oversupply created by large world markets and a literal inability to get our grain to market. Demurrage was high, farmers had to pay that demurrage, the system was not working, people were frustrated and most were angry at the railways, the elevator companies and the Governments.

Since then, a major preoccupation of mine has been with the entire issue of grain transportation. I felt I would have to give the Minister full marks in terms of his method and of the courage that he has displayed. This is a very difficult task. As the Hon. Member who just spoke indicated, the Gilson Committee carried out one of the better inquiries into grain transportation that we have had on the Prairies for a long, long time. The thrust and the direction that Professor Gilson and the people working with him took were generally acceptable, as was the Minister's own version based on political reality at the time. There had to be some modifications. This was the fifty-fifty split, in which 50 per cent of the so-called payment crucial to the operation of the whole transportation plan would go to the railways and 50 per cent to the producers. Professor Gilson, on the other hand, recommended that more money go to the producers. From the point of view of Manitoba, that was generally acceptable, and I believe it was also acceptable to the Province of Alberta.

• (1530)

In going through this process, the bottom line is to make sure the system we design as politicians has built-in efficiency. Unfortunately, we have only four days in which to discuss this matter at the present time. The system we design must encourage excellence or striving toward excellence by the elevator

companies, by the producers and we hope, by the railways, with incentives and penalties being included in the legislation.

Although the whole process was not perfect, we were moving toward that particular goal. But all that has fallen apart now, it has happened because of political reasons.

The winner, and this is what we are talking about in the second reading debate, will be the Quebec livestock industry. To a lesser extent, I suppose, although not much of a lesser extent, another winner is the Quebec farmers. They have spoken with a united voice against the West's divided voice. The Government's politicians have listened to that united voice instead of the divided voice. We cannot be critical of that, I suppose. The Government acquiesced to that united voice from the Province of Quebec.

The losers in this whole process will be western Canadian agriculture and western Canada as a whole. More specifically, the western livestock industry will lose. The Minister has admitted, and indeed many others have admitted, that the livestock industry will be losers to the tune of $3.5 billion to $4 billion between now and the early 1990s. Another loser is the western processing industry because it will not see the diversified type of processing we had hoped to see. Another loser is the rail system in western Canada. What we are dealing with now is a system in which incentives will be hard to build in because basically we are maintaining the status quo. The losers will be the western farmers and the railway system. I believe that in the long run the elevator companies also will be losers if you take away their vested interests. No one can criticize them when they have literally hundreds of millions of dollars invested in a particular segment of the economy.

The big losers, though, will be the young farmers, especially those on the Prairies, and also the young people wanting jobs in the secondary agricultural industry in western Canada. Those jobs will not be there. The livestock industry is doomed to being continually shifted to eastern Canada, primarily to the Province of Quebec. As I said before, the reason that western Canada is that loses it has once again spoken with a divided voice for a whole series of reasons. I cannot go into them because of time restriction. The beneficiary is the Province of Quebec because it spoke with a united voice and was able to capture the attention of the present Government. Because of that, Bill C-155, without substantial amendments, is unacceptable.

I have a great deal of sympathy for the Minister of Transport (Mr. Pepin), not only for his position but for him personally. He is a good friend. He has tried hard and has probably tried harder than most people in the House realize to bring the sides together. I shall come to a conclusion now because I hope we will get into this subject in greater detail in committee.

Mr. Benjamin: Do you want to bet on that? The Government will bring in closure in committee too.

Mr. Murta: I think we were close to achieving a relatively satisfactory Bill. With a Bill as complicated as this one you cannot please everybody. On the other hand, however, at the present time this Bill falls short in many areas. To impose closure now after what will be only four day's debate adds insult to injury. It is like rubbing salt in a wound. For Members who have waited literally for ten years to speak on legislation such as this, as the previous Member indicated, only to find they are unable to express themselves fully is disheartening, to say the least.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, when my grandparents on both my mother's side and my father's side came to this country from the Ukraine in the early years of this century, they came with the dream that they could establish, together with their families, farming enterprises to last for decades. They did establish farms at Wroxton and at Canora in Saskatchewan. The Wroxtons and the Canoras of Saskatchewan have served this country very well.

Indeed, our rural towns and villages have retained a quality of life and a sense of community that our cities can only hope to match. In many ways, our traditional values are best protected by our support of the rural way of life. Many people say now that the issue of the Crowsnest freight rates should be examined in cold economic terms. The Minister himself has criticized opponents of his plans to destroy the Crow as reactionaries. It has been suggested that in the arguments of those who oppose these plans passion has displaced reason.

That this is a passionate cause there can be no doubt. That it is controversial, there can be no question. But it is, Mr. Speaker, passion based on reason. It is a cry from rural Canada, from our farming communities, to wake up to the reality of what we do when we tamper with the Crow.

There is no question that improvements must be made to the grain transportation system. Bottlenecks occur at the terminals and they occur on the rail lines themselves. To some degree the system is antiquated and needs an injection of new money. But where should those funds come from? I suggest to you, Mr. Speaker, that it is the wrong time to ask the farmers of western Canada to make a major contribution to the transportation of grain.

• (1540)

Net income of western farmers in 1983 is expected to decline by 15 per cent to $1.661 billion from $1.955 billion in 1982. Operating costs, while virtually staying the same this year as last, have just come through a period of incredible inflation. The costs of sprays, fertilizer, seed, equipment, land, interest expense and buildings have risen by 73 per cent in the last five years. The price of wheat is less than 9 per cent over what it was five years ago.

The farmers of western Canada have not been immune from the world-wide recession. Yet the Minister insists upon imposing a measure which will remove by 1990 nearly $1 billion annually from the pockets of western farmers. As I pointed out earlier, farmers can expect a net income for 1983 of only $1.66 billion. If the price of wheat increases at the rate it has over the last five years, by 1990 the new freight rate will gobble up over 50 per cent of what would have been net income for western farmers. Simply put, 50 per cent of the funds that

would normally go to families and local communities will not be there. Sure, we will have rationalization. Only the large operators will survive, but at what cost? At the cost of depopulating the West. I say that that is absolutely unacceptable. As one farmer said to me the other day, "If they force us off the farm, where will they put us all?" Where indeed.

The Minister says he will now give us a safety net of 10 per cent—or did he say 12 per cent—of the export price. The new freight rate will be tied to the price of grain. I say to the Minister that that still means five times Crow by 1990. Simply put, the Minister's economists and lawyers may have had a field day putting this proposal together, but they took little note of the social and economic toll it would take in western Canada.

Another aspect of the plan which causes me concern is the imposition of variable rates into the freight rate equation. Economically it probably makes sense. The costs on the main lines are lower, the quantities of grain to be moved are potentially greater, therefore a discount should be offered to reflect the economies of scale.

What it means to people living on the branch-lines, however, is that in order to obtain this discount they will have to haul a considerable distance to the main line. Not every farmer will be able to do so, simply because of the costs involved. The larger operator will be the one who can afford the whole process. But now that he and three or four other large operators in a given area are no longer hauling to the local elevator, that elevator becomes less and less viable. If that elevator closes, many of the smaller farms will go as well, simply because the increased costs of hauling to the next point are unbearable.

Who buys out the smaller farmers? The large operators. What happens to the local community? It loses family after family. It loses its local store, its high school and its hospital. With fewer people in rural areas, the cities and the service centres will undoubtedly suffer. This is why we see the cities of Regina, Saskatoon, Prince Albert and Moose Jaw voicing such strong concerns. This plan has an impact on the entire Province of Saskatchewan, not only the rural areas.

It is not as though the farmers of western Canada are receiving something in the Crow rate that other countries are withholding from their farmers. It has already been pointed out in this debate that Argentina, Australia, the EEC and the United States all give substantial subsidies both in transportation and in other ways in a competitive international market. This will work to the detriment of Canadian farmers and the Canadian economy generally. Our economy receives massive benefits from grain production, yet the country wants to hand over to the farmer completely the obligation to haul grain. Ironically, the nation with the greatest natural obstacles to the delivery of grain appears to be the least willing to assist its farmers in that delivery.

Many other criticisms could be levelled at this legislation. It is far from obvious why the legislation contains the 31.3 million metric ton limit. Why are we building in this disincentive for our farmers to produce? This blended rate seems like a rather strange provision for a Government so bent on rationalizing the system.

The same can be said for the basic contribution of the federal Government. The $651 million contributed will not be increased unless the annual inflation rate runs in excess of 6 per cent. While the farmer knows he will be subject to an ever increasing rate, a completely open-ended rate, the federal Government has designed for itself a fairly secure cost increase protection.

This legislation is unnecessarily complex. When the proposal was brought down, I said at the first opportunity on the floor of the House of Commons that it was a bureaucratic nightmare. This has been confirmed in the legislation now before us. For the average farmer or the farmer's lawyer to sit down and calculate a specific rate or even understand the formula used in this proposal is virtually impossible. Some have wondered why it has taken 90 years to change the Crow. It took 90 years just to devise this formula. The Minister's accountants and lawyers may think they are rationalizing the grain transportation system, but they would have to go a long way to improve upon the term of one-half cent per tonne mile in its sheer ability to be understood by those who work within the system.

I have concerns about the legitimacy of removing the protection of a statutory rate for our farmers, considering the degree of subsidization that occurs in major grain producing nations of the western world. If this rate were to be just a very minor cost increase for most farmers and were fixed at a statutory rate, many groups might consider it. But it is completely open-ended and will mean the difference between having and not having a margin of profit.

The Minister makes a lot of the fact that the Crow rate makes it less expensive to send a bushel of grain than to mail a letter. I say to the Minister that not many of us mail between 10,000 and 40,000 letters a year, particularly not many farmers. If a farmer has 1,000 acres in crop and obtains an average of 30 bushels to the acre, and if the farmer ships that grain from central Saskatchewan, his yearly freight bill will amount to $4,800. However, if that farmer sends the same amount in the 1990-91 crop year, his freight bill will be in the region of $24,800. One could buy a lot of stamps for $24,800. When we take one expense and inflate it by over 500 per cent in less than ten years, we play havoc with the margin of profit, particularly when we have no control over the price of the product we are selling.

The legislation in its present form does not include all western grains, oil seeds and their processed products. We will all be anxious to see what type of amendments the Minister has in mind once we get to committee. The legislation does not deal with the concerns of livestock producers that they be included in the effort to provide a more equitable system of transportation of agricultural products. These concerns should be addressed, although I do not subscribe to the view that we should take from Peter to pay Paul.

Members on this side of the House have serious concerns about service guarantees, the methods of cost disclosure and

the monitoring mechanism. Considering how difficult it has been to get an accurate idea of how the railways are losing on the transportation of grain, largely because of their reluctance to open their books, it would seem that the Government has been more than generous in setting the Crow benefit at $651 million. I have no doubt, when it comes to establishing whether the railways have met their objectives, that the bureaucracy created to administer these monetary incentives will be every bit as generous.

Finally, I will now conclude my brief comments by assuring the Minister of my heartfelt and absolute opposition to this lunatic Bill. He is doing to Saskatchewan what was done to Alberta under the National Energy Program.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I am pleased to take part in the debate on Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof. The title of this Bill appears misleading and dishonest to western Canada. The Minister of Transport (Mr. Pepin) has done an injustice to western Canada, and he knows it full well. He proposed a Bill prior to this one with much fanfare across the country and with newspaper releases that cost the federal Government a lot of money. Then he changed the Bill at the will of the Quebec Members, because of their opposition. Now he is trying to force Bill C-155 through the House in a matter of four days and into committee. Goodness knows how long it will be considered in committee before closure takes place there and it returns to the House.

The Bill provides for the expenditure by Canadian taxpayers over the next four years of well over $2 billion for the railway systems in Canada. While we are not opposed to improving the railway system, certainly we are opposed to the method by which the Minister of Transport is proposing to do this.

• (1550)

One of our most important export industries, namely our grain industry, earns $6 billion a year in foreign exchange. It is the only industry that has been able to survive the slump during these tough economic times. Now the Minister of Transport steps in with regressive legislation that will force the grain growers into one of the most serious economic problems anyone should ever have to face. The grain industry accounts for only 15 per cent of the transportation capacity, yet it is being called upon to pay the largest percentage of the cost. There is no guarantee that the railway system will be improved.

In the past, CP Rail has separated its land from the railway operation and put it into a subsidiary, Marathon Realty. The profits of that company should be going into the transportation system. However, under the present system, railways are able to diversify and use those profits in other areas. That is wrong and should not be condoned.

I want to speak about CP Rail for a moment. Because of a $1 billion investment by the federal and provincial Governments in northeast coal, CP Rail also has tremendous investment in southeast coal. We have not heard one word of objection to this $1 billion injection into the northeast infrastructure to help develop it. In the South, where CP Rail has literally hundreds and hundreds thousands of dollars of infrastructure in place, it has not voiced one objection to the injection of moneys in northeast coal.

I wonder why CP Rail has been so silent when literally billions of dollars worth of contracts are at stake. I can only come to one conclusion. CP Rail is prepared to let southeast coal suffer the lack of the kind of infrastructure that can take place in those communities and areas in order to get the Crowsnest agreement to change. It is wrong to allow that to happen.

CP Rail announced it was only prepared to go ahead if good economic conditions prevail. We hear of a $40 million car repair shop for the Golden yard. Naturally we want to see that take place in our transportation industry. However, that $40 million project is for a yard expansion project at Golden to handle anticipated growth in coal traffic in the West. If that is what it is for, then why is CP Rail not fighting to protect that coal transportation in the West, especially from southeastern British Columbia?

How are we going to maintain the kind of infrastructure to accomodate that when we see a billion dollars in federal and provincial money going into the northeast coal which serves the same markets as southeastern British Columbia? We are asking the grain growers of Manitoba, Saskatchewan and Alberta to bear the brunt of that.

The British Columbia Government has appointed the members of what it calls the northeast coal development organization structure. The head of the Cabinet committee is the Hon. Don Phillips. There is also a Deputy Minister and a Director, a former Cabinet Minister, Ron Basford. He is paid $600 a day and is supplied with full-time office staff in Vancouver to promote northeast coal against the best interests of southeast coal. These are some of the concerns we have with regard to the transportation policy.

Mr. Pepin: This is all provincial.

Mr. Parker: If this Government is sincere with regard to the transportation policy and if it is going to give over $2 billion in the next two years and thereafter $651 million a year to the railway systems—

Mr. Pepin: More than that.

Mr. Parker: More?

Mr. Pepin: Sure.

Mr. Parker: There is no guarantee that the transportation system will reinvest the tremendous profit there will be if those projects are to be carried out. If the Rogers Pass tunnel is to proceed, and I hope it will, with a proper method of financing, there will be savings to the railways. We will no longer require ten diesel units valued at $10 million sitting at Rogers Pass to push the grain, coal and other commodities up the hill. This

will result in tremendous savings. It will do away with some employment. They will be able to go over the roads that much faster. While we agree with that, the communities involved, the same as the communities and rural areas where the grain comes from, will lose their identity. We are also concerned about the communities served by the railways once the traffic is speeded up. This Bill should identify that problem. There should be protection for these communities.

I congratulate the Hon. Member for Esquimalt-Saanich (Mr. Munro) on his detailed speech with regard to the Dominion Coal blocs situated in my riding. This is a very big concern for my constituents. It is a consequential and related provision in this Bill under No. 62, Part VI. I believe it should be more consequential. It is of the utmost importance to Kootenay-East Revelstoke. It is of the utmost importance to the Province of British Columbia that energy such as coal be developed in the manner in which we in our own Province and ridings propose it be developed. For this Bill to leave that 50,000 acres of coal blocs, some of the richest in the country, under the federal domain is a slap in the face to the Province of British Columbia as well as the rest of western Canada. The coal bloc belongs to the Province of British Columbia. It should be returned to that Province if the Crowsnest agreement is changed.

For the federal Government not to identify any plans or proposals for this coal or the land is wrong. Therefore, it has no alternative but to turn this rich coal land back to the Province of British Columbia so that when the time comes for the planning and processing and developing energy in our Province, we will be able to do that in an orderly manner.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the question to be raised tonight at the time of adjournment are as follows: the Hon. Member for Saskatoon West (Mr. Hnatyshyn)—Railways—Crowsnest Pass rate—Opposition to announced changes. (b) Development of grain transportation system; the Hon. Member for Central Nova (Mr. MacKay)—Canadian National Railways—Manufacture of rolling stock. (b) Nova Scotia steel plants; the Hon. Member for Medicine Hat (Mr. Hargrave)—Agriculture—Compulsory grading of beef carcasses for export. (b) Request that Minister review situation.

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Pepin that Bill C-155, to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport, and the amendment thereto of Mr. Benjamin (p. 25389).

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I rise to debate this most important issue to western Canada with some degree of trepidation. Every time we are faced with an issue that is important to the West, this Government brings in closure. The National Energy Program was devastating to our area. What did we get? Closure. This Government attempted to push through the Constitution before the West was heard. We had closure. We now have Canagrex, and the same big stick is hanging over our heads. We cannot debate the issue to the fullest extent, as it ought to be debated. Now, after a few hours of debate on an issue of the utmost importance to producers in western Canada, the Minister rises to close off debate. The Crow rate has been a very valuable tool which has allowed western Canadians to get their grain to the world export markets. Of course, anomalies have arisen. The livestock sector has constantly mentioned that, but we are talking about something called freedom. Why would the Minister change his approach after we in the West have spent years wondering whether we ought to trust the railroads, and this has been said many, many times? He changed due to pressure. It was becoming accepted that the payments should go to the producers, but because of political pressure, he has now said that they will all be paid to the railroads.

• (1600)

I could not believe it when yesterday in Jasper, the Prime Minister (Mr. Trudeau) told the people who met with him on this most important issue, "We are paying this payment to the railroads because you cattle producers and other commodity producers do not have enough political clout out here, but those in Quebec and parts of Ontario deliver the Liberal votes, and that is why we are moving to pay the subsidy to the railroads."

If the subsidy is paid directly to the railroad and if the price of moving grain to western farmers is allowed to increase in a way that is anticipated at this time in the Bill, the ability of the farmers in the northern parts of those Provinces to produce barley, oats and maybe wheat will be virtually wiped out. The reason for that is that at present costs of production, it is no longer viable to produce those grains. If the cost of transportation is increased as anticipated in the Bill, even at this rate it will be impossible to produce that kind of grain. That will hurt the livestock industry in the province as well.

Let me put a few figures onto the record that will indicate some of the problems livestock producers are having with the Bill. If this Bill passes, the cost of a hog producer's feed grain next year will be $6.78. That is a cost of about $2.31 per hog produced. That will mean a loss in Alberta alone of $3.5 million. If the subsidy is paid to the railroad and not to the farmer, the cost to a hog farmer in my constituency to produce that hog will increase by $6.37. That will mean a loss to Alberta hog farmers of $9.5 million. Carrying those projections through to 1991 when farmers will be paying most of that inflationary Crow benefit, the increased cost of feed will be $19.58, which is about $6.50 a hog, or a $9.9 million loss. Because of the difference between paying that subsidy to the railroads and paying it to the farmer, the increased cost will be $11 per hog, or a loss of $16.5 million. If the changes in cost are added up only on the difference between paying the railroads versus the farmers, it will be a loss to Alberta hog farmers of $142 million over ten years, something that no hog farmer in the Province can handle.

We must at this time come to grips with the inevitability of a decrease in the livestock industry in western Canada. The slaughter plants in western Canada are old and outdated. New slaughter plants are being built here in eastern Canada. There is at this time a self-sufficiency and a movement to export feed grain in Ontario. A competitive farmer in Ontario who grows corn is capable of producing 100 to 110 bushels per acre. In the barley producing area of Alberta, the average yield per acre is between 35 and 55 bushels of grain. It is already half as expensive for the farmer in eastern Canada to feed an animal on corn, because the protein equivalent is almost the same, as it is for the farmer in my Province where we are unable to grow corn to feed an animal on barley. If on top of that is added the extra cost of moving the grain, a cost which will not get back to the livestock producer, and if this will produce the losses that I have put on the record—and I can put the same losses on the record for the cattle industry—the amount of hog livestock produced in western Canada will be decreased by half a million hogs by 1990 instead of being increased due to an increase in population.

Eastern Canadian hog farmers are already capable of moving into a natural market in Japan and in the Far East because it is cheaper for them to put those hogs on ships in the Great Lakes and send them through the Panama Canal than it is for western farmers to put those same hogs on a train and ship them to Vancouver where they will be put on a ship that will go to that Japanese market. Some of the feedlot operators in my constituency are now buying feedlots in Ontario to prepare themselves for this inevitable difference in cost, because if this problem is not dealt with—and of course, the one way to deal with it would have been in Crow legislation—many of the aspirations of livestock farmers in western Canada will come to naught.

I believe that this Party has put forward an excellent suggestion, Mr. Speaker. It is a suggestion that I call freedom of choice. Let us have some freedom. If the Government is so sure that it is better to pay the railroads, the Government should allow those farmers in western Canada who want to pay the railroad to do so. Let those farmers who want to take that payment to their own farm have the choice to do so. I think that the Government would find that most of the farmers would choose to have that payment made directly to them so that they could keep an eye on the railroads, and if the railroads did not provide adequate cars and an efficient way to move grain to the coast, then, perhaps the trucking industry or the livestock industry could provide that service. That is the kind of freedom that I think should be provided.

The kinds of comments made by the Prime Minister and the Minister of Transport (Mr. Pepin) about the political clout of eastern Canada versus western Canada cannot continued to be made. That would create diversity and disharmony, and a number of years ago when the separatist element in western Canada rose so quickly, we saw what diversity and disharmony can do. The Crow rate is as important or even more important than the issues that brought western Canadians to their feet at that time.

I believe that the Minister ought to allow the committee of this House the opportunity to put forward these proposals to the farmers of the nation so that the farmers can have their say. Leaders of farm groups have come to some consensus, and often when they give information to the Minister, he will hear only one story. But Members of Parliament who are in their constituencies and who talk to farmers day by day get to know the real facts of how it is hurting their operations. If Members of Parliament are not allowed the freedom of speech, we will not hear the whole story. That is why closure of this Bill is so devastating. My ten minutes have passed very quickly, Mr. Speaker.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I rise probably in more anger than I have ever risen in the House before. In fact, I would like to take this Parliament apart board by board and use them on every Liberal. To use what is like the Magna Carta to western Canada for the crass political advantage of another region is to defy the nature of this country, the history upon which it is built and the very reason for the existence of the crow rate in western Canada.

There was no question in my mind, Mr. Speaker, that the Crow rate needed to be changed. Through the 1950s, but particularly the 1960s, the western transportation system began to deteriorate at a rate that, moving through the decade of the 1970s and into the 1980s now, meant that something had to be done to improve railway transportation. That is a given fact. That is not debatable.

It is also a given fact that the inflationary rate on the Crow advantage was such that the advantage today is greater than it was when the Crow was initiated. That is not debatable. But what is debatable is to take, for Liberal political reasons, an advantage from the West and give it to another part of the country.

Let me talk for a moment about why there was a need for the Crow rate on the Prairies to begin with. First, transportation in the country is based on the competitive theory. That is

good theory and it works well. We who believe in conservatism believe in competition, but competition in transportation does not exist on the Prairies. It works well where there are ocean ports, Great Lakes water systems or the St. Lawrence Seaway, but in land-locked regions of the continent there is no competition. That is why iron and steel products can be moved from Toronto to Vancouver and back to Calgary cheaper than they can be moved from Toronto to Calgary. That is why we need to have some mechanisms like the Crow rate in place for the movement of our products.

• (1610)

What is the crass Liberal response to such a system? It is for the Prime Minister (Mr. Trudeau) to say in Jasper that because western people did not vote Liberal, the advantage of the Crow rate, which has been a historic fact for 85 years, will go to the backbench Liberal caucus. And today we have had notice of closure.

All this defies our history, Mr. Speaker. It rips apart our past in a way that hurts me deeply, coming from this Minister who was co-author of the Pepin-Robarts report. That report deals with national unity and contains such comments as the following:

> The effective and harmonious operation of any federal system depends very much upon the degree to which the central institutions are considered in their operation to be fully representative of the major groups within the federation.

I could quote paragraph after paragraph of that Pepin-Robatrs report to illustrate the importance of national unity and the importance of understanding the variation in the fabric of this country. Yet the Minister who co-authored the report is engaged in disunifying our nation and has raised the anger of western Canada against central Canadian institutions. What an unfortunate fact that is, Mr. Speaker. We need change but that change must be fair, predictable and compatible with our history.

For political reasons the Minister has now decided to pay 100 per cent to the railway. During the Easter break I called seven meetings in my constituency to advocate the acceptance by people of some change and to point out that some change could be for the better, not necessarily for the worst. Now I take the position that no change is better than any change at all if this is the position the Minister intends to take.

If all the moneys are to go to the railways and if there is a target of performance for the railways to move grain to portside, then the instinct of railway companies will be to move that grain which is closest and on through rail lines where unit trains can be developed. This could be the death knell for every branch line in western Canada. Hundreds of communites could go down the pipe. Paying the money to the railways will means there is no incentive for the railway companies to chase a profit. They will take the easiest grain, move it to portside and the farmer be damned. Yet the Minister believes that program will be to the advantage of western Canada.

What we have is not an economic response, but rather a crass political reflex. The Liberal instinct is for survival and not for national development. This is a disappointment. Because of the Minister's role with the Pepin-Robarts Commission I would have thought he would have understood the impact on the country.

It was a mistake to believe that the Prairies are homogeneous. That is another symbol of central Canadian thinking. They talk about the Prairies as they talk about a lump. Why is it that people in Manitoba who are growing lentils are compared with the wheat grower of Saskatchewan or the barley grower of Alberta? What we need to understand is the diversity and the mix of our economy and that we can develop measures to enrich the economy of all parts of the country.

I came to Parliament wanting very much for the country to get to the point where we would never again talk about English and French or about East and West. Every time those notions are put forward it hurts. This is Canada and we should be able to believe in Canada; we should be able to have policies that are good for all parts of Canada, without this divisiveness which is forced upon us by Liberals.

I think the Minister should take the following policies under consideration, Mr. Speaker. He should put forward three options. First, an option of 100 per cent payment to the railways; second, an option of paying 50 per cent to the railways and 50 per cent to farmers; and a third option based on the Gilson proposition of 19 per cent to the railways and 81 per cent to farmers. Then he should let the producers make the selection. It might be that Saskatchewan would chose to pay 100 per cent to the railways or Manitoba might choose the fifty-fifty proposition and Alberta the Gilson proposal. Would that not reflect the differences in our country? Would it not show that Alberta has almost as much economic impact from secondary processing as it does from grain, whereas the Saskatchewan impact comes almost totally from grain?

Surely the Minister could build enough flexibility into his program to put it forward perhaps on a five-year basis, with the choice of the producers to be frozen later. It is wrong to take a historic Magna Carta to western Canada and twist it to the advantage of central Canada.

The Gilson Report was a compromise. The Minister's announcement in Winnipeg on February 1 was a compromise to a compromise. His final legislation is a sell-out of western Canada that has angered many, has deeply hurt people and has ruined the economies of the Provinces, particularly Alberta. For the Government to believe that in the interests of survival of the Liberal Party it is justified in this measure, defies the reasons for the federation of this country in the first place. The final legislation is absolutely unacceptable, Mr. Speaker.

This summer when central Canadians visit the Calgary Stampede they will probably be in a building called "Big Four". It gets its name because at one time four ranches extended from the Waterton Lakes at the British Columbia border to the Saskatchewan border. Those four huge ranches ran thousands of head of cattle. When the Minister recognizes the history of that Province and recognizes that he has damaged the cattle industry in the far West in a significant way, he will see that he has not just destroyed that economy

but has destroyed a breed of people. He has destroyed the whole western Canadian ranching industry.

The Crow rate was a birthright of the western Provinces coming into Canada. It had been changed but not for the advantage of western Canada, and it is now being twisted to become an advantage for central Canada. That simply cannot be tolerated by any group of people in the country.

Limiting the Crow advantage to specific new crops is dangerous for the future. We may not be growing wheat in 1990. The genetics of crop production and the engineering of new kinds of crop varieties and species has great potential. There will be crops such as fava beans with 42 per cent protein. There is a potential for the development of new sources of human foodstuffs. The Minister of Transport (Mr. Pepin) should never designate what crop we should accept. We should be talking about crop production, period. All new crops come under some benefit of transport because it would be for the enrichment not just of the West but of Canada, and it is important that the Minister have that kind of flexibility.

• (1620)

Mr. Deputy Speaker: I hesitate to interrupt the Hon. Member but the time allotted to him has expired. The Hon. Member may continue with the unanimous consent of the House. There does not appear to be unanimous consent. Is there unanimous consent for the Hon. Member to continue? There is not.

Mr. Malone: No one said, no.

Mr. Deputy Speaker: All right. If there is unanimous consent, the Hon. Member may continue.

Some Hon. Members: Agreed.

Mr. Malone: Mr. Speaker, because of the generosity of the House, I will make only one more point. I do want to make one extra point while the Minister is here. In the present legislation the restriction of Crow advantage going to any new lands is a regressive proposal because the great potential for the development of new lands is in northern Canada, northern Manitoba, northern Saskatchewan, northern Alberta and northern British Columbia. Those areas are the places where we have the greatest capacity for the development of new farm lands in this country. Forty thousand children a day in the world under the age of five die of starvation. The greatest of all needs in the world is for food production. For the Minister to take the position that the Crow advantage will exist only on the present cultivated acres and not expand itself to more newly developed acres is simply wrong in terms of world conditions. The fact is that those northern areas which have the potential for opening up are the very areas, for reasons of high cost in the development of those lands, which need the Crow benefit in order to be viable. To deny that sets us back for decades, requiring an enormous increase in the price of cereal production in order for those food-producing lands to be opened.

I want to thank the House for its indulgence in allowing me to put that extra point on the record. I would like to say also that this legislation really requires a one-hour speech from every Hon. Member from prairie Canada. We should not be limited to only ten minutes and, most important, we should not be under closure. Our debate should certainly not be shut off without the benefit of an analysis which comes from representatives duly elected. There should not be this chasing around for a four-year period by the Minister of Transport trying to get across policies in some vague, unknown forum when the House of Commons is being denied the opportunity to come to grips with the legislation itself, because he is always at press conferences and out in Winnipeg making his announcements. If this legislation is in trouble, it is not in trouble because of the House of Commons. It is in trouble because of the process which the Department of Transport followed, which would put any major piece of legislation in trouble. If one chases all over the country for four years, making one's announcements everywhere but where one could see the facts, I guarantee there would be trouble on this, the Constitution, health changes or anything else. Naturally there is trouble. Trouble follows the very troublesome way of bringing it forth. That is what Parliament is here for, and no wonder the Minister is in the situation where he now thinks he has to do what he has to do simply because he did it wrong in the first place. In the final analysis, this legislation should be voted against by every Hon. Member from all parts of Canada, because the damage is not done just to the West but everywhere.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I could not agree more with the Hon. Member for Crowfoot (Mr. Malone), my colleague, when he says that it is absolutely unnecessary and shameful that closure was introduced on the second reading of Bill C-155 this afternoon. If I recall correctly, Sir, the debate on this matter only started on Thursday last, and it went on during the short day on Friday. It is pretty obvious that the Government already had its plans laid down when it introduced closure on second reading this afternoon when the Minister of Agriculture (Mr. Whelan) rose in his seat and said that despite the fact that we only have some ten minutes in which to state our point of view, even that privilege is to be denied to the many Members from western Canada to whom this matter is of the gravest importance.

Had closure been brought in just three years ago, Mr. Speaker, there would have been public outrage at its use after only two days of debate on second reading on as important a matter as the Crow rate. What has happened is that the Liberal Government has used closure and time allocation so many times that the public has become inured to it. It has become a matter of routine procedure, and that is something which I certainly do not like to see. I believe that an issue of this importance deserves much more than two days' debate in this House.

You might ask, Mr. Speaker, why the Hon. Member for Western Arctic would want to speak on the Crow rate. I would like to believe that I may be able to offer something. I can look at this from above, so to speak, from a superior point of view, geographically if not intellectually. There would seem to me,

after listening to this rather limited debate so far, to be two points of view. The first one is that we should not do anything with the Crow rate, but leave it the same way it has been since 1897. There are, obviously, good reasons for this. It is to the advantage of the prairie grain growers, or appears to be to their advantage, and it is of advantage to livestock feeders in the East. Some of the people to whom it is not of particular advantage are the shippers of other goods on the railways.

The other side of the argument is that the market should seek its own level, that we should go to a system of market rates. This is held to be in the long-term interest of everyone involved, including the grain farmers, in that if that were to happen, there would be incentives on the part of the railways to upgrade the system—this is said to be the case—and that the whole transportation system might be upgraded and brought into line with modern requirements. I do not really want to get into that debate because it is not for me to say. I would have liked to have heard the other evidence which was to have been presented by my colleagues from the prairie areas, but which they have been prevented from putting forward by the announcement made today by the Minister of Agriculture. However, what I do want to say is that when I look at these 39 pages of gobbledygook, Bill C-155, it does not seem to me to come down on the side of either of those arguments, and it does not even seem to be a compromise. It just does not seem to do anything, Mr. Speaker. We end up with the worst of both worlds in this Bill. It is neither fish nor fowl.

Mr. Malone: It's foul.

Mr. Nickerson: My friend, the Hon. Member for Crowfoot (Mr. Malone) says it is fowl. Perhaps he is right in that. I suspect he might be if he spelled that word in a different way. We still end up with the statutory rate, expect that the only difference is that no knows what the rate is now. Even I understood what half a cent a tonne mile meant. But there is no way I can figure out the statutory rate in this Bill. The section which deals with it has been read into the record on more than one occasion and I defy anyone to tell me what that rate is in cents per tonne miles. It is impossible to tell. It is all left up to arbitrary discretion of some Government appointee at some future point in time.

When you know the Liberal Government, as we know it on this side of the House, it is not difficult to understand why it came up with something like Bill C-155. What I would like to do in the few minutes I have is to isolate those principles, those obscure Liberal principles, which make this Bill as bad as it is, a "lunatic Bill" as was stated by the Hon. Member for Saskatoon West (Mr. Hnatyshyn). The first principle that I see in this Bill, Mr. Speaker, is, "When in doubt, set up a committee". We see this with the so-called Senior Grain Transportation Committee which is to be established under this Bill if it ever becomes law. If the committee is set up, it will have two functions. First, it would allow the Government of the day, in this case a Liberal Government, to appoint its political friends to high office, to remunerative office, to positions of emolument. Second, by establishing yet another committee, and I do not know how many we have under all the Acts of Parliament, the Minister and the Government could be isolated from any criticism. If criticism is made at some point in time, it can be said, "Oh, take that problem to the committee and argue it out there. It is no concern of ours". We have seen this principle at work with the establishment of Crown corporations such as the Post Office. If one asks the Minister responsible for Canada Post any kind of a question, he says, "Oh, I will refer that to the Crown corporation". The Government is trying to avoid responsibility in Bill C-155.

• (1630)

The second principle embodied in the Bill, as far as I can determine, is the principle of making something so complicated that no one can understand it. I rather suspect that the Bill was drafted by the same people who drafted the Income Tax Act. I have read it through three times as fully as I possibly could and I do not know what it says. When something is made as difficult to understand as this, it is another way of avoiding criticm. When one says, "I do not agree with such and such a point in the Bill", the Minister can turn around and ask someone in his Department to say, "That is not really the point at all. I will just try to elucidate it a little for you". If one reviews a different section or subsection, one finds that that is not quite right. This is the type of response the Government has to valid cricitisms of its proposals with respect to the Crow rate. It comes up with something which is so complicated that I am sure not one farmer in western Canada can really understand.

The third principle involved in the Bill is to create yet another slush fund. The Liberals just love this idea of shovelling taxpayers' money from one group to another, having the discretion as to how the taxpayers' money should be used. In this Bill we see it with a kitty of $600 million of taxpayers' money in the Crow benefit.

Mr. Pepin: You are against it?

Mr. Nickerson: The Government can give this to whom it likes. In the first instance, it would prefer to give it to the railway company. However, they like having control of the taxpayers' money. This is the way it likes to operate. It likes to have lots of money around which it can hand out at its political pleasure for its political reasons.

The next principle embodied is the arbitrary and discretionary power which is to be given to Ministers, in this case the Minister of Transport (Mr. Pepin), and to appointees of Ministers. Instead of having a law which is simple and straightforward and which everyone could understand, in which the terms and conditions are laid out, if a subvention is to be given, for instance, what the Government likes to do is to leave it to someone's discretion, the Minister's discretion. He can decide who will receive this benefit or not. He can decide what appointments are to be made, what regulations are to come through, what rules are to be made, or he can delegate that to one of his political friends, one of his appointees.

The third principle is to involve many bureaucrats in the administration. The last principle I want to address is probably the worst of all, that is, the sell-out. In the final analysis, after one thinks a compromise has been reached, a fifty-fifty agreement, at the last minute it is thrown out the window and it is the Quebec Liberal caucus which really controls the shots. That is what we see here today.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, at the outset I want to say that as a prairie Member who was raised on a small central Saskatchewan grain farm, I know that the Bill before the House today will be one of the most serious blows to the small grain farmer in my Province that he has seen since the 1930s and the Great Depression. I also know from letters that I am receiving as the Member of Parliament for Yorkton-Melville, that my constituents, from the National Farmers Union on one side, which is a more progressive organization, to the Chamber of Commerce on the other side, which is a very conservative organization, are all standing united in opposition to the Bill before the House today. It is on their behalf that I want to say a few words and plead with fellow Hon. Members to listen to my words with respect to the dire consequences to the Prairies and, indeed, to all of Canada if the Bill is passed.

Mr. Thacker: They won't listen. They won't even speak.

Mr. Nystrom: They will not even listen, as one of the Hon. Members from Alberta said. I think that is the important part of this whole debate. The Liberal Party has two Hon. Members from western Canada, the city of Winnipeg. There are approximately 74 Members of the Opposition from western Canada, yet the Government is not listening to the representatives of the people. It is imposing on the people of western Canada something which the people out West do not want and which is surely a denial of fundamental democracy, a denial of what this parliamentary system is all about.

I want to challenge the Minister across the way to do one thing, if nothing else, that is, to organize a national referendum amongst permanent bookholders to see whether they agree that they should keep the Crow rate or whether they should get rid of the Crow, as the Minister of Transport (Mr. Pepin) is suggesting in this legislation. Surely to goodness, that is democracy. If they were to agree with the Minister, that would be fine and well and we would have the changes which he introduced. However, I am sure that they would not, just because the Bill is one which would impose an increase on the price of moving grain for the farmer of some 500 per cent between now and the year 1991. With the rise in the price of grain by some 500 per cent between now and 1991, many small and marginal farmers will be forced off the land. They will not be able to produce grain and feed the people of Canada and the world.

Another thing to note, which it seems to me a number of Hon. Members who are not from the Prairies do not realize, is that the price of grain has fallen. At a time when world grain prices have fallen, the Minister is bringing in a Bill which increases the cost to every farmer in prairie Canada. I think it shows, once again, why the Liberal Party is extinct in western Canada. It does not have any fundamental understanding of the important issues affecting western Canadians.

It is also important to realize that the issue is not important just to the prairie farmers but also to Canada as a whole. My seatmate comes from Brantford. I am sure that he could tell the House that when the farmers' income drops in western Canada, then people stop buying tractors, combines and other kinds of machinery produced in a city like Brantford. The end result is that 25 per cent or 30 per cent of the people in that kind of city are unemployed. For such a reason, this Bill is very important. It is very important that we somehow persuade the Minister and the Government across the way to change their minds and to keep the Crow rate which is such an important part, for us on the Prairies, of the bargain of Canada, the bargain of Confederation.

Mr. Pepin: Good Lord! Eighteen ninety-seven, Confederation!

Mr. Nystrom: All of the countries with which we are competitive, the United States, Argentina, Australia and countries in Europe, provide massive subsidies for their grain farmers. If the Government takes away the Crow and makes shipment of our grains some 500 per cent more expensive in the next eight or nine years, then our farmers here will be at a tremendous disadvantage in a competitive sense with fellow farmers around the world. That will be goodbye to many grain markets for Canadians and to a lot of foreign currency that would benefit the nation as a whole, not just the Prairies and the prairie farmer.

• (1640)

The Americans have set up massive subsidy programs for their wheat. They recently introduced a blended credit program of $1.5 billion over the next three years to subsidize the interest rates of grain when it is shipped to the Third World. The Europeans give perhaps even more massive subsidies while the Argentinians and the Australians give subsidies as well.

Another consideration is the fact that Canadian farmers are an average of 600 to 800 miles farther away from port than other competitors in countries around the world, including the United States. American farmers have the advantage of the Mississippi and the Missouri River systems. This puts them much closer to a port for the transportation of their grain. Since we do not have that advantage in western Canada, there is an additional cost for our grain which makes it necessary to keep the Crow rate.

For those reasons I think the Government opposite must be made to reconsider the importance of the Bill before us. There are a number of other issues concerning the Crow rate which one can mention. For example, there is the issue of variable rates. This present legislation will allow for variable rates and will provide the possibility, and perhaps the likelihood, of the railway companies being able to charge what they wish for shipping grain along various lines across the Prairies.

Mr. Pepin: Have you read the Bill?

Mr. Nystrom: If they so choose, they will be able to charge higher rates along some of the branch lines, on some lines which do not ship as much grain or in those smaller towns which have smaller farms. This will mean that the railway will dictate social policy and could decide which towns or elevators will be closed. They could decide which farmers will be forced off the land as a result of charging a higher rate per bushel or tonne on line A or line B.

This could ultimately promote the greater centralization of agriculture on the Prairies. As Hon. Members are aware, there is presently a very decentralized economic system on the Prairies in which there is an elevator in every town and village along with Wheat Pools and other co-operative organizations. That could all end with the passage of legislation such as this.

I know that some Members across the way like to visualize huge inland terminals and the trucking of grain within a much more centralized economy in the Prairies. That is very alien and goes against the wishes of the overwhelming majority of people in prairie Canada.

The other point I wish to make is that this Bill will continue over time to give billions of dollars to the railways in this country. Historically, the CPR has been the greatest recipient of public welfare of any institution in Canada. It is the biggest welfare bum this country has ever seen.

An Hon. Member: Oh, oh!

Mr. Nystrom: Do not tell me there is still a Conservative from the West who defends the CPR.

When one looks at the statistics, one finds that when the figures are adjusted in terms of 1982 dollars, the value of public aid to the CPR totals some $13.5 billion. In return for that tremendous give-away to the CPR Canadian taxpayers have not received a single stock in equity or percentage. They have simply been given this tremendous gift. They were handed money to buy their hopper cars, to buy rail lines or improve their services. In the late 1880s much rail equipment was given to the CPR along with mineral rights and vast amounts of land. This was given to them free of charge in return for providing a service to the farmers. The farmers will now be asked to pay the full service for the shipment of their grain, but nowhere in the Bill—

Mr. Pepin: That is not true.

Mr. Nystrom: The Minister can reply after my speech, if he wishes. There was a bargain struck many years ago and the CPR received its land, mineral rights and equipment in return for hauling the grain for the farmers. This Bill will end the Crow rate for the farmers but it will not recover for the people of Canada all the equipment, land and mineral rights that were given to the CPR. In 1917, at the time of the royal commission, that was worth some $279 million. When it is adjusted to 1982 dollars, it is worth $8.3 billion. Under this Bill, the people of Canada will not recoup that $8.3 billion from the CPR.

I see that you are rising, Mr. Speaker. I wish I had much more time because ten minutes is insufficient to put forward the case for the people of the Prairies. I think it is an utter disgrace because this debate is on the most important issue facing the Prairies.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but he has had 11 minutes.

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I am glad to have the opportunity to say a few words on Bill C-155, the Western Grain Transportation Act. It is an Act which, if passed, will detrimentally change the whole face of grain transportation in Canada. Although this Bill will perhaps not have a marked effect in my riding of Grey-Simcoe in Ontario, it does represent an inequity that cannot be ignored or swept under the carpet and out of sight and mind. Further, to bring closure on this Bill is another monstrous inequity that will not go unnoticed by Canadians.

Since the announcement by the Minister of Transport (Mr. Pepin) regarding this Bill, the country has moved further away from a consensus on changing the Crow rate. Whatever general feelings or consensus may have existed before in the West has now virtually disappeared.

When the Minister of Transport first announced the one-man Gilson task force, which was empowered to consult with farm groups and the railways regarding the Crow rate, his primary incentive to encourage farmers to participate in this venture was the promise that there would be rail performance guarantees to producers in exchange for increasing the freight rate to move grain. However, Bill C-155 proves to be a sham. There is no railway performance guarantees for the first three years. Furthermore, any sanctions on the railways will only be tallied, not levied. In other words, as far as I can see, the agreement will not have the necessary force to make such action mandatory.

In addition, there is no provision in the Act that Parliament will approve the regulations related to railway performance guarantees. In other words, the railways will get a free ride for three years. The bias of the Government is obviously in favour of the railways. Again, as a result of this bias, whatever general feelings or consensus existed in the West has disappeared.

The modification to the Bill to make all payments to the railways instead of providing for a fifty-fifty split in payments to the railways and producers has left nothing for the western processing industry. In fact, the disparity that exists between raw and finished products has greatly increased. This has left the livestock producers all across the West bitter, upset and very angry. My colleague, the Hon. Member for Wetaskiwin (Mr. Schellenberger), has already outlined with great clarity the devastating negative effects which this Bill will have on western hog and cattle producers. The truth is that the disparity that exists between raw and finished products will increase instead of decrease.

As a result of ignoring the western Canadian processing industry, the Minister has reduced the annual western livestock industry almost to the point of no return. Is it any wonder that the fortunes of this Government are at an all time low in western Canada? Antagonizing western Canadians, antagonizing and working at cross purposes with their economy and hindering instead of assisting them are sure ways to alienation, a process in which the Government has proved to be master over the years.

The payment that the Government proposes to the railway companies under this Bill will not benefit those people who were initially supposed to be the beneficiaries. Clause 55(2) of the Bill states that the Transport Minister can withhold any amount of money to the railways if, in the opinion of the Minister, the railways are not adequately investing in rail plant and equipment for moving grain and if the railways are not adequately maintaining the grain dependent branch lines. However, Mr. Speaker, if the railways claim that the money they receive from the Government and producers is still inadequate to justify such expenditures, they can simply let the rail system deteriorate and wait for the Government to come back again with ad hoc measures. This is in no way an adequate guarantee to producers that they are getting their money's worth for paying the increased freight rates. In other words, the railways can revert to their old ways at the expense of producers. It is, therefore, mandatory that a stronger commitment and guarantee by the Government and the railways is absolutely essential and necessary. Monitoring the performance of the railways is not enough.

• (1650)

If the past is any criterion, that is, the Government's plan to monitor railway performance on behalf of grain producers, the success of such a plan is in deep trouble.

In the Auditor General's annual Report of 1982, he criticized the Department of Transport in its financial and engineering rehabilitation program for the railways. The rehabilitation program, begun in 1977, called for the rehabilitation of 5,675 miles of rail by 1992 at a cost of $1.6 billion. As well, Mr. Speaker, between 1971 and 1981 the Government entered into four agreements worth $318 million to the railways, and the Auditor General found deficiencies including: deficiencies in construction costs charged by the railways; deficiencies in the assessment and disclosure of financial costs; and deficiencies in the development of construction standards and specifications.

There is no guarantee in this Bill that such gross neglect and such deficiencies will not occur again. Further, there is no guarantee against more hidden costs for the farmers in later years. There are many, many inequities in this Bill. Further, under this Bill grain farmers will be paying the full freight rate whenever grain volume exceeds $31.1 million tonnes. This will present a disincentive for farmers to grow more grain and increase production.

Every major farm group and organization has protested and voiced strong objection to this, but as usual with this Government, these objections and protests have fallen on deaf ears.

On February 1, 1982, the Transport Minister said:

> The progressive reduction of distortions in the western agricultural economy should yield significant benefits in terms of increasing processing, livestock production and crop diversification.

As far as this Bill is concerned, nothing could be further from the truth, and I wish the Minister would re-examine the statement and correct it. Of course, these words could have been written by somebody else for the Minister to use, the Minister being a layman in this matter with little or no agriculture experience. This, I might add, must apply to many of his staff who may be only theoretically versed in agriculture but do not have this knowledge backed up with practice and experience, a condition that applies to many other Government Departments as well, which is tragic, to say the least. This means that there is not enough common sense—it used to be called horse sense—in Governments today. Instead, we are overwhelmed with theorists, to the detriment and mismanagement of our country by all Governments across it. This Bill, Mr. Speaker, is a classic example of this problem and an examle of a Bill in which an infusion of common sense is urgently needed.

The Acting Speaker (Mr. Corbin): Order. The Hon. Member for Vegreville (Mr. Mazankowski).

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I am not surprised that I caught you off guard. I did speak on the original motion, and I now rise to speak in support of the amendment proposed by the Hon. Member for Regina East (Mr. Benjamin). I can only amplify that support because of the fact that a Minister of the Crown stood in his place today and moved what is tantamount to closure, closure on an issue that is fundamental and very important. I think in some instances the case has perhaps been overstated in terms of its importance as far as western Canada is concerned, but this is a very important and major issue to all of Canada from an economic and an agricultural point of view.

What is troubling in the parliamentary sense and in looking at the only democratic institution that we have left is that this is probably the twenty-fifth time—somewhere between 20 and 25 times—that closure has been moved in this session of Parliament. One has to ask the question, where are we going? Are we not meant in this place to debate important and fundamental issues such as the statutory freight rate? If we cannot debate an issue as fundamental and as important as the statutory Crowsnest Pass freight rate in this House for more than two or three days, then this institution is really being diluted and watered down into non-existence. One can only express one's dismay at the Minister of Transport (Mr. Pepin). He is a Minister who generated many accolades and generated some goodwill for his frankness and forthright approach in western Canada. But whatever goodwill the Minister generated over the past year or so with his actions here today has been flushed down the drain. There is no question about that. As a result, one can only voice one's anger and outrage by what is taking place here today.

I thought we had a good debate. We debated this issue on Thursday and Friday. There were excellent speeches made. It was not a debate that was tarnished with innuendo and bitterness. It was a frank, forthright and intelligent debate. I thought the debate was going very well. I thought we were expanding and exploring some alternatives to the piece of legislation that was brought forth. However, that has all gone down the drain, and with it some of the goodwill the Minister of Transport may have generated throughout the country in his attempt to deal with the Crow rate issue.

As I said in my speech on Thursday, we are dealing here with a piece of legislation that is a linguistic labyrinth. It is very complicated. I think other Members have referred to the rhetoric which will now define what the future statutory freight rate will be. Nobody really understands it. My colleague, the Hon. Member for Kindersley-Lloydminster (Mr. McKnight), asked the President of CN Rail in committee the other day whether he could describe what the current statutory freight rate would be under Clause 36 or Clause 37 of this Bill. The President said he could not. He does not understand it. If someone such as the President of the CNR does not understand it, how is a farmer to understand it?

This Bill is divisive. There is no question about that. There is division within the West and there is division within the country. The Bill is incomplete. The Minister said he was going to bring forth a safety net and tie the new statutory freight rate to the farmer's ability to pay. We have had no elaboration on that whatever. The Minister has failed to elaborate on that in second reading. Because he has failed, the Minister has said simply, "We will take it to committee." We know the Minister's bottom line is to get the Bill through before the end of June. We cannot debate a pig in a poke, Mr. Speaker. He says he will add other specialty crops. Where are they and what are they? There are other things which the Minister is supposed to incorporate in this Bill. The fact is we do not really know what the Minister's bottom line is, and that adds further to the anxiety, the apprehension, the suspicion and to the mistrust.

There has been, as Members have indicated, some recognition on the part of farmers that perhaps they should pay more toward the movement of their grain. This kind of action will further fan the flames of mistrust and suspicion. We have a Government that has no Members elected to the House of Commons west of Winnipeg, that is tearing down a historical and statutory right and ramming it through the House of Commons. The Government will ram it through committee and through report stage. We know that because that appears to be its bottom line. It will ram through a measure which will hurt individual producers, agriculture and the Canadian economy. Most of all, it is an affront to this institution, to Members of Parliament and to parliamentary democracy. It should not be tolerated on any issue, but most of all it should not be tolerated on an issue as fundamentally important as this one.

• (1700)

I am not sure whether the Minister realizes that with his move to invoke closure he is fanning the flames of division and bitterness in the country. I am sorry to say that because he is a man who has spent, as I said last Thursday, a good deal of his time working for the federation of Canada. He has been a Member of Parliament, he served on the Task Force on National Unity and is generally perceived to be a person who wants to see the country work and function together in harmony. I say in all sincerity that his action today is generating bitterness, division and disunity. Furthermore, the actions of his colleague today in moving the time allocation motion constitute blatant contempt for the parliamentary process.

One has to look at it in this context. This issue has been around for quite some time, but it has not been debated in the House for any length of time. It all started back on February 8, 1982, when the Minister of Transport made a statement in Winnipeg about his approach to dealing with the Crowsnest Pass freight rates. That was when he set up the Gilson process, and on June 28, 1982, the Gilson Report was released. Once again the Minister made a statement. Where? On both occasions he made them in the City of Winnipeg, not in the House of Commons. Not one of his colleagues in the House of Commons made a statement here so that Hon. Members could have responded, asked questions or sought clarification. No, the statements were made outside the House. He circumvented the parliamentary process. Then again on August 4 he made another statement outside the House of Commons, another very important statement in the entire process. On February 1, 1983, the Minister made an announcement of his legislative intentions. Where was this announcement made? It was not in Ottawa, not in the House of Commons, but again in Winnipeg, again circumventing the parliamentary process. Finally, on May 5, 1982, he announced his so-called revisions to his originally intended piece of legislation. He made that announcement at the national parliamentary press theatre. He had the audacity to walk across the street and to refuse to make that statement in the House of Commons.

Today, after two full days of debate, closure is introduced. The Bill was introduced for debate last Thursday. It was debated on Friday and again today. These are ten-minute speeches. Hon. Members of Parliament from western Canada just get warmed up in ten minutes. As one Member pointed out, there is a good hour's speech in every western Member because it is a very fundamental, emotional and political issue. There is no question about that. We are fearful that the mould is cast. It is quite clear what the Government wants to do. It will ram it through the House of Commons and through committee because it wants it passed by June 30 before Parliament recesses. This Bill will be in for a rough time, I can guarantee that.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, this is but another example of the expression of Government policy which has not considered Canada as a nation. The Hon. Member for Medicine Hat (Mr. Hargrave), more recently the Hon. Member for Vegreville (Mr. Mazankowski), and other prairie Members have explained very clearly their perception

of the impact of this legislation upon both western grain producers and the livestock feeding industry, but nowhere in any policy statement related to this legislation or in any other announcement of intended policy has there been any measurement of the possible impact upon any part of Canada east of the Great Lakes.

As a Canadian, I demand a measurement of the impact. As a maritimer, I would ask the Minister of Transport (Mr. Pepin) to respond to the questions contained in my remarks of May 5 as reported in *Hansard* at page 25210. They read:

—I want to know if there is any intention on the part of this Government to recognize that increment in cost which will be passed on by the change in the Crow rate as it relates to eastern Canadian poultry, hog and beef operations. We are entitled to that answer in a definitive cost study basis—

Has the Minister responded in any way to my request for a cost study analysis? As a Canadian, I demand a measurement of that. The Government, from the Prime Minister (Mr. Trudeau) through all Ministers of the Cabinet, has totally failed to recognize that a policy of Government was enunciated during World War II which was intended to make meat production competitive throughout Canada. The policy recognized that the Atlantic Provinces were not and probably never would be self-sustaining in the field of meat and poultry. The very nature of the climate and the farming enterprise in that area did not lend itself to that level of production.

The policy was to create competitive opportunity in the meat industry of Canada for all farmers then engaged in the business. A beef producer in New Brunswick could anticipate both comparable cost and return with a farmer in the same business but living in the prairie region. In order for this to become fact, it was necessary that a feed grain subsidy program be put in place.

The Government in its lack of wisdom has chosen to reduce the effective rate of this subsidy over the years. As a consequence, it has been documented that there is now a very distinct competitive advantage extended to prairie meat producers when shipping to the Atlantic market.

The Minister may consider that the maritime area is insignificant relative to other areas of Canada. No matter how small their number, they deserve to be considered as part of any national policy, and this has not happened. It has been estimated that the maritime pork producer may be at a $4.40 per hundredweight disadvantage in pork when marketed in Atlantic Canada, versus that produced in the prairies and marketed in Atlantic Canada. The disadvantage is even larger in respect to beef produced in western Canada but marketed in the Maritimes.

The original statement of policy of the Minister of Transport was analysed by the Maritime Farmers Council. In their opinion they would find themselves in an even greater position of disadvantage than at present. It was for that reason that I asked for a cost analysis of the impact upon Atlantic livestock producers, as I mentioned earlier.

The Maritime Farmers Council made an in-depth study of the progressive loss of competitive opportunity from 1967 until 1982. The figures are startling. I hope the Government and the Minister of Transport will listen carefully. In 1967, in order to maintain a competitive position on a national basis for the production of meat and poultry, the maritime farmer paid 11 per cent of the total cost of grain transportation when shipped to Nova Scotia. This may seem like an inordinate amount of subsidy to be extended to any industry, but that is Government policy and that industry was in place because of historic Government policy. In 1982, the maritime farmer was paying 75 per cent of the total cost of transportation, but we must bear in mind that this is a much higher cost than that of 1967. The disadvantage was further aggravated by the fact that the western farmer was paying 59 per cent of his cost of transportation in 1976 and only 18.7 per cent in 1981.

• (1710)

These figures were not just pulled out of a hat. They were based upon information obtained from the Gilson Report, Economic Council of Canada figures, the Snavely Report and gross national expenditures implicit price index. It must be recognized by the Government of Canada that this is a nation of five regions, that any policy which may be adopted for any reason may impact favourably or unfavourably upon another region of Canada. We must know whither we go when we bring in policies such as the one that is presently before us.

The continuing changes in Government policy have already virtually brought the feeding industry in the maritime Provinces to its knees. This is not the only example of failure to recognize all of Canada as policy evolves at the federal level.

I complained, and I will continue to complain, that while Chrysler, Massey-Ferguson, Bombardier and Maislin, all in Ontario and Quebec, are worthy of assistance in times of financial distress, there is still no analysis of the impact upon the eastern farm of this change in policy.

It has also been clearly pointed out by the behaviour of Treasury Board, the Minister of Agriculture (Mr. Whelan) and the Government at large, that agriculture is no longer an important subject matter as far as the apple grower or the potato producer of eastern Canada is concerned. The price stabilization policy has never been adjusted by effective indexing of production costs, and the payment is not announced until after the time for planting.

These are very retrograde and very thoughtless moves in Government policy. Perhaps one could be somewhat less parochial if one were to mention the shipbuilding industry. There has never been a policy which would activate the real capability of the shipyards of Canada under this Government. The lack of this policy has produced unemployment from coast to coast in Canada to the point that the shipyards are no longer paying income tax on profit. The employment has dropped as much as 90 per cent in some shipyards so the workers there are no longer paying income tax, they are drawing Unemployment Insurance or welfare at the expense of the Province.

It is a total lack of comprehension of Canada as a whole that is in evidence as one policy succeeds another, regardless of the economic sphere affected by the policy.

This lack of comprehension of Canada as a nation has also been emulated by the failure of the Government to bring forward an effective plant breeders rights Act or, in place of that, to stimulate a grain research policy which would relieve the federal Government of the requirement for subsidy to produce a profitable cash crop for eastern farmers.

Recently some Members of the Agriculture Committee of the House of Commons of the United Kingdom visited Canada. It was my pleasure to be a guest of the Minister of Agriculture as he entertained Canada's guests. It was my pleasure to sit beside a Member of the U.K. House of Commons who advised me that in their research program they have been developing varieties of wheat which now produce four or five tons per acre. Also, the research structure has been asked to produce a variety which will yield six tons per acre. The research people have responded that this may be available for farmers sometime within the next five years.

Again, we have no national policy on agricultural research when the total needs of agriculture are examined. There are reports of very high yields in other varieties of grains which are presently being produced in Europe. The climate in many areas of Europe is somewhat comparable to that of Atlantic Canada. Perhaps the Minister and the Government as a whole would be relieved of hearing such remarks as I have made today if our farmers had access to higher yields of grain in the Maritimes, but these we do not nor cannot have under existing conditions.

It is therefore imperative on behalf of maritime speakers that I demand of this Minister that he should be a strong proponent of agricultural policy in respect of grain production and that while waiting for such a change to take place, it is imperative that the feed-freight assistance program be given more money to restore eastern Canada to a competitive position with other producers of this nation. I sincerely believe that I am making only a reasonable request.

Lastly, I wish to say once more, let us have a cost analysis of the impact of the Crow rate legislation upon the eastern Canadian feeder. Let us accompany this legislation with an appropriate Government policy, first, to reduce the discrepancy which presently exists in the competitive structure of meat production in Canada, and second, to make very sure that this legislation will not further aggravate a very unfavourable situation.

Mr. Derek Blackburn (Brant): Mr. Speaker, I am pleased to enter into this debate, although the topic under discussion, doing away with the Crow rate, is anathema to most principled-thinking Canadians, even in central Canada Let alone western Canada. Quite frankly, I do not know why we are wasting the time of the House on such an iniquitous Bill. I congratulate the Hon. Member for Regina West (Mr. Benjamin) for his amendment to hoist the Bill for six months. It is too bad we cannot hoist Bills like this for six years or 60 years.

Most Members who spoke this afternoon represent western constituencies. I represent a constituency in southern Ontario. I am as vitally concerned about the long-term adverse effects of doing away with the statutory Crow rate as any Member from western Canada. It will impact adversely on a constituency such as mine.

Before I get into the specifics as to how it will impact adversely on a constituency like Brant, I would like to ask a rhetorical question. Where have all the Liberals gone? If this is such a great Bill, why can the Minister responsible for bringing in the Bill not muster moral support around him? Where are all the Liberal speakers to stand up and support the Government? They have disappeared. I see one putting up his hand and leaving the Chamber. So much for his dedication. I would have thought that Liberal after Liberal would have been getting up on a Bill like this to defend the Government. I have to agree with many of them that it is probably indefensible but, at least in a political sense they could put forward some arguments that would help to create the impression that the Liberals are not entirely bent on self-destruction west of Ontario.

This Bill will not aid or assist the Liberal Party west of Ontario. Once again the Liberal Government is not paying any attention to the ordinary people in western Canada, particularly the grain growers and farmers. I am not talking about the agri-corporations, but the ordinary family farms. While the Liberals are bent on self-destruction in the West in a political sense, they are determined, through this legislation, to wipe out the family farm. That is what will eventually happen. The family farmer on the Canadian Prairies will not be able to compete in years to come with the added freight costs which he will have to bear.

Our chief competitors, the United States, most European nations, Australia, Brazil, Argentina and so on, are heavily subsidized by their Governments. They subsidize the grain producers directly. If this Bill goes through, and the Liberals are determined to force it through with closure, I can see a very bad situation developing on the Prairies in the future. The family farm will disappear. Indeed, for all practical purposes, we may eventually go out of grain producing in the West as far as individual farms are concerned. Large agricorporations may continue to develop and broaden and become more powerful in the West. Once again the ordinary family farmer is being kicked in the pants by an autocratic and arrogant Government that is determined to have its way over even basic common sense.

Second, what about the CPR, the great bastion of free enterprise that opened up the West and united this country from sea to sea? There is a lot of mythology about the CPR. I have great respect for the old Van Hornes and the gang that helped to build the CPR. I also have much respect for the Irish navies and the Chinese workers to whom no monuments are built anywhere in the country but who actually did the hard, sweaty labour that built the railroad across the country. Hundreds of these labourers died on the job because of exhaustion, because of lack of proper food and because of accidents. But we seem to praise the CPR as a great example of how free enterprise can build a united country. Well, I believe that very few Canadians fully appreciate the fact that 60 per cent of all

funding that went into building that great example and symbol of free enterprise came from the public, from tax dollars, from the taxpayers of Canada in one form or another with subsidies, land grants, tax concessions, you name it.

• (1720)

An Hon. Member: Mineral rights.

Mr. Blackburn: We could add mineral rights to the list. As a matter of fact, talking in terms of today's dollar, owing to the inflation rate the original $300 million that the CPR got out of the public purse would amount to about $8.3 billion in federal Government handouts.

Several years ago, our Party listed certain corporate welfare bums in the country, and believe me, the CPR has been sucking at the public trough ever since it was established in the 1870s and 1880s. Now the Government is again knuckling under to a more sophisticated kind of blackmail; unless the taxpayers of Canada and particularly western Canadian farmers are prepared to pay money out of their pockets and into the coffers of the CPR, there will be no upgrading of railways in western Canada, there will not be the efficient and quick movement of grain that would enable farmers to compete and sell on world markets.

Once again, the Government has knuckled under to corporate pressure from the railway companies. First of all it has knuckled under to the company which it controls and owns outright, the CN, and then it has knuckled under to that great bastion of free enterprise, the CPR. That these great corporate giants can preach free enterprise on the one hand and on the other hand go obsequiously to Government and say, "Look, we need more taxpayers' money, bail us out, we do not want to use our own money, we do not want to float a bond issue, we do not want to float more common stock or common shares to trade on the open market," never ceases to amaze me. It is much easier to go begging, hat in hand, to the boys behind the scenes at the federal level and get the money directly from the taxpayers.

I alluded to the third point I wished to make at the beginning of my brief address. I make no apologies for the brevity of my speech. We are hammered and punched into making only ten minute speeches today thanks to one more closure from the other side. The point I referred to deals with my own constituency. In my constituency, Massey-Ferguson and White Farm Equipment are barely holding on by the skin of their teeth. White Farm Equipment is in terrible financial shape, and Massey-Ferguson is also in terrible financial shape but is managing to hold on. About 30 per cent of all combines and large tractors produced in Brantford at Massey-Ferguson and White Farm Equipment are exported to western Canada—

The Acting Speaker (Mr. Corbin): Order.

[*Translation*]

Mr. Cousineau: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Corbin): Order, please! The Hon. Member for Gatineau (Mr. Cousineau), on a point of order.

Mr. Cousineau: Mr. Speaker, the Hon. Member mentioned that he had only ten minutes to make his speech, because closure was being applied. I would like to point out that it is because of our Standing Orders and not because of closure on second reading.

[*English*]

Mr. Blackburn: Mr. Speaker, I thank the Hon. Member for correcting me. It was my fault and he is correct. But no doubt we will be coming to closure very shortly anyway.

I was saying, Mr. Speaker, that in my constituency, which has Massey-Ferguson and White Farm Equipment, we see how closely related the farm implement industry and farming community are. Farm incomes are down. They have been down drastically for the past three or four years. Net farm income is projected to be down again in 1983 by yet another 14 per cent. About 30 per cent of all large combines and big tractors manufactured by both of those companies in Brantford are shipped to the Canadian West. The other 70 per cent are shipped to the American West.

Now how much more of a burden must these companies and the workers they have laid off suffer directly as a result of federal Government policy? As an example, statistics from western producers say that the cost to the western grain grower will be five times the cost that it presently is under the Crow rate by 1990. By 1995, it will be eight and one half times the cost it is now, and by the year 2000, the cost to the Canadian grain producer in western Canada will increase by 12.5 times.

In Brantford there are 1,200 workers on long-term lay-off at White Farm Equipment, which, as I said earlier, is undergoing extreme financial difficulty at this time. There were another 1,500 employees laid off at Massey-Ferguson. All of the other companies in central Canada, western Canada, Winnipeg and so on that produce farm equipment are in very bad shape. Now the federal Government, by doing away with the Crow rate, will only add to the cost of producing grain to the western farmer. The farmer will have even more difficulty buying equipment in Canada and putting men back to work.

This legislation will not only drastically and adversely affect western grain producers, it will also have a very, very adverse financial and economic effect on the manufacturing sector in the farm implement industry.

I see that my time is now up, Mr. Speaker, and I thank you for allowing me a few extra seconds.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I stand in the House as a Member from the West but also as a Member from one of the cities in the West, the City of Calgary. Perhaps no city in Canada has been as abruptly and as badly hurt as a direct consequence of Government policy as has Calgary in the last year and a half. I come from a city that, a year and a half ago, had a vacancy rate of two-tenths of 1 per cent.

Today the vacancy rate is the highest in the country, well over 12 per cent, directly as a consequence of federal Government activity, activity in that case related to the National Energy Program.

I stand here today, Mr. Speaker, and deal with the subject of the Crow rate with a sort of sinking feeling in my stomach a feeling that the Liberal Government opposite, because of its lack of understanding of the industries in the West, is about to intensify the economic hardship which it has already created in western Canada through the National Energy Program.

Moving from energy to agriculture, when a Government seeks to change things too abruptly and too quickly without sufficient thought, the Government runs the risk of unintended side-effects which can be devastating to people in western Canada and, at the second level, devastating to people in eastern Canada.

The previous speaker brought to the attention of the House the potential for job loss in the Province of Ontario, the Province of Quebec and other Provinces in Canada, which will result if the Government is making a mistake. That job loss can be seen clearly and explicitly in the farm implement business, the manufacturing of tractors, motors and things of that nature.

It is particularly difficult, Mr. Speaker, to stand in the House and speak to this Bill knowing that it has been proposed by the Minister of Transport (Mr. Pepin), a Minister who at one time in his life was one of the chief commissioners of the Royal Commission on National Unity. Since the 1980 election, this particular Minister, who had taken one or two years out of his life to travel the country and work on a commission on national unity, has stood in the Chamber and supported a constitutional Bill which created a tremendous discord in the country, a Bill which gave birth to the separatist movement in western Canada, a Bill which intensified the feeling of separatism in the Province of Quebec. The two years that the Minister spent on that commission should have taught him a better lesson. We saw the same Minister stand in the House and support the National Energy Program. That was a tremendously divisive Bill which in my part of the world has created and sustained the birth and development of a separatist Party in western Canada. It is probably strongest in my region of Alberta. That movement is a direct consequence of two historic pieces of legislation brought to the House and supported by the Minister in the last three years, the Constitution and the National Energy Program.

• (1730)

I stand in the House today with the certain knowledge, as someone born, raised and educated in that part of the country, that the Government is proceeding to ram through another piece of legislation that will further intensify those feelings of alienation. There is much that is wrong with the Bill in a substantive sense, but the feelings evoked by it in my part of the country will be intensified by the substance of it.

Members on this side of the House were given 25 copies of the Bill on a Wednesday night, and at 11 o'clock the next morning the debate began. That is reminiscent of the way the Constitution was handled. The Leader of this Party had 45 minutes to read the Government's proposal on the Constitution of Canada before responding to it. And this Party only had overnight to consider this extremely complex piece of legislation before debating it in the House the next day. The government has now signalled its intention to move closure on this Bill after only two days of debate.

The statutory Crow rate has been important to the development of western Canada for decades. The West views it as something gained upon entry into Confederation. It is a principle which has existed for decades. The Government does not have any elected Members to speak of in western Canada, yet it brings forward a piece of legislation that will irrevocably take that principle away from the people, and it does not even have the courtesy to allow a week for study before the debate. It lays it on the Table of this Chamber on a Wednesday, provides a few copies, forces us to debate it on Thursday, and after only two days of House time, invokes closure.

It is an insult to every Member of this Chamber and to every Canadian that anything so fundamental to our history and development should be treated in such a fashion by the Government. When people are insulted, they react negatively. The are angry at those who insult them and their memories last a long, long time. The solution to the problem of unity in this country is to change the Government as rapidly as possible, get a Prime Minister who understands and is sensitive to all regions of the country and a Cabinet that is likewise sensitive, as well as a Party running things with some sensitivity to the entire nation.

If I had words of wisdom for the Government they would be these: You are starting on the same path you started on with the Constitution of Canada and you are getting off that path. When you moved closure so quickly you insulted western Canadians. If you now move the Bill into committee and in any way, shape or form impose closure on the activities of the committee through an artificial deadline or using your majority to prevent witnesses from appearing then you are proceeding on a path which will be more and more insulting to the people of western Canada and you will be resisted with increasing strength.

This is a piece of legislation fundamental to the economic health of that region and indeed to the economic health of the whole nation. It is not a piece of legislation on which the Government should impose closure or use its majority in Committee to stifle freedom of debate and testimony. The only way we are going to arrive at an acceptable solution is to value freedom of speech and freedom of testimony. We must move slowly and carefully and in a manner which will help rather than hurt this nation.

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I participate in this debate with the same aggrieved feeling that other Members have expressed since, a little after three o'clock, the Minister of Agriculture (Mr. Whelan) moved closure on a Bill on which the debate began last Thursday. I have gone through the *Hansard* and I can see that the Bill has been debated for 10 hours and 50 minutes. Regardless of

where a Member comes from in Canada or what his or her position is on the Crow, that is completely unacceptable and must be thoroughly rejected.

I may have a different view from that of some of my colleagues on the Crow because I come from eastern Canada where there is also concern about the changes. As the Hon. Member for Vegreville (Mr. Mazankowski) said, the changes do not only affect the West.

Eastern Canada benefits from grains and feed grains grown in the West. The country is tied to together. It is not wise to move against the economic plank of a country arbitrarily and unilaterally the way the Government has done.

My views may be different from those of some Members but I agree with the Minister's thoughtful remarks on Thursday morning when he started this debate. He admitted then that there were differences of opinion, as I do. I also admit that a consensus has been forming since press releases were issued on the subject. There has been change, and it is recognized that there has to be some change to the fundamental rate.

Mr. Lang: Mr. Speaker, I rise on a point of order. I do not want an inadvertent misleading of the House. Closure has not been moved; time allocation was introduced on second reading of the Bill. It will go to committee and then we will have third reading.

Mr. Nowlan: Mr. Speaker, I respect the Hon. Member but, with respect, his point of order was spurious. I have been around this House a little longer than he has. When there is an allocation of time for one more day on a Bill as fundamental as this one, he may not call it closure but the people do. The Government has a problem with its perception of what is happening in this House. The cold, sad fact is that the Government is so concentrated on the centre of Canada, basically on Quebec and Ontario, that it cannot understand the perceptions of the rest of the country. In the West and in the East and in every other part of the country that considers the Bill objectively, people are going to say that this is the club of closure and that it will cut off any more consensus and any more change.

• (1740)

I would like to ask the Minister what he would have felt like if, on one of his proposals, his Liberal caucus had invoked closure, long before Members of the Quebec caucus kicked up their heels and got him into what I consider to be rather a dubious, unholy alliance with some of the wheat Pools in Canada, to force the Minister, I believe against his better judgment, to change. It was not the Pools of the West, it was the Quebec Liberal caucus.

I ask you a rhetorical question, Mr. Speaker. Let us assume the Crow was in Quebec, with the Liberal majority coming from Quebec, do you think the Crow would be shot down in Quebec if things were reversed? This is the type of understanding I am trying to get from the Hon. Members opposite in the brief ten minutes, and now five minutes which I have left, because I have been informed, Mr. Speaker—and I bet Hon. Members opposite do not appreciate it, because I did not appreciate the full extent—that there are 125,000 permit holders, producers of grain, in the West. On the basis of the 10 hours and 50 minutes, which adds up to 650 minutes, with a little calculation, you get the grand total of one-third of a second which they have had in representations before the House before closure or allocation of time was moved.

As Shakespeare said many years ago, "A rose by any other name is a rose", and if there is a thorn on it, it is going to prick your skin and hurt you just as much as any other rose, regardless of the bloom. And this is going to hurt people in all parts of the country, Mr. Speaker. You know that. There is a fantastic arithmetical factor here. Other than the two Provinces of Ontario and Quebec, there are 21 Liberal Members from the other eight Provinces. Yet we have in the Province of Alberta 21 Members, regardless of political complexion, balanced against the 21 from the Government benches other than those from the two central Provinces. Is it any wonder that the Members are concerned about the imbalance of a unilateral move here on something that, if it were reversed, the Government would not dream of doing?

What would this Government feel like, Mr. Speaker, if after the election there were to be mammoth support for the Conservative Party—as there will be? And if the Liberal Party wants to write its epitath in perpetuity, it is doing it today in invoking closure on the Crow and not letting the debate continue. What it has done today, Mr. Speaker, is to cement division and opposition to this unilateral act which is going to come back to haunt it.

As my friend, the Hon. Member for Calgary West (Mr. Hawkes) said, we had the same division on the Constitution. That came back to haunt the Government. And we are going to have it here. What would this Government think, Mr. Speaker, after an election, of having a strong representation from the West, having the balance about the way it is, but with a Conservative majority, and some Minister, because of pressure from some provincial caucus, deciding to put a special surcharge on the St. Lawrence Seaway so that the ports of Vancouver, Prince Rupert and Churchill could benefited? Would that be in the national interest?

This is an economic manifesto for the West which has been there since 1897. It is now being done away with at a chop with closure by the ham-handed hand of the Minister of Agriculture. Let us look at one of our cultural manifestos which the majority of Members voted in this House, the Official Languages Act. Let us say that after an election, there is an imbalance of representation and Hon. Members, responding to a provincial or regional caucus, say, "Let's get rid of the Official Languages Act because it costs too much money". The Late Right Hon. Mr. Pearson said, and I believe it, that it is proper to pay for things to keep this country together. If you have that standard for the cultural manifestos in the land, why is there not some sensitivy to the economic manifestos of the land? That is what Government is running in the face of, Mr. Speaker.

With the 76 Members who come from western Canada, between Manitoba and British Columbia, and with the 650 minutes which have been allocated so far, it is a total of 8.5 minutes in which they have the opportunity to speak. For the 48 Members who come from Alberta, Manitoba and Saskatchewan, they have the grand total, if they try to exercise it collectively, of 13.5 minutes. And if you had 281 Members, with the Speaker in the chair, and the 650 minutes which we have so far been allocated, with one more day in the offing, we would have the grand total of 2.3 minutes per Member.

I echo what has been expressed on this side of the House that this is a black day. It should have been done on Friday the thirteenth because the Government would have been more exposed to odium. It is going to come back to haunt it. I do not honestly believe the Minister of Transport, (Mr. Pepin), as the Hon. Member for Vegreville (Mr. Mazankowski), said in his opening speech and repeated today, has had the capacity to heal wounds and redress the problems and to recognize that there are legitimate regional grievances. There are legitimate grievances and legitimate differences of opinion in this country. One does not redress that imbalance and one does not show equity or fairness, Mr. Speaker, by acting unilaterally.

My closing words are specifically directed to the Chair, who I know is an honoured Member from Atlantic Canada. If there is any warning I can give to anyone about the Crow and the future with Bill C-155, and my friend, the Hon. Member for Carleton-Charlotte (Mr. McCain) expressed the fears and concerns of eastern agriculture in Atlantic Canada—I say to you, Mr. Speaker, and to others across this country, that we in the East have had the sad example of the maritime freight rates, which was our Magna Carta back in the 1920s, to guarantee access to markets and to help our industry within the region. You know, Mr. Speaker, as well as I do, what has happened to that. Therefore, beware, Mr. Speaker, and I tell the Minister to beware. Let us have some sense on the Government side and let the balance be restored. Put the shoe on the other foot and see how you would like such a unilateral and negative act to take place against you such as has taken place here today.

The Acting Speaker (Mr. Corbin): Questions, comments? Debate.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, it is a little rough to have to follow my friend, the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan), but I will try to make a contribution here. It is unfortunate that the cameras are not also on the Minister this afternoon so the Canadian people can see how he is sinking in his chair with his head down, carrying the load, being made a scapegoat for the Liberal Party, and being taken in once again by the Quebec Liberal caucus.

I have had experience before, being from Winnipeg, of how the Quebec Liberal caucus operates. There was a recommendation made that an aerospace training centre be built in Winnipeg, but Members of the Quebec Liberal caucus got involved in that. They stated that it would be built in Montreal or it would not be built at all. We see them in action again today. The Crow rate change will be done their way or it will not be done at all.

I have very little respect for most Members of the Cabinet. I had some respect for this Minister, but I certainly have lost it with his action here today in going along with what the Minister of Agriculture has proposed. It is unbelievable, from the figures which the Hon. Member for Annapolis Valley-Hants gave today, that we have only had 650 minutes of debate. I do not understand it in terms of the quality of debate of the Hon. Members from Saskatchewan and Alberta, who made excellent suggestions, alternatives and recommendations. And all of this has gone down the drain. There was not a lot of negative criticism of the Crow. It was constructive criticism, and I do not understand why the Minister would not take the time to listen to it. He could learn something. The Conservative Party has unveiled a ten-point agricultural program which my hon. friend from Vegreville put out early in April. It called upon the Liberal Government to implement immediately a ten-point agricultural program to aid in economic recovery for Canadian producers. The program developed by the PC agricultural caucus would provide up to $100 million to assist producers in negotiating their existing high interest loans to levels more in line with current rates. On and on we went with our ten points.

I have a small rural area in my riding. It is called Headingley, Mr. Speaker. I received a letter from a number of farmers in that area. I would just like to read into the record their concerns about the intention of the Liberals to change the grain freight rate. The letter states:

• (1750)

> Farmers cannot afford a change because grain prices are going down, not up as they should be. The only prices that are increasing are that of gas, diesel fuel and oil.

These are all Liberal taxes which have been placed on the farmer and other Canadians through the disastrous National Energy Program. As if that were not bad enough, the Crow is being rammed through under closure. The letter continues:

> Also, taxes are increasing and the cost of insurance, machinery and hired help is up.

Of course, that is partly due to the NDP Government in Manitoba. Additional taxes, employees' taxes and others, are being imposed upon the business community in Manitoba by the NDP Government. The farmer from Headingly goes on to write:

> Why do farmers in France and Germany get $11 per bushel of wheat and pay no freight, only the cost to haul to the elevator?

Why can we not have the same arrangement here? The letter continues:

> Canadians should not have to pay freight charges because farmers own half the hopper cars. Railway companies get the land free, diesels are rented and tracks are completely depreciated. What does the Prime Minister and the Minister of Transport think they are pulling off? Our freight rates should go down, not up. If they cannot operate with the money they now receive, then give the tracks to the farmers. I am sure they can do a much better job.

I am sure they could. The letter points out:

The Hon. Jean-Luc Pepin is always talking about 17 per cent of farm income going toward freight. Does he remember that we received $.07 for oats, $.08 to $.09 for barley, and $.14 for wheat back in the Thirties? Now tractors cost an average $120,000 and combines $125,000 . . . Grain prices have not increased enough to cover the current expenses without having an additional freight rate added on.

Neither the Minister of Transport (Mr. Pepin) nor the Minister of Agriculture (Mr. Whelan) has explained how a farmer is to cope with this situation, nor have any Hon. Members on the Government side. There have been no examples of how they are to get around all these different increases. This is something which the Minister ought to have explained to the House and the farmers first before bringing in closure.

The farmer goes on to write:

We already have a lot of unnecessary expenses. Take for example gas prices. Our American neighbours are paying $.86 for a gallon. We are paying $2 for four litres. We are spending billions of dollars on metric conversion and bilingualism.

Of course, one of the promises the Liberals made to the Canadian people in the last federal election was that there would be cheap gas. There is no cheap gas. There is now very expensive gas under the National Energy Program.

I also received a letter from another farmer in the Headingly area. He points out:

As a grain producer in western Canada, I feel compelled to write you regarding the proposed changes your Government seems intent on forcing upon us regarding grain transportation.

Some of these proposals, if instituted, would lead to disastrous results for grain producers for generations to come, not to mention the negative impact on the consumers and economy in general.

Might I sum up just a few of the reasons for my concern.

(1) Farmers cannot afford the increases in freight rates your proposals would result in. Why should the farmers be offered 'subsidies' when in fact, any shortfalls in payment to the railways could be paid directly to the railways?

(2) Secondly, if we have to have subsidy payments, why on earth would they be calculated on the basis of acreage instead of volume shipped? This would not at all be a fair method of payment.

(3) As a producer of special crops as well as statutory crops, I resent the proposed unfair methods which would lead to discrimination against the different producers.

(4) Finally, I agree that improvements to our transportation system are long overdue and just maybe, if your 'honourable' transportation minister had practiced a little more 'consultation' and a little less 'confrontation', we wouldn't be in the mess we're in.

In closing I implore you to abandon your present course and heed the advice of organizations such as Manitoba Pool who I am certain have a much better understanding of the problems than do your bureaucrats.

The letter was addressed to the Prime Minister (Mr. Trudeau) and to the Minister of Transport.

I mentioned some of the alternatives that we in the Conservative Agricultural caucus made. We pointed out:

To assist young farmers, and those facing financial difficulties, as well as providing for a necessary communication link between farmers, governments and the financial community, farm finance review boards should be established to act as a financial referee and negotiator for deferrals and time extensions in meeting their repayment demands.

Another proposal was as follows:

The current excise tax rebate on farm fuels is bureaucratic and inadequate. Fuel costs are a major component in the production of food, including greenhouse operations and the manufacturing of fertilizer. The price of gasoline and diesel fuel used for agricultural purposes should be reduced by about 20 cents per gallon.

That would certainly help immensely. We went on to state:

This could be done by the complete removal of the 9 per cent federal sales tax. As well, the price of natural gas used in greenhouse operations and in the manufacture of fertilizer should be reduced.

I would like to remind the House that the Conservative Government in Saskatchewan reduced many of the taxes in that Province, which greatly assisted the farming and business communities. That is something which the Government should be considering after its promise in the last federal election that it would give Canadians cheap fuel.

Another of our proposals was as follows:

The 1983-84 Initial Grain Prices should remain at the 1982-83 crop-year level.

Another suggestion was as follows:

Legislation should be immediately introduced to double the maximum cash advance level for individual farmers from $15,000 to $30,000.

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member, but his allotted time has expired.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in the few minutes remaining I want to make a few comments with regard to the Bill which is to change the Crow rate. Ever since my grandfather immigrated to Canada and settled in the Scotsguard area of Saskatchewan at the turn of the century, one of the things which made it possible for his family to succeed as a farm unit was the fact that the Crow rate enabled them to compete with farmers throughout the world. Now we are seeing a change. My relatives from southern Saskatchewan tell me that their costs over the last five years have increased in excess of 100 per cent, yet since 1980 the price per bushel of wheat has fallen from $6 to $4.65 a bushel. Therein lies the critical component of this particular Bill. What it means is that it will be one more step toward the removal of the family farming unit in western Canada.

I have been receiving letters from people in the Peace River country of British Columbia who are concerned about the loss of their farms as the result of the increased transportation costs which they will have to bear in the year ahead as well as the demise of some of the smaller communities which have become a way of life in rural Canada. They are concerned over the lack of opportunities for young farmers to enter the farming business and also for all of those young people who look forward to employment in the processing industry and in those industries providing the necessary equipment and supplies to the farming community. Those are jobs which will be lost as the result of the legislation before us today.

I also want to mention, coming from central British Columbia where individuals are interested in processing beef via the feeder lot operation, that in a sense this will now be removed as a viable option for those people. To feed British

Columbia beef on prairie grains or grains from the Peace River country will now be an impossibility as a result of the increased costs associated with the transportation of grain. A number of the lumber producers from central British Columbia have indicated an interest in seeing this legislation introduced because they are assuming that it will perhaps result in decreased freight rates for themselves, or at least a slowing of the increase of transportation rates for forest products.

• (1800)

There is nothing in this legislation that provides those guarantees that the moneys provided by the taxpayers of Canada to the railways of Canada will result in reduced freight rates for other commodities such as forest products. Again, a number of issues are of concern to residents of British Columbia as well as of the prairie Provinces.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

RAILWAYS—CROWSNEST PASS RATE—OPPOSITION TO ANNOUNCED CHANGES. (B) DEVELOPMENT OF GRAIN TRANSPORTATION SYSTEM

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, we have before us one of the most important pieces of agricultural legislation dealt with by this House during this century. The future of Western Canada and the directions we will choose for our farmers are contained in this legislation.

Throughout the 18 months process of consultation leading up to the introduction of this legislation, the Opposition has been systematically excluded. We now find that on a piece of legislation of this importance the Government has seen fit to introduce closure after two days of second reading debate. I truly wonder about the state of our democracy and question whether the Government will be able to continue to call itself democratic in any way, shape or form. This is particularly odious, considering the lack of any support for this Government in the region of Canada most affected by this legislation. Since my right to speak as a Member of Parliament on behalf of my constituents has been so severely curtailed, I am taking this opportunity to continue the thrust of my remarks I had entered into earlier today during the debate.

I think it is important to discuss the impact that this new bureaucracy may have on the functioning of the Canadian Wheat Board. It appears that the grain transportation agency administrator and the Senior Grain Transportation Committee will assume a considerable amount of the Wheat Board's power to allocate cars. In the world of the international grain market, the ability of the selling agent to spot cars and move grain, to respond to any situation promptly and effectively, is crucial. If we undermine the Wheat Board we undermine the system, and I really question the need or desirability of such action.

I suppose the Minister will consider what I have had to say, and perhaps my words will be tossed into his garbage can like the words of the so-called reactionaries. But I say to the Minister and to other Members that we are dealing with an industry that is often operating on a marginal base. If the Government pushes this proposal through and it is implemented, is the Minister sure of the impact it will have on Western Canada and throughout Canada?

The Minister has made much of certain selected statements from various farm leaders and western politicians. He did an excellent job of taking general statements out of context and implying that the speaker supported the specific plan being proposed. Let me refer the Minister to comments made in the Saskatchewan legislature by the Deputy Premier of Saskatchewan on May 13 who described the present package as completely and absolutely unacceptable. I want to tell the Minister that I, too, have had some correspondence with westerners, including farmers and producers. Not one letter has supported a change. Let me give the House an idea of what is being said in the correspondence I have received.

A farmer writes from Saskatoon:

> I am a small farmer farming near Saskatoon, and we lost money on our operation in 1982. I am saying this so you will realize why I want the Crow rate left alone. Farmers just can't afford a change that will cost more money.

From Langham:

> The Crow is our right. Let's hang on to it. We cannot afford more expenses. What good is all the labour and toil if we have no crop, or as it seems now, can't keep up our payments?

From Saskatoon:

> I would like to urge you, as a Member of Parliament, to oppose very strongly Mr. Pepin's plan to change the Crow rate.
>
> It is a very complicated system. A way of coming in the backdoor and putting far too great a burden on the farmers.

From Laird:

> As a farmer and Permit Book Holder in Western Canada, I am against the removal of the Crow's nest Freight Agreement.

From Perdue, Saskatchewan:

> I attended the farm rally in Saskatoon to greet Pepin last week. If he fails to acknowledge that farmers in this area are opposed to increased rates, then he is attempting to ignore the true situation. The gathering organized by the NFU attracted non-union farmers also, and quite a few farmers, like myself, nearing retirement age and some retired. It is a critical issue.

From Delisle:

> The railways still need incentive to move our grain efficiently. So it looks like they have to be paid.
>
> Taking all of that money out of the producers' pockets is just not fair though. If we pay the total cost of transporting grain our profits will be cut in half . . . and that's too much to pay, for anyone.

I have letters from Kinley, Hepburn, Harris, Hague and dozens of other communities. One letter states:

Western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade.

I believe this is the farmer's fair contribution to the Canadian economy.

Many of these letters have come from young farmers who have been fighting tooth and nail to establish themselves in the agricultural industry. They have faced a dramatic increase in the price of land in the last ten years, coupled with overwhelming increases in the cost of machinery. The extra increase in freight charges could make it impossible for new people, even as part of a family transfer, to enter the business.

• (1805)

What this Bill is about is consolidation of the means of production, about fewer elevator points, fewer branchlines, high costs for farmers, and yes, maybe efficiency. But what is there in it for most Saskatchewan farmers? There is absolutely nothing. Any increase in efficiency, if that occurs, will be at their expense. And that is what is so unsatisfactory. This proposal ignores the contribution of rural society to our social fabric.

Mr. Justice Emmett Hall has been a fierce advocate of the western farmer. The Hall Commission on grain handling and transportation came to the conclusion that the principle of statutory rates should stay. It reads, in part:

Regardless of what rate may be set for the transport of grain to export position, that rate must be statutory, not variable. Anything else would be a violation of promises made to the producers of western Canada.

The promises to western Canadians are about to be broken. I speak very much against the use of closure on such an important issue at this time by this Government and it will rue the day it tries to use a heavy-handed, oppressive and non-democratic approach with respect to an issue so important to all of Canada.

Some Hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Minister of Transport): I have just a few words, Mr. Speaker. For somebody whose freedom has been muzzled, the Hon. Member has had a good day. Three times today he has taken part in the debate.

Mr. Hnatyshyn: I have only just begun.

Mr. Pepin: I wish him greater freedom elsewhere if he thinks he can find it.

On the urgency of the debate I put on record a number of quotations the other day and I will not repeat them. My hon. friend says I took them out of context. I wish he had demonstrated that instead of just saying it. And this afternoon again from a great number of Members on the opposite side of the House, from Medicine Hat, from Lisgar and what not the thought was repeatedly expressed that something had to be done. The Hon. Member for Crowfoot (Mr. Malone) invented a new approach. There is a hurry if the Government is going to do what he wants the Government to do, and there is no hurry if the Government is not going to do what he wants it to do.

Mr. Hargrave: That is if you do the right thing.

Mr. Pepin: That is an interesting concept and thought. From that point of view no Government could act in the country at all because usually there is a nice distribution of opinion on all sides.

When speaking in the west during the last two years I have repeatedly said that I would hate to see the face of the Minister of Transport four or five years from now—whoever he or she may be, hopefully it will be a she—when confronted with the problems that will be before us then if we do not move now. We will have lost sales. We will not have increased our production, our exports, our fabrication, our transformation and what not, and losses in the billions of dollars—$2.5 billion, $3 billion—in the early years of the next decade will occur. It is really with that thought in my mind for the last three years that I have worked. Unfortunately, I have not been able to accommodate everyone. Even the Hon. Member for Medicine Hat (Mr. Hargrave) and the Hon. Member for Crowfoot will agree that their side is divided very, very greatly on this matter.

Mr. Hargrave: You just brought us all together.

Mr. Pepin: I hope at the end of this exercise people will agree to compromise. Nobody will get 100 per cent of what he thinks should be done. Maybe everybody will get 60 per cent.

CANADIAN NATIONAL RAILWAYS—MANUFACTURE OF ROLLING STOCK. (B) NOVA SCOTIA STEEL PLANTS

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, on March 10 in the absence of the Minister of Transport (Mr. Pepin) I raised a question with the then Minister of State for Economic Development concerning the situation at the Hawker Siddeley plant in Trenton, Nova Scotia. I raised the question with that Minister because he has an important jurisdiction over the creation of jobs.

This particular industry, while it is reliant to a great extent on railway rolling stock, also produces other components of benefit to heavy industry, including transport and shipping. However, what concerned me at the time was that at a point in the economic cycle of our country where jobs are badly needed, we appear to have a precedent being created by Canadian National Railways getting into the manufacture of new rolling stock. I think this is a very undesirable situation, particularly when there are very capable industries in the private sector that can do this more cheaply and efficiently. It sets a continuing precedent as well for other Crown corporations, for example, Air Canada being more active in refurbishing jet engines, or CN Marine getting further involved in ship design. Inevitably this will lead to higher cost and less efficiency.

• (1810)

I am not one of those who believe in selling key Crown corporations on an indiscriminate basis just to get rid of them, but I believe they should be pruned and their activities restricted to their original purpose. They should not be allowed to

become conglomerates to compete with the private sector, a sector which has to compete under many different rules and under a much more realistic set of circumstances.

It is pretty clear that the Minister of Transport has made up his mind at this point not to honour any requests by Dr. LeClair, the chief executive officer for CN, for funds to repair railway rolling stock. But he has no compunction in approving the construction of new coal cars at the Transcona works, regardless of their cost. The Minister may choose to elaborate on this. I hope he does, but he certainly did nothing to disprove those conditions when he replied to my question today.

I suggest to the Minister with due deference that this is absolutely irresponsible of the Government. It is irresponsible because it makes a lot of sense, on whatever basis one considers it, to repair existing railway rolling stock. There is a perfectly good facility for doing that, and it would create employment in the process at Transcona and also in Moncton. However, it does not make sense, for the reasons I have just indicated, for the railway to become involved in the construction of new railway rolling stock, because it will be done at an excessive cost by a Crown corporation, when there are other industries, and not just in my constituency, that badly need the work.

Returning to the Hawker Siddeley works, which is a key industry in the entire Province, many people are asking me why we are spending hundreds of millions of dollars on make-work projects of little value—some of them at least—when with some imagination the moneys paid out in UIC benefits to the workforce at Trenton, if applied to the cost of production, would contribute substantially to providing the company with a competitive edge in the manufacture of railway rolling stock for export at which they are very assiduous. There was some evidence of that in the House today.

For the Minister's information, we have approximately 2,000 people who require nearly $200 per week in social benefits of one kind or another to keep themselves and their families. This results from the lack of work in this key industry. A quick calculation shows that that is about $400,000 per week. For that kind of money, these people and the company would have a substantial head start in producing railway axles, rolling stock, modern marine fittings or something useful, rather than having the plant sitting idle with the work force sitting at home demoralized. Everybody would benefit, including the Government.

I do not understand why more concern and more aid is not being shown or given. I know the Government is faced with hard, unpleasant economic decisions, but at the same time there has to be a certain amount of equity between regions and between constituencies. A $120 million yearly loss is apparently acceptable in the manufacture of heavy water in the eastern part of our Province, but there does not seem to be any plans to manufacture railway rolling stock in anticipation of what the Government assures us will be an increased need for such equipment.

I can relate this to the issue before the House today. We have been told at various times that there would be benefits for Sysco and Hawker Siddeley because of the changed Crow rate, at this would create an increased need for rails and railway cars in the West. So far we have seen no tangible results. That is typical. I have not heard any optimistic forecast about the need for much heavy water lately, but the work force is being maintained in that regard. I have no complaint about that, as long as there is an equal concern shown for my constituency.

The Central Nova area has not been the beneficiary of the investment activity which has characterized the Halifax-Dartmouth metro area. Nor has it received the magnitude of economic assistance that has been allocated to Cape Breton. It is important to our country, as well as to individual Provinces, that all regions be allowed to develop and receive fairness in the allotment of Government resources and the establishment of priorities for development. Now is a good and proper time for the Government to demonstrate that sort of concern, and to expedite, in co-operation with management, appropriate orders for this vital industry. This industry needs to have more diversification, and needs some encouragement to prepare for any role it can play vis-à-vis offshore development.

• (1815)

What do we hear? Not long ago the Deputy Prime Minister (Mr. MacEachen) suggested a possible steel fabrication plant in his adjacent constituency to provide 1,000 jobs. That is absolutely and patently ridiculous when there is a plant here sitting practically deserted that is quite capable of doing any kind of steel fabrication of heavy industry components. What we need, and I suggest this to Minister very emphatically, is less political fabrication in the was of some of these grandiose programs—make-work projects as their announced goal with very little lasting benefit—a little bit less manoeuvring and a little more concern for investing Government funds in existing industries that can produce useful equipment.

If the Minister has the kind of imagination and concern I think he has, he will look into this. He will make sure that any of the work that Hawker Siddeley gets because of its very expert and hard-working marketing development team in other parts of the world will not in any way be used against it keeping it from getting its fair share of domestic orders.

At the same time, I urge the Minister to make very sure that the Export Development Corporation steps forward to finance a possible order the company is in a very good position to receive from Nigeria. I remind him that this Government did exactly that to finance a grandiose statue for the socialist revolution in Algeria. In this case, this is a much more realistic priority.

Hon. Jean-Luc Pepin (Minister of Transport): Mr. Speaker, I confirmed this afternoon there would be no special money from the budget for repair of rolling stock. One of the reasons is a philosophy which says you should not repair too much in anticipation, not knowing what you are going to use later on. That is something that happens very often. Another reason might be that already there is a need for the purchase of hopper cars and coal cars. The Hon. Member knows as well as

I what the situation is. On the one hand we have the conventional manufacturers, Hawker Siddeley at Trenton, Marine Industries at Sorel, and National Steel Car at Hamilton. The philosophy is that normally rail cars are built by these conventional manufacturers.

I wish to give the Hon. Member a bit of information. For a number of reasons, it is believed that CN Transcona in Winnipeg should have a number of cars to build. The Hon. Member knows CN has been bidding for 970 cars, partly for the B.C. arm system.

Contrary to the impression given, the Transcona plant is not new in this field. It has already built all types of cars; gondola, flatcars, woodchip cars and so on. Contrary to what is often said, it does not require new facilities. Just as important, they will have 400 workers this summer whom they would like to see busy. CN has a moral obligation to try and provide work for its own people and to save the country $1.25 million in unemployment insurance at the same time. Therefore, that is some justification.

As I said at noon, within a few days I will be announcing the decision of Cabinet. As usual, nobody will be pleased because all Parties—Liberal, Conservative, NDP—have Members either in Hamilton, Winnipeg or Trenton. It will have to be Solomon's judgment as usual, or the announcer will be shot.

On the subject of Nigeria, I was not informed of the details. I will get information and advise the Hon. Member.

• (1820)

AGRICULTURE—COMPULSORY GRADING OF BEEF CARCASSES FOR EXPORT. (B) REQUEST THAT MINISTER REVIEW SITUATION

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my participation in the Adjournment Debate relates to a question I raised on March 7, as reported at page 23505 of *Hansard*, about beef carcass grading and the evident compulsory requirement to use Agriculture Canada's red ribbon brand.

Lakeside Packers, a packing plant in Brooks in southern Alberta, had been advised that they would be required to use Agriculture Canada's red ribbon brand on the best quality grade of carcass they were exporting to the United States. The problem was that the customer was objecting because of the fact that the American colour brand for their best grade of carcass is blue. The Americans objected and Lakeside Packers approached me because it was their understanding that while this difference in colour could have been a problem, it had not traditionally been compulsory to brand their carcasses in red, and they were worried that it would be made compulsory. They objected to that and contacted me. I raised the matter in a question to the Minister of Agriculture (Mr. Whelan). I am glad to see the Minister's Parliamentary Secretary ready to respond today.

It is my understanding, and I hope the Parliamentary Secretary will confirm this, that Agriculture Canada has now backed off on the requirement for red ribbon branding on carcasses that will be exported, provided the ultimate customer in the United States requests that no ribbon branding be used. It is also my understanding that the Government has backed off on the requirement for carcasses crossing interprovincial boundaries in Canada to be ribbon branded. If that is so, I hope the Parliamentary Secretary will confirm it. If that is the case, and I assume it is, I very much appreciate the fact that this situation has been corrected. I am sure the people from Lakeside Packers in Brooks, Alberta, who raised the issue also appreciate it.

I would like to comment briefly on another matter relating to beef carcass grading, the ribbing of carcasses in packing plants. Traditionally, carcasses were always ribbed at one location between two specific ribs. Recently there has been a move afoot to change the location of the ribbing by one rib. The industry as a whole was in reasonable agreement that this should be done. It is my understanding that this change has been agreed to by the industry, that it has been Gazetted and the time necessary to allow for complaints has now passed. Yet the change has still not been ordered by Agriculture Canada. I wonder what the hold-up is there. The Canadian Cattlemen's Association is still receiving queries from some of the people involved, especially in the Canadian Cattlemen's Association grading committee which deals with the subject. I believe the change would be worth-while and would make the carcass ribbing site correspond to the carcass ribbing site in the United States and in most other countries that we export to. It is a matter of convenience. I hope the Parliamentary Secretary can comment on that.

Two other items on grading deal with what I would call an unofficial beef grade, one known as A-1X. There is no such official grade, but A-1X traditionally means a very lean carcass from a Holstein steer or heifer. It is not an official grade and there is no move afoot in the form of a recommendation that such a grade be made official. I raise it only for the information of the Parliamentary Secretary. I am not advocating the introduction of an A-1X grade.

More recently there has been another unofficial grade, one that has been called an A-0 grade. This would be given to a very lean carcass from the beef breeds, not from the Holstein breeds. Again I would say that there has been no official representation from the beef grading committee of the Canadian Cattlemen's Association that would call for it to be made official. There is a slight difference with respect to the A-1X unofficial grade in that that committee did agree to study it. If the committee is studying it, it has not finished. I mention both these grades only to give the Parliamentary Secretary an opportunity to respond.

• (1825)

Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, under the Canada Agriculture Products Standards Act interprovincial and export shipments of ungraded commodities are prohibited unless the regulations under the Act state otherwise. The beef grading regulations under this Act have been designed to give some flexibility to the marketing of carcasses to ensure that markets, both domestic and export, can be readily served. The proposal to amend these regulations has been published in the *Canada*

Gazette Part I with March 9 as the deadline for comments. The point raised by the Hon. Member is one in respect of which comments have been received and consultation has taken place with interested segments of the beef industry.

[*Translation*]

The Hon. Member mentioned one major exporter of beef carcasses, but there are many others. Exports must be both facilitated and controlled, to ensure that our trading partners always receive the quality product they expect. The Minister of Agriculture (Mr. Whelan) has always been concerned about developing exports, and he will do everything in his power to ensure that this particular export sector is protected and monitored by means of the relevant regulations.

Mr. Speaker, the question concerns the amount of control and regulatory action to be applied. The colour of the ink used to identify quality carcasses is another factor.

In accordance with the proposed regulation, the five main sections of carcasses for export will be marked with a brown, one-inch square stamp. Furthermore, the entire side of Grade A carcasses will be marked with a roller, in red. These are the usual procedures applying to all Grade A carcasses. The proposed regulation provides for exceptions to this type of grading in very specific cases, namely, for the export market.

I believe the regulation be flexible enough to allow both for effective quality control of the product and for some leeway when shipping carcasses to domestic and foreign markets. As for the situation with the United States to which the Hon. Member was referring, what we have here is a difference in colour coding: they identify their superior quality products with blue ink, while we do with red. Of course, U.S. dealers who pay high prices for imported products do not want to see a red stamp, since to them, it is an indication of a lesser quality product. Consequently, the exemptions provided under the regulation would apply to red roller marking, while there would still be the five stamps to indicate quality control.

Mr. Speaker, I am convinced that once it is adopted, this regulation will provide the beef sector with one of the best grading systems in the world and allow us to continue the kind of trade relations in the North American beef sector that we have had for many years.

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

At 6.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, May 17, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1983-84 (NO. 2)

MEASURE TO ESTABLISH

The House resumed from Tuesday, May 10, 1983, consideration of the motion of Mr. Cosgrove that Bill C-151, an Act to provide supplementary borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, you will recall that on the last day this motion was before the House, I was in the midst of my speech opposing the Government's coming back to the House with a borrowing Bill for $14.7 billion. I indicated that we were standing in the House of Commons a mere six weeks after the last time with a $16 billion borrowing Bill, whereas in actual fact all the Government required was $5 billion. The Government said that it would spend $26 billion. It already has $16 billion, so it only needs $10 billion. Since we know that the Government has $5 billion cash in the till, we should therefore be debating a borrowing Bill of $5 billion. Instead the Government has come to the House for $14.7 billion. That is intolerable and unacceptable and we will certainly not put up with it.

I rise today on another matter which is hanging over our heads. Later today we will discuss a closure motion on the Crow debate, Bill C-155. The West is in flames because once again it has been attacked by a Liberal Party with no Members or representation from the West. The Government has dared to bring in a Bill and after a mere two days of second reading—

The Acting Speaker (Mr. Corbin): Order, please. I know this is a matter of difficult interpretation for the Chair because of the wide scope of the motion now before the House. Nevertheless, I invite the Hon. Member to relate his remarks to that motion.

Mr. Thacker: Mr. Speaker, I certainly will. In fact it is all tied together with the $14.7 billion borrowing Bill.

After the 1980 election the Liberals had lost all their 27 Members from western Canada. When the Prime Minister (Mr. Trudeau) first came into office, he had 27 western Members, including four from my Province of Alberta. They have lost them all, not because there is anything wrong with the people in the West, not because there is anything wrong with the Constitution, but because of deliberate Liberal Government policies which have split the country down the middle.

The borrowing Bill is one way to do this, but it goes beyond that. The National Energy Program was an attack on the West in particular but also an attack on all Canadians. It was put through the House by closure. Then we had the Constitution which was clearly a specific attack on the Provinces because it turned most of them into secondary and tertiary Provinces with no power to protect themselves. That Bill was put through by closure. Then we had Canagrex or a Bill which created a state trading corporation in violation of all our private industry corporations. All of this relates back to the borrowing Bill.

The Government can only get away with such things by the use of closure on the actual Bills and by borrowing billions of dollars from people. This must stop and on this Crow business we are determined that it will stop, because it is an attack on the livestock industry, on secondary processors and in fact on grain producers themselves. They will have to pay a lot more money at a time when the price of grain has gone from $6 per bushel down to $4.63. Their costs have risen almost 200 per cent, yet the price of grain has dropped by 50 per cent. It is an attack. The Government will not put it through by a two-day closure debate; the Progressive Conservative Party simply will not stand for it. It is intolerable. It is unacceptable. We will not accept taxation without representation.

Therefore, pursuant to Standing Order 29, I move:

That this House do now adjourn.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Corbin): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Corbin): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Corbin): In my opinion the yeas have it.

And more than five Members having risen:

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

[*And the division bells having been rung.*]

• (1800)

Madam Speaker: It is now almost 6 p.m. and before leaving the chair, I wish to assert its prerogative and make a brief statement. This morning, early in the day's proceedings, the Hon. Member for Lethbridge-Foothills (Mr. Thacker) moved a motion for the adjournment of the House. A division was called, but the Whips have not indicated in the usual manner that the House is ready to vote. It is therefore my view that, in the circumstances which presently face us, the provisions of Standing Order 8(1) must supersede the adjournment motion moved earlier. I am sustained in this view by the citation on page 295 of the nineteenth edition. of Erskine May's Parliamentary Practice which states:

> Dilatory motions, i.e. motions for the adjournment of the House or of the debate or that the chairman do report progress, or do leave the Chair, pending at the moment of interruption, lapse without question put.

Our Standing Orders make no reference to this particular situation and the House has provided no solutions to this particular procedural problem. In the present circumstances, I believe it is in the interest of the House that I should take an initiative.

As far as the Chair is concerned, the dilatory motion moved this morning sought a decision of the House as to whether or not it should adjourn. The issue was as simple as that. As the House had not seen fit to vote on this motion by 6 p.m., I have decided that Standing Order 8(1) must come into force. The normal procedures of the House, including the right to move dilatory motions, are not thereby affected and will continue to be available to Hon. Members. The convention whereby the Whips indicate when the House is ready to vote is also not affected.

The motion has therefore lapsed and in terms of Standing Order 8(1) the House stands adjourned until tomorrow at 2 p.m.

At 6.02 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, May 18, 1983

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

HUMAN RIGHTS

SYRIA—DENIAL OF EMIGRATION RIGHTS TO JEWISH CITIZENS

Mr. Roland de Corneille (Parliamentary Secretary to Minister of Veterans Affairs): Madam Speaker, approximately 4,500 Jews live in Syria. Syria is the only Arab country which, since 1948, has never officially permitted its Jewish citizens to leave. Alone among Arab countries, the Syrian Government continues to hold its Jewish community hostage.

The dashing of all hopes for legal emigration, combined with the deteriorating situation in Syria, has prompted Syrian Jews to turn in desperation to illegal avenues of escape. These illegal attempts to escape have led to arrests, harsh interrogation and long imprisonment of those caught by the authorities or suspected of aiding others to leave. Syria certainly would be especially opposed to the emigration of its Jews to Israel.

Even if they could get out, we must ask the awful question, as in the days before the Holocaust, "Where then could such refugees go?" I suggest that this is a subject of humanitarian and urgent concern to which Canada should direct its attention. There are various things we can look to our Government to do in addition to its present efforts. We should intensify our monitoring and surveillance of the situation. We should try to remind Syria of its obligations under the United Nations Charter of Human Rights to allow freedom of emigration. We should let Syria know that we are ready to open our doors in a special way to receive Syrian Jews in Canada, and we should encourage the many Canadian sponsors who are ready and willing to receive and support them to come forth.

* * *

PENITENTIARIES

EDMONTON INSTITUTION—SECURITY STAFF GRIEVANCES

Mr. Peter Elzinga (Pembina): Madam Speaker, it has been well in excess of one year that I have been continuously bringing to the attention of the Solicitor General (Mr. Kaplan) concerns relating to the Edmonton maximum security institution and the security aspects of that institution. Those concerns were started initially with the escape of Harvey Andre from the Edmonton maximum institution.

My specific concerns relate not only to the prison guards but also to the individuals who live around the institution. The prison guards have consistently asked for an audience with the Solicitor General so that they might relate directly to him their concerns in order that both the security of the prison guards and of the residents will be secured, concerns such as the inadequacy of the electric fence package in place in the maximum institution at Edmonton which cost in excess of $1 million, the lack of arms being granted to those posted at hazardous posts within the institution, and the overcrowding of a number of the bunking facilities whereby two inmates are now housed where there should only be one.

The new duty schedules have not only caused a loss of family time, but have broken up traditional squads that have worked together. Unfortunately these pleas have fallen on deaf ears when they are communicated to the Solicitor General's Department in Ottawa. Local management has been very—

Madam Speaker: Order, please.

* * *

HUMAN RIGHTS

CHILE—PLIGHT OF POLITICAL DETAINEES

Mr. Bob Ogle (Saskatoon East): Madam Speaker, last week in Santiago, Chile, and in many other Chilean cities there were mass arrests of people who have been held without trial. Although some of them have been released, Amnesty International still says there are hundreds who are being held under a special provision of the Pinochet Constitution of 1981 which says that for 20 days they may be detained without charge. During this period of time Amnesty is afraid that there will be torture, as has taken place in that country before.

At this time I call upon the Government of Canada to use every possible method that it can to bring pressure on the Chilean Government to give out a complete list of the detainees to make sure that those who are being held will come before competent courts or be released immediately, and that they all be treated humanely while they are in prison. I also ask the Cabinet to reconsider a decision made by the National Energy Board to send 440,000 barrels of oil to Chile. I ask that that sale be seriously looked at again and stopped until the human rights situation in Chile improves.

S.O. 21

[*Translation*]

HEALTH

USE OF HEROIN MEDICINALLY

Mr. Marcel Roy (Laval): Madam Speaker, during my three years as Chairman of the Committee on Health, Welfare and Social Affairs, I have received a number of representations, and I would like to draw the attention of my hon. colleagues to a situation in our hospitals, where thousands of chronically ill patients and especially cancer patients, could be helped by alleviating their pain through the controlled administration of heroin. I would like to ask the Minister of National Health and Welfare (Miss Bégin) to consider the medical use of heroin for a trial period and as part of a specific policy within specialized hospitals, as it is now being used in about thirty countries, including Great Britain. It is a pain killer that has been proved to be effective, the standards for its use could be determined by the authorities of the Department of National Health and Welfare and its use could be recommended within a relatively short time, particularly since this practice already exists in some thirty countries.

* * *

• (1410)

[*English*]

FISHERIES

ALLOCATION OF SPECIAL RECOVERY PROJECT FUNDS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I want for a moment to protest the cynical manner in which the Government is playing political games with capital funds allocated under the budget and the recovery program. The budget provided for a special fund of $2.4 billion, and the Department of Fisheries and Oceans received $140 million of it. However, it now appears that the Cabinet has instructed that almost all of that money be spent in constituencies represented by Liberals and Liberals alone. In the case of Nova Scotia this means that fishermen who live in ridings such as the one I have the honour to represent are being discriminated against by public taxpayers' dollars even though their needs are the most acute.

On the behalf of those people, I ask the Government why it refuses to allocate a single dollar of that special fund for desperately needed wharves, breakwaters, and other harbour facilities, in Dartmouth-Halifax East, when a $52 million office building in the Minister's riding of Halifax has been announced? Why did the Government allocate to a region which has only 6 per cent of all fishermen in Canada and also provides only 6 per cent of the fish catch, $96.4 million of that $140 million? I think that the answer is obvious to the people of Canada. The way the Government is playing with people's lives and trying to buy support with public money in a feeble attempt to save its own political life makes a mockery of democracy.

THE FRANCHISE

ABSENTEE BALLOTING

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, through you I wish to call to the attention of the House a rather unfair provision in the Canada Elections Act that disenfranchises tens of thousands of Canadians. It is my hope that the Government, through the Minister responsible, the President of the Privy Council (Mr. Pinard), will call this matter to the attention of the Chief Electoral Officer who would be requested to put in his forthcoming report to Parliament a proposal to provide an absentee balloting process in place of the proxy system that is currently contained in the Elections Act.

The proxy procedure disenfranchises patients in acute care hospitals, loggers, people living outside Canada, miners and fishermen, and in fact it can be demonstrated quite successfully, I think, that the disenfranchisement of many Canadians at election time has in fact altered the outcome a number of elections.

It is noted that the Constitution provides every Canadian the opportunity to vote, and the present provisions of the Elections Act do in fact take that opportunity away from a number of Canadians on a discriminatory basis. It is my hope that the Government, through the responsible Minister, will make this point known to the Chief Electoral Officer so that he will in fact report to us on a proposal for an absentee balloting system in the forthcoming amendments to the Elections Act.

* * *

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE LEADERSHIP CANDIDATE'S STATEMENT ON MEDICARE

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, we all smile at the degree of political license taken from time to time by our Conservative colleagues who are in pursuit of the Tory leadership. However, on occasion their utterings exceed well-intentioned enthusiasm and are more properly characterized as distorted attempts to rewrite history. When this happens we must set the record straight.

Such was the case last weekend when, according to Monday's *Toronto Star*, my good friend and former colleague from Toronto city politics, the Hon. Member for Rosedale (Mr. Crombie), described the Progressive Conservatives as a Party of social justice that brought social programs like medicare to Canadians, and he referred to medicare as the finest program this country has ever seen.

While we on this side of the House welcome the compliment paid to medicare, Madam Speaker, we cannot let the suggestion that the Tories brought Canadians medicare go unchallenged. The facts are that the Medical Care Act was passed in

1966 under the leadership of the Right Hon. Lester B. Pearson, and the Bill was actually moved by the current Deputy Prime Minister (Mr. MacEachen). The only opposition in the House to that Bill came from Tory and Social Credit Members. The medicare program has been strengthened during the tenure of the current Prime Minister (Mr. Trudeau), and the Tories did not do anything during their sojourn in office. These are the facts, Madam Speaker, and Tory leadership candidates should be advised that their high flights of fantasy will not go unnoticed and unchallenged.

• (1415)

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

RESIGNATION OF PRESIDENT

Hon. Sinclair Stevens (York-Peel): Madam Speaker, in the absence of the Prime Minister perhaps I could put my question to the Minister of National Revenue who, I understand, reports to the House with respect to Canadair. In view of the rather sad saga that continues with respect to Canadair, would the Minister indicate what he can tell the House about the resignation of Mr. Kearns, what severance arrangements have been made concerning Mr. Kearns, and who his replacement will be as chief executive officer of Canadair?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, as far as Mr. Kearns' resignation is concerned, I have no comments. I feel that any comments would be up to Mr. Kearns himself. As far as the conditions regarding his early retirement are concerned, I have no details. I shall, in fact, be informed of these conditions at an information session tomorrow. Regarding his replacement, as soon as that information is available, I shall be pleased to give it to the House and to the Hon. Member.

[*English*]

INDEBTEDNESS OF CORPORATION

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I see the Prime Minister has come into the House so I shall put my supplementary question to him. The Minister of National Revenue has attempted to answer three questions, but the Prime Minister has an over view with respect to Canadair.

In view of the October, 1982, Cabinet document that set out in detail some of the problems that Canadair was living with, including the fact that its indebtedness might reach $2.3 billion, would the Prime Minister indicate to the House why the then president of Canadair, Mr. Kearns, was allowed to come before a Committee of the House in November and not make full disclosure of the plight of Canadair? In particular, why was he allowed to make estimates that have turned out to be quite wrong concerning the break-even point for Canadair, the number of sales for Canadair, and the true magnitude of the calamity regarding that company?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I did not, of course, attend that Committee meeting. I am convinced that Members had complete and total freedom to ask Mr. Kearns' views on a number of things. It appears that some of his views leaned to the optimistic side. I think he would have to answer for his answers. The Government certainly did not give him any instructions to answer the questions of Committee Members with anything but the truth as he saw it.

REASON FOR LOSSES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I have a supplementary question for the Prime Minister. Since he has been alerted to the problems of Canadair, he undoubtedly knows that the public and the House have not been furnished with an annual report of Canadair for 16 months. Would the Prime Minister indicate to the House what is the problem? Is it true that the auditors were hesitant about signing an unqualified certificate with regard to the statements?

Second, can he explain to the House why, when an American company, Gulfstream, was able to make $86 million selling a product competitive with that of Canadair, Canadair had to run up millions of dollars in losses in 1982?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am sure the Hon. Member can speculate upon the latter part of his question as well as I can. Most of the aircraft companies in the industrialized world have been losing money at this time. It is possible that the one noted by the Hon. Member has made money. So much the better. If we had been able to make money we would have preferred that, but I do not think the Hon. Member can express astonishment that there has been a serious curtailment of purchases by the market of the type of aircraft that Canadair was producing.

• (1420)

CERTIFICATION OF CORPORATION'S PROFIT

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the Prime Minister as well. The Prime Minister perhaps knows that P. J. Aird, Senior Vice-President of Finance for Canadair, certified to the Finance Committee on November 16 that Canadair had a profit after taxes of $1,435,000. Can he advise this House why it is going to be necessary, probably later today, to receive Supplementary Estimates "A" indicating an advance to Canadair in excess of a $1 billion, if that certification by Mr. Aird was an honest certification? If it was not an honest certification, why is Mr. Aird still employed by Canadair?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I must repeat my answer to the earlier question, that I was not in attendance at that Committee and I do not know

the details of the submissions by the various witnesses. As to the question of the officers who are chosen by the directors to administer Canadair, we have an example of the directors changing one officer. I am sure they would be made acquainted with the suggestion of the Hon. Member regarding other officers.

FINANCIAL FIGURES PRESENTED BY OFFICIALS

Mr. Don Blenkarn (Mississauga South): The Prime Minister will know what Thorne Riddell, the accountants for Canadair, certified in the year ending December 31, 1981, that the company made a profit of over $3 million after taxes. This statement, which misled the Government, misled the House of Commons and its committees, was used as the basis to borrow or certify loans for $1,350,000,000, and an advance last year of $200 million to the company. Why was the House of Commons misled by these officers of the company and by the firm of Thorne Riddell, and what action does the Government propose to take against the auditors for misrepresentation, or against the directors for misrepresentation? After all, we are going to be asked to bail out this company to the extent of well over $1 billion because of these misrepresentations.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would not concede that there was an attempt to misrepresent the facts or to mislead the Members, to use the Hon. Member's words. I am sure that the presentation made then by the Vice-President of Finance, and the certification of the state of their balance sheet, was made by honourable and respectable people. As I answered the Hon. Member's colleagues, it may have been there was a bit more optimism about the prospects of future sales than proved to be justified. That is one of the reasons why we have made the very important decision to transfer over-all review for the operations of Canadair, de Havilland, and other Crown corporations, into the control of the CDIC where there will be much greater attention paid to the business aspects of these corporations.

* * *

NUCLEAR ARMAMENTS

DEPLOYMENT OF SOVIET MISSILES IN EUROPE

Hon. Edward Broadbent (Oshawa): Madam Speaker, my questions are directed to the Prime Minister and concern his meeting with Mr. Gorbachev of the Soviet Union. Yesterday, before a joint House-Senate Committee, Mr. Gorbachev failed to answer questions put to him concerning the destabilizing action taken by the Soviet Union in deploying SS-20 missiles in Europe. Would the Prime Minister tell the House if he raised this important matter in his meeting with Mr. Gorbachev and, if so, what answer did he get?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not believe you would permit me, within the rules, to comment on the proceedings before a parliamentary commitee. That is not provided for by the rules. However, I can state that I discussed armament questions very sensibly with Mr. Gorbachev, and I am prepared to answer questions to the best of my knowledge if they are asked by the Leader of the New Democratic Party.

Mr. Broadbent: Madam Speaker, I assume the Prime Minister simply did not hear the first part of the question. I was not asking him to comment on proceedings which went on before the joint committee. I was asking him explicitly about his conversation with Mr. Gorbachev. I will repeat that question by adding it to my second question.

PRIME MINISTER'S TALKS WITH SOVIET OFFICIAL

Hon. Edward Broadbent (Oshawa): Did the Prime Minister raise with Mr. Gorbachev the destabilizing action taken by the Soviet Union in deploying SS-20 missiles sometime ago in Europe? If so, what answer did he get?

• (1425)

Did he also raise with Mr. Gorbachev the possibility of fusing discussions about tactical and strategic weapons at the Geneva talks, considering that our former Ambassador, Mr. Ignatieff, among others, has said that for serious steps to be taken toward nuclear disarmament the talks have to cover both strategic and tactical weapons?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, on the first question the answer is an emphatic yes, I did raise with Mr. Gorbachev the question of the reason why they introduced the SS-20s. I assume he gave me the same answer as he gave the Committee.

An Hon. Member: There was no answer.

Mr. Trudeau: I understand there was no answer. Well, Madam Speaker, I would not want to interpret Mr. Gorbachev's thinking on this, but in essence the answer he gave me was that they did not consider that the SS-20s were an escalation compared to the SS-4s and SS-5s. That has been an answer that the Soviets have been giving for some time. I must add it is not an answer that most European leaders I have talked to find satisfying.

What I also raised with Mr. Gorbachev is the fact that even in the Kvitsinsky-Nitze walk-in-the-woods suggestion for a compromise, the Cruise missile, which is of such concern to the Hon. Member and his Party, was not considered as dangerous or as destabilizing a weapon as the Pershing IIs. As a matter of fact, Madam Speaker, I asked Mr. Gorbachev if it was not true that the Cruise missiles were something that they were not as concerned about as the Pershing IIs, and the fact that in the draft agreement which came out of the walk-in-the-woods there was a recognition, at least tentative and in draft form, by the Soviet negotiator that the Cruise could be deployed but not the Pershing II, and was that not an indication they were not as concerned with the Cruise missile as perhaps the Hon. Member and his Party are.

Mr. Broadbent: Madam Speaker, I just want to say to the Prime Minister that we in this Party, and I think most Canadians, are concerned about the deployment of all kinds of nuclear weapons. We do not make that kind of distinction.

Some Hon. Members: Hear, hear!

HARASSMENT OF PEACE GROUP IN SOVIET UNION

Hon. Edward Broadbent (Oshawa): Madam Speaker, in taking time to answer that question the Prime Minister did not reply to my second question. I hope he will come back to that.

My third question concerns the right of groups anywhere in the world to act freely in mobilizing public opinion even if it means going against their Government on the important issue of nuclear disarmament. There is, as the Prime Minsiter knows, an important group of this kind in the Soviet Union, a Moscow based group, which has been attempting to establish mutual relationships between the people of the Soviet Union and the United States. My question concerns the harassment this group has been sujbected to by the Government of the Soviet Union.

Did the Prime Minister raise that important question with Mr. Gorbachev when he spoke with him, and specifically did he make an appeal concerning Mr. Batovrin and Professor Medvekov who have been incarcerated in the Soviet Union, to see if they could be freed in order to pursue, independently of their Government, the issue of nuclear disarmament?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker, I regret I did not.

* * *

EMPLOYMENT

THREAT TO JOBS FROM NEW TECHNOLOGY

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Employment and Immigration. Last week the Minister, in a speech to the Canadian Advanced Technology Association, expressed his fears over the possibility or prospect of violence as a result of workers being displaced by high technology, or as a result of jobs being made redundant by the new high technology. He went on to state that there would be violence unless Governments and employers took steps now.

• (1430)

Now that the Minister has identified the problem, a problem which we all foresee and which has been highlighted by others, what leadership is he providing on behalf of the Government of Canada to bring employers and other levels of Government together to try to avert what could in fact be our summer of discontent?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in terms of the Hon. Member's initial statement, I was not projecting any mass sense of disturbance. I am saying that there can be a potential of some real job disruption unless there is real co-operation and partnership between major parts of the economy. If the Hon. Member is asking for a demonstration of that, I would point out to him that just yesterday I signed a contract with a high technology consortium in Ontario to establish a new training institute to help retrain workers in high technology development under the Skills Growth Fund of the National Training Act. The National Training Act has given us the basis for starting those kinds of acts of partnership and co-operation that we are discussing. What we need now is more acts of co-operation on the part of the Opposition.

Mr. McGrath: I will tell the Minister that the Opposition is ready to co-operate if the Government will show us some leadership or some indication of leadership in an area in which, according to consensus, there is cause for real concern.

YOUTH UNEMPLOYMENT—GOVERNMENT POSITION

Hon. James A. McGrath (St. John's East): Can the Minister of Employment and Immigration tell the House what the Government proposes to do about the prospects of long-term youth unemployment? I can refer the Minister to studies which were released last week. I can refer him to studies commissioned by the Government in which fear was expressed that young people without the prospects of jobs will turn to drugs and alcohol, and, subsequently, violence, unless something is done. One sociologist said, "Essentially, we are talking about a new lost generation. Collectively, we may see political riots and disturbances from a group which feels left out." The rate of unemploment amongst our young people is 21.5 per cent, with no prospects. They are the left out group.

May I ask the Minister what is the Government doing? Are there any studies by his Department or by his colleague, the Minister of National Health and Welfare, to provide some answers to what we see as being very dangerous signals of a potential social problem of great proportions?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, unlike the Hon. Member, we are not just concerned about undertaking studies. We are concerned about undertaking action. As he is well aware, in the last budget we introduced a number of new initiatives to deal specifically with the problem of young people coming on to the job market.

Under the new Access Program we will work, again in close co-operation with the private sector, to develop a job experience training program so that young people may obtain first-time jobs. I am now meeting with different business groups across the country, labour groups, to discuss how that program, which is scheduled for implementation in September, can be brought forward with the maximum amount of participation by the private sector so that we can bring tens of thousands of young people into that first time job experience. That is only one example of a number of initiatives we have

undertaken to provide for both training and on the job experience for young people, to meet what we all agree will be a very serious issue.

* * *

AUTOMOTIVE INDUSTRY

TASK FORCE RECOMMENDATIONS

Mr. Otto Jelinek (Halton): Madam Speaker, I am very happy to see that the Soviet delegation is here in Ottawa. Maybe they will learn something. They are watching democracy in action.

Some Hon. Members: Hear, hear!

Mr. Trudeau: Ring the bells.

Madam Speaker: The Hon. Member has been recognized to ask a question.

Mr. Baker (Nepean-Carleton): That's just his preamble.

Mr. Jelinek: My question, Madam Speaker, is directed to the Minister of Industry, Trade and Commerce. As the Minister knows, the task force report on the auto industry will be presented to him tomorrow morning. The recommendations in the report are basically the same ones which I have been making in the House for some two years now, namely, providing incentives for offshore importers to invest in Canada and, second, to establish, perhaps by way of legislation, Canadian content regulations for any auto maker importing over 3,000 units per year into our country.

In short, the report generally recommends that the Canada-U.S. Auto Pact be expanded—

Madam Speaker: Order. How many times must I tell the Hon. Member that he has been recognized only to ask a question? If he does not proceed to ask his question right now, without the slightest preamble, without one word which is not a question, I will recognize another Hon. Member.

Some Hon. Members: Hear, hear!

Mr. Jelinek: Some democracy!

Mr. Blais: Give him a chance. He hasn't been in the House for three weeks.

Mr. Jelinek: I should say, "Democracy in action". But I will say that my question to the Minister is simply this: because the Government has systematically rejected our recommendations, I am now wondering whether we can take it for granted that the Minister will reject the recommendations by the task force, or whether he will change his mind and take action which will be beneficial to keeping and creating jobs in Canada in this very important sector of our industry.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, first with respect to the Hon. Member's preamble, if he wanted to see democracy in action, he and his colleagues should have been here yesterday when we were prepared for a full day's debate.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Come to Saskatoon, to my riding, and say that.

Mr. Lumley: The leaders are alive over there, Madam Speaker.

Second, I have not yet seen the recommendations from the automotive task force. I look forward to seeing those recommendations in the task force report on which they worked many dedicated hours. I look forward to their report tomorrow.

EXPIRATION OF CANADA-JAPAN AGREEMENT

Mr. Otto Jelinek (Halton): Madam Speaker, since the Minister has—Madam Speaker, you are standing up before I have even said anything.

Some Hon. Members: Oh, oh!

Mr. Jelinek: Yesterday was closure, like in the Soviet Union.

Some Hon. Members: Oh, oh!

Mr. Jelinek: In view of the Minister's answer which, of course, comes as no surprise, and because the agreement with Japan on voluntary restraints of auto exports expires very shortly, in fact, at the end of June of this year, I want to ask the Minister what action he and his Government will take now—that means immediately—to support the auto industry in Canada and try to keep the jobs in that industry or possibly to create new jobs in that very important sector of our economy. What action will the Government take now?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, my colleague, the Minister of State for International Trade, who is responsible for the negotiations with the Japanese Government regarding quotas, will undoubtedly be very successful in his usual manner. However, I want to remind the Hon. Member and his colleagues that if it was not for my predecessor, the former Minister of Industry, Trade and Commerce, and the action that he convinced the Government to take with respect to the Chrysler Corporation, Chrysler Canada, would not be as successful as it is today, protecting 11,000 jobs right across the country.

[*Translation*]

HEALTH

USE OF HEROIN MEDICINALLY

Mr. Marcel Roy (Laval): Madam Speaker, my question is directed to the Hon. Minister for National Health and Welfare and concerns the controlled medical use of heroin as a pain killer, in order to relieve the pain of thousands of chronically ill patients, particularly in cancer cases, and I see that the former Chairman of the Committee of Health, Welfare and Social Affairs, the Hon. Member for Hull (Mr. Isabelle), seems to agree. When I was responsible for chairing the Committee on Health, Welfare and Social Affairs, I received many representations—

Madam Speaker: Order! These details are certainly most interesting, but they are not appropriate in a question.

Mr. Roy: Yes, Madam Speaker. I received representations and that is the purpose of my question for the Minister of National Health and Welfare. I would like to ask the Minister whether she intends to consider, within a reasonable length of time, the controlled medical use of heroin, and if so, what are the standards and the general criteria that exist now or would have to be established in order to approve the use of this drug in Canada in specific cases, as is recommended in thirty countries, including Great Britain.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, Canadian doctors have not had a long experience in the use of heroin as a pain killer. The approach I announced, and which I can confirm, consists in clinical trials, in palliative care units for terminal patients across the country, lasting between twelve and eighteen months and to be carried out according to the same scientific protocol which we are now drafting. I have also asked a committee of experts to prepare a monograph setting out the advantages and drawbacks of all painkillers, which will be printed for the benefit of physicians. As for use on a more general scale, I am not in a position to discuss this at the present time.

• (1440)

[*English*]

ROLE OF COMMITTEE

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I want to join with many Canadians in congratulating the Minister of National Health and Welfare for taking the initiatives she has with respect to this experiment.

Some Hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): If there is approval by the Chairman of the Committee on Health and Welfare I would join him in that approval. As a matter of fact I have a Private Members' Bill asking that that initiative be taken.

What was intended by the Minister of National Health and Welfare in her statement on this subject on May 16 when she said, "Committee members are currently reviewing data on the various aspects of the issue and have invited all interested parties to submit briefs"? I presume that is to the Committee. Is it the intention of the Government thereafter to allow the standing Committee of this House to look at this situation from the point of view of the briefs that have been submitted and the reports that will have been made at that time so that the House, and this Committee in particular, can be used as a forum for many other Canadians such as medical practitioners and others who may not be parties but are interested?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the Hon. Member can correct me if I am wrong, but I recall that he requested a similar reference to the standing Committee a long time ago. I must say that I did not consider it at this point and I think that the question has a definite very emotional dimension which will not help clarify the debate and we must all form a consensus on that.

If it is acceptable to everyone, I prefer to set up a committee of experts which will receive expert briefs on the various painkillers and find out what is known mainly to Canadians through the scientific literature of other countries on heroin, in order to prepare a monograph for practical use by physicians.

In other words, we took the pragmatic approach. For the time being I think that approach, complemented by the clinical trial results, will help all of us. At a later stage we may reconsider that suggestion which the Hon. Member just made.

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RAILWAYS

OFFERS TO BUY UNITED STATES RAILROADS

Mr. Les Benjamin (Regina West): Madam Speaker, my questions are directed to the Minister of Transport. The Department of Justice in the United States has recommended that the highest bid of $120 million from Canadian Pacific to buy 770 miles of the Rock Island and Pacific Railway between Minneapolis and Kansas City be approved by the Interstate Commerce Commission.

As well, Canadian National is offering $250 million to buy up 3,100 miles of the bankrupt Milwaukee Road railway lines in the United States.

Could the Minister explain to the House how CN and CP can afford the capital to buy up U.S. railways at a time when they say that grain producers and taxpayers should pay to fix up tracks in Canada because the railways here cannot afford to do it?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, Canada is a neighbour of the United States and the United States is a neighbour of Canada.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Broadbent: That is a real revelation.

Mr. Pepin: I thought I would have to start at the beginning. There is a tremendous amount of trade between the two. That is the second point. Consequently, it is occasionally judged to be to the advantage of Canada to buy and operate railways in the United States, and CN's interest in the Milwaukee railway follows that premise. It has not been bought yet and, when it is, my hon. friend will hear about it.

Mr. Benjamin: This is a great way to bail out the Reagan administration which has guaranteed the debts of those bankrupt railroads.

SHIPMENT OF CANADIAN GRAIN TO UNITED STATES PORTS

Mr. Les Benjamin (Regina West): Madam Speaker, would the Minister tell us why he would allow the two railways to go into this kind of expansion in the United States when they say they cannot afford to upgrade in Canada? This expansion will allow Canadian railroads to ship grain and other commodities to U.S. ports and other destinations more cheaply than they can to Canadian ports over Canadian railway lines, and will jeopardize 35,000 jobs in this country. Will he allow the railroads to give priority to investment in the United States over investment in our country?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, if my hon. friend looks at the record of profits that CN has made from the Grand Trunk, for example, he will be quite impressed. Those have been added to the revenues of CN and have contributed to the generally good financial position of CN.

This situation has existed in the past, and Canada has been very active in the field of railway transportation. The United States has been slower in deregulating. Canada has used its know-how in order to operate a number of lines profitably in the United States. This has been beneficial for trade between Canada and the United States. I do not know why my hon. friend would resent Canadian Crown corporations doing well in the United States.

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EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—NEWSPAPER REPORT OF PRIME MINISTER'S STATEMENTS

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is directed to the Prime Minister. At present Canada and the United States are trying to resolve diplomatically some very vexing problems such as the Garrison Dam, the Clean Air Act, East Coast fishing rights, and mineral rights within our 200-mile commercial zone, just to name a few.

Does the Prime Minister think it is helpful for him to take a cheap shot at the President of the United States by saying, when speaking of peace demonstrators:

> They are demonstrating against what they see as the policy of an American President who has, rightly or wrongly, been perceived as warlike or so hostile against the Soviet Union that he can't be trusted. Unfortunately, President Reagan and some around him have given some justification for those fears.

Could the Prime Minister tell us what he hopes to accomplish by these remarks?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I really cannot agree with the Hon. Member's suggestion that this was a cheap shot. Surely the posture of the United States in the negotiating process is a very important one to Canadians. The reason we are supporting that general approach of NATO is that we are bound by a two-track agreement. One of those two tracks is that our side negotiate very seriously toward disarmament by the United States, in the same way that we expect the Soviet Union to negotiate very seriously.

If the Hon. Member does not accept my explanation for the fact that there has been an increase in protests by the peace movements in Canada in the past couple of years because they are concerned about some of the statements made by the United States administration, I think he will have to find some other explanation.

I do know that there are some 5,000 nuclear missiles which have been deployed in Germany for quite some time. This did not lead to the kind of peace demonstrations that we have been seeing in Germany, Canada, and the United States in the past couple of years. I think it is not unreasonable to suggest, as I suggested to the Americans when I visited them a couple of weeks ago, that their statements about the Soviets being an evil power, and so on, are not conducive to fair and unpassionate negotiations.

I must add that I made the same remark to Secretary Gorbachev when I met him today, that some of the statements by Pravda or some of the Soviet leaders about the Americans are very excessive and not conducive to peaceful negotiations between both sides.

Some Hon. Members: Hear, hear!

Mr. McKinnon: A cheap shot is one that the recipient is unable, unwilling or unlikely to respond to.

PRIME MINISTER'S VIEWS OF U.S. PRESIDENT

Hon. Allan B. McKinnon (Victoria): Madam Speaker, the Prime Minister's recent behaviour concerning nuclear disarmament has veered all over the place. His answers to questions in the House and elsewhere, as in his letter to editors, have been very supportive of the two-track policy and testing the Cruise.

• (1450)

Three weeks ago at the White House he said:

I've been encouraged by the steps that you've taken Mr. President, in the past months when you proposed an interim solution different from the zero option, and when you proposed a series of confidence-building measures.

How can he equate that remark with his interview remarks in *The Toronto Star* that people are justified in believing the President is so warlike and hostile that he cannot be trusted?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as to the Hon. Member's definition of a cheap shot being one that the other party is not able to respond to, I repeat what I just said to the Hon. Member and to the House, that I made these remarks in the United States and that if they cared to answer them they could. As a matter of fact, they have answered them. As a matter of fact, in the last months and more we have not seen that type of statement from the United States. That is why, when I was talking in the United Stated in the past couple of weeks, I indicated that I thought their current approach, notably their departure from the zero option to some intermediate stage, was a step in the right direction. But that does not explain why, over the past two years, there has been an increase in the peace movements in the various countries which I mentioned.

I repeat, I gave an explanation which I think the Hon. Member would hear from most peace movement leaders if he cared to talk to them. That is much of their motivation. They do not think that the United States people are warlike, but they are concerned that the leaders down there have made some statements which are not conducive to fruitful negotiations. I repeat, I made the same remark in discussions today to the Soviet leader who is visiting Canada.

PRIME MINISTER'S VIEWS OF SOVIET LEADERS

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, cutting through the words of those answers, the fact remains that the Prime Minister has elaborated for the benefit of *The Toronto Star* on his distrust of President Reagan's policies and his doubt about the President's competency to deal with the Soviets. Would he give us now his candid opinions about Mr. Andropov and the trustworthiness of the Soviets in international relations? When he is doing that, and assuming that he uses similar language, would he explain how this trustworthiness has been demonstrated in Afghanistan and Poland, in the events leading up to the invasion of one country and the enormous Soviet pressure placed upon the other?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not think the question of the Hon. Member is one which I can be expected to justify. I am not an advocate. I do not carry a brief either for the United States or for the Soviet Union. If either side makes mistakes, I think it is the right and perhaps even the duty of the Canadian Government to point out those mistakes as seen from our point of view.

If the Hon. Member has to make a case against the Soviet Union, or if other Members have a case to make against the United States, they should make it on their own feet without asking me to defend or to attack it.

Some Hon. Members: Hear, hear!

Mr. Nielsen: I was asking the Prime Minister to give us, as Prime Minister, the benefit of his candid opinions. Since he has been so free in expressing those opinions about President Reagan, we expected him to express them similarly about the Soviets.

RUSSIAN SPHERES OF INFLUENCE

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, in one more area, may I ask the Prime Minister whether he feels that the Soviets are more to be trusted in international negotiations than is the United States? With respect to his remarks about spheres of influence, which I believe was the phrase he used in *The Toronto Star* interview, that the Soviets wish to defend, and apparently the Prime Minister feels Americans ought to recognize, does he include recognition, as far as Canada's support of those policies are concerned, of those spheres of influence including Afghanistan, Poland, the Middle East and Central America, as among the spheres of influence that should be left to the Soviets?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as regards the first part of the question, I would merely say that the interview which the Hon. Member may have read in *The Toronto Star* gives a series of statements that appear completely disjoined. I think the reader may have been misled by the fact that none of the questions is asked. *The Star* chose to reproduce my answers without even indicating that many of those answers were interspaced with convoluted and complicated questions. That may explain part of the impressions the Hon. Member has gained.

In so far as the second part of his question regarding spheres of influence is concerned, I think it is the duty of a country like Canada, which is not a great power and which has certain values it intends to see upheld in the world, to try to approach the actions of either great power in an even-handed way.

I was in the United States when President Reagan made his speech about Central America, which he described as his front yard. I guess that puts the Yukon in the back yard, but that is another matter. He described Central America as the front yard of the United States. I publicly supported that approach. I think the United States does have strategic interests, notably in that part of the hemisphere, that the Soviet Union should recognize and respect. But I say "even-handed" because I think the converse is true. If one can say that about the United States, which is a great power and has areas of strategic interest, I think one has to recognize the same thing about the Soviet Union, that it also has spheres of strategic interest.

Mr. Epp: In Afghanistan?

Mr. Trudeau: In Central America?

Mr. Epp: In Afghanistan?

Mr. Trudeau: The Hon. Member asks about Afghanistan. I am as distressed about what happened in Afghanistan as I am distressed about some things that have happened in Central America.

An Hon. Member: What about Poland?

Mr. Trudeau: We are not a great power. We have this luxury. If Hon. Members want to support the United States in defining Central America as a sphere of influence for them, or at least an area of strategic interest, they have to do the same thing about the Soviet Union which is also a great power.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SOVIET PARLIAMENTARY DELEGATION

Madam Speaker: I have the honour of drawing the attention of the House to the distinguished presence in our gallery of a delegation of Soviet parliamentarians, headed by Mr. Mikhail S. Gorbachev, a member of the Politburo of the Central Committee of the Communist Party and Secretary of the Central Committee of the Communist Party.

Some Hon. Members: Hear, hear!

* * *

[*English*]

EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—NEWSPAPER REPORT OF PRIME MINISTER'S STATEMENTS

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, it may well be that *The Toronto Star* article was put together in a disjoined fashion, and it may well be that the Prime Minister may be correct on the misrepresentation of his answers as a result, but does he not believe that the assertion or suggestion that President Reagan's more warlike stance justifies those dealing with his administration in coming to the conclusion that it is deserving of a lack of trust and not in keeping with the kind of even-handed approach he encourages us to believe the Canadian Government should be taking with respect to both these powers? If he uses the expressions, on the one hand, with respect to the Reagan administration, I am wondering whether he would be so rash as to use the same kind of statements with respect to the Soviets.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I can only say that if the Hon. Member and his Party are of the view that there have not been some excessive statements coming from the United States administration—

Mr. Nielsen: Warlike.

Mr. Trudeau: Yes, Madam Speaker, including the demonstration explosion of a Soviet machine, perhaps over the North Sea—

An Hon. Member: A Soviet machine?

● (1500)

Mr. Trudeau: A Soviet nuclear engine. If they do not think that there have been some excessive statements by some people in authority in the United States that the United States could win a nuclear war, I would say their Party is, as usual, vastly out of sync, not only with every European leader I happen to know, but also with most of the Canadian people.

* * *

NATIONAL PAROLE BOARD

ILLEGAL GATING PROCEDURE

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Solicitor General. Yesterday the Supreme Court ruled 9-0 from the bench that the National Parole Board's practice of arbitrarily gating certain prisoners released on mandatory supervision is totally illegal. In light of this expected decision, what action does the Minister intend to take in this House to provide a firm, carefully drafted legislative foundation for gating which, while recognizing the very great difficulty in predicting violence, would set out very clearly defined criteria, and provide for full judicial review on the merits?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, the Hon. Member characterizes the decision as one which must have been very easy for the Supreme Court of Canada to reach. I simply remind him that there were conflicting decisions of courts of appeal and of the Federal Court of this country. It was on that basis that the Supreme Court of Canada agreed to hear the case.

As to taking legislative steps to establish gating as a valid power of the National Parole Board, the Hon. Member should look to see what is happening in the other place where, some time ago, I took Bill S-32 which now contains provisions which validate and provide a legislative framework for gating, including along with it procedural safeguards that, in the opinions I have, fully comply with requirements of the Canadian Charter of Rights and Freedoms.

REQUEST FOR LEGISLATION

Mr. Svend J. Robinson (Burnaby): Madam Speaker, it took the Supreme Court about ten minutes to arrive at that decision.

Instead of trying to amend the legislation before the Senate, which has been unanimously condemned by witnesses and may even be rejected by the Senate Committee, will the Minister bring forward a Bill in this House containing the essential elements of precise criteria and full judicial review on the

merits, and will the Minister at the same time assure the House that those few potentially violent prisoners denied mandatory supervision will receive extensive rehabilitation so that there will not be an even greater risk to the community after they are simply warehoused for a longer period of time?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I do not know how they can receive extensive rehabilitation if they have been freed. They are in the community under mandatory supervision. That is the point. So far as introducing additional legislation in the House is concerned legislation has been introduced in Parliament which I consider satisfactory. It has the support of this Government. I hope that the Senate will deal quickly with it and send it to this Chamber where, in the Committee, the Hon. Member can make his points about it. If he has some improvements to suggest that provide greater safeguards of the right of the individual, and also adequate protection for the public, I am sure that the members of the Committee will be pleased to hear them.

* * *

[*Translation*]

PETITION

MR. KORCHINSKI—NUCLEAR ARMS RACE

Madam Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Mackenzie (Mr. Korchinski) on Monday, May 16, 1983, meets the requirements of the Standing Orders as to form.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Pinard: Madam Speaker, I would like to designate Friday of this week as an Opposition day.

* * *

POINT OF ORDER

MR. BENJAMIN—INADEQUATE SUPPLY OF COPIES OF BILL C-155

Mr. Les Benjamin (Regina West): Madam Speaker, I rise on a point of order regarding Bill C-155. I was informed last week that, as a Member of Parliament, I could only have ten copies of the Bill. A few minutes before Question Period, I was told I could not have any more. I already have over 50 requests. I would like you, Madam Speaker, to look into this matter and ensure that all Hon. Members can get an adequate supply of copies of Bills. Also, would your Honour send immediately to Sandra Hill in Swift Current, Saskatchewan a copy of the Bill, because I do not have any more?

Madam Speaker: I will certainly look into the matter and see what I can do to accommodate the Hon. Member.

ROUTINE PROCEEDINGS

[*English*]

SUPPLEMENTARY ESTIMATES (A), 1983-84

A message from His Excellency the Governor General transmitting supplementary estimates (A) with regard to sums required for the public service of Canada for the financial year ending March 31, 1984 and, pursuant to the provisions of the British North America Act, 1867, recommending those estimates to the House of Commons, was presented by Hon. Herb Gray (President of Treasury Board) and read by Madam Speaker to the House.

REFERENCE TO STANDING COMMITTEES

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, pursuant to the provisions of Standing Order 63, I move:

That the Supplementary Estimates (A), 1983-84, tabled this day, be referred to the several standing committees of the House as follows:

I would like to have the list appended to my motion; it is rather long. I have distributed it to my colleagues on the other side. I would ask that the list be printed in *Hansard* as if it had been read.

Madam Speaker: The House has heard the suggestion of the President of the Privy Council (Mr. Pinard). Is that agreed?

Some Hon. Members: Agreed.

[*Editor's Note: List referred to above is as follows:*]

To the Standing Committee on Agriculture:

Agriculture, Votes 1a, 5a, 10a, 15a, L16a and 20a

To the Standing Committee on Communications and Culture:

Communications Votes 5a and 20a Secretary of State Vote 25a

To the Standing Committee on External Affairs and National Defence:

External Affairs Votes L36a and L37a

National Defence Vote 5a

To the Standing Committee on Finance, Trade and Economic Affairs:

Industry, Trade and Commerce Vote 10a

To the Standing Committee on Fisheries and Forestry:

Environment Votes 10a, 15a and 25a

Fisheries and Oceans Votes 5a and 10a

To the Standing Committee on Health, Welfare and Social Affairs:

Social Development Votes 2a and 3a

To the Standing Committee on Indian Affairs and Northern Development:

Indian Affairs and Northern Development Votes 5a, 10a, 15a and 25a

To the Standing Committee on Labour, Manpower and Immigration:

Employment and Immigration Votes 5a, 10a and 15a

To the Standing Committee on Miscellaneous Estimates:

Science and Technology Vote 10a Treasury Board Vote 10a

To the Standing Committee on National Resources and Public Works:

Public Works Votes 15a, 20a, 30a, 35a, 50a, 55a, 56a, 57a and 70a

To the Standing Committee on Regional Development:

Regional Economic Expansion Votes 10a and 30a

To the Standing Committee on Transport:

Transport Votes 5a, 15a, 31a, 32a, 35a, 36a, 50a, 55a, 65a and 80a

Order Paper Questions

PETITION

MR. TAYLOR—REQUEST FOR PASSAGE OF BILL C-671

Mr. Gordon Taylor (Bow River): Madam Speaker, I am herewith presenting a petition signed by another 461 Canadian citizens asking for the consideration of Bill C-671 and the passing of same in order that Clifford Robert Olson may secure his just due and be executed. When we did have capital punishment in this country, there was provision made for exceptions by a court order not to execute a person. Now that we do not have capital punishment in Canada, there should also be provision made for the execution of persons who have deliberately planned and murdered a number of people, as in the case of Clifford Robert Olson.

* * *

UNEMPLOYMENT INSURANCE ACT, 1971 (NO. 3)

MEASURE TO AMEND

Hon. Lloyd Axworthy (Minister of Employment and Immigration) moved for leave to introduce Bill C-156, an Act to amend the Unemployment Insurance Act, 1971 (No. 3).

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

* * *

CANADIAN SECURITY INTELLIGENCE SERVICE ACT

MEASURE TO ESTABLISH

Hon. Bob Kaplan (Solicitor General of Canada) moved for leave to introduce Bill C-157, an Act to establish the Canadian Security Intelligence Service, to enact an Act respecting enforcement in relation to certain security and related offences and to amend certain Acts in consequence thereof or in relation thereto.

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

* * *

• (1510)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,715, 4,740, 4,766, 4771 and 4,784.

[*Text*]

MR. KENNETH GARNER

Question No. 4,715—**Mrs. Cossitt:**

1. Did Mr. Kenneth Garner of Vancouver, British Columbia try to question the Prime Minister at the University of British Columbia on December 2, 1982 and was he prevented from doing so by plainclothesmen who evicted him from the building?

2. (a) Did the RCMP visit Mr. Garner at his home on January 21, 1983 (b) did they advise him at that time that, if he tried to question the Prime Minister again, he would be arrested for creating a disturbance and, if so, what were all the reasons for the RCMP taking such action?

3. Did the Solicitor General advise the RCMP officers to take such action and, if not, what were the names and job designations of all those persons who did advise them?

4. Is it the policy of the Solicitor General to prevent Canadians from exercising their right to freedom of speech and, if so, what are all the reasons for this policy?

Hon. Bob Kaplan (Solicitor General of Canada): In so far as the Royal Canadian Mounted Police is concerned:

1. On December 2, 1982, Mr. Kenneth Garner of Vancouver, British Columbia shouted an obscene rhetorical question at the Prime Minister. Mr. Garner was subsequently removed from the building by members of the Security Detail and University staff.

2. (a) Yes, (b) no. Mr. Garner was advised that his actions on December 2, 1982 may have constituted an offence under the Criminal Code, specifically causing a disturbance by swearing in a public place. It was clearly explained to him that it was his democratic right to question the Prime Minister; however, he would not be permitted to break the law in doing so.

3. No. At the direction of Sgt. B. Ross the NCO i/c Vancouver VIP Security Section, Corporals Hall and Beyeler visited Mr. Garner to determine whether he was a physical threat to the Prime Minister.

4. No.

DND BOOKLET ON DEFENCE ESTIMATES

Question No. 4,740—**Mr. Stewart:**

1. Did the Department of National Defence produce a green covered booklet entitled "Minister's Statement, Defence Estimates, 1983/84, House of Commons Standing Committee on External Affairs and National Defence"?

2. Did the Minister deliver the statement to the Committtee on (a) March 15, 1983, as dated on page 4 of the booklet (b) any other date and, if not, for what reason, if any, was the booklet produced?

3. How many (a) English (b) French copies of the booklet were printed and to whom are the booklets to be distributed?

4. What was the total cost of the booklet, including (a) production (b) printing (c) distribution?

Hon. J. Gilles Lamontagne (Minister of National Defence): 1. Yes.

2. (a) No. (b) The booklet was signed on March 15, 1983 to permit distribution on March 16 to members of the Standing Committee on External Affairs and National Defence for review prior to formal presentation by the Minister on March 17. The booklet was produced in response to public interest in

and desire for information on Canadian defence policy. It provides a concise but thorough review of Canada's current defence policy.

3. (a) 16,000, (b) 8,000. The distribution covers Members of Parliament, Senators, the Standing Committee on External Affairs and National Defence, parliamentary correspondents, the Canadian news media, libraries, Canadian government departments and agencies, Foreign Service Attachés, Canadian Forces units and Attachés and interested members of the Public.

4. Costs are as follows:

(a)	and	(b) Printing and Production	$17,747
		(c) Distribution	1,280*
			$19,027

* Part (c) above includes the mailing cost to date.

FARM AUDITS IN 1983

Question No. 4,766—**Mr. Greenaway:**

1. To March 31, 1983, by Province, how many audits of farmers were initiated by the Department of National Revenue in 1983?

2. To March 31, 1983, by Province, how much money in back taxes has been assessed against farmers by the Department in 1983?

3. To March 31, 1983, by Province, how many extra personnel have been hired by the Department to aid in the auditing of farms in 1983 and in 1982?

Hon. Pierre Bussières (Minister of National Revenue): 1 and 2. The data are not available for the period ending March 31, 1983. The table below shows the data for the 11 months ending February 28, 1983.

	1. Number of Audits	2. Estimated Additional Tax	3. Estimated person years
Newfoundland	13	$ 25,127	.2
Prince Edward Island	91	369,322	1.9
Nova Scotia	257	842,690	4.1
New Brunswick	465	465,111	3.3
Québec	838	4,110,251	26.3
Ontario	2,326	6,544,855	49.0
Manitoba	922	2,382,168	18.1
Saskatchewan	2,271	5,047,932	37.3
Alberta	1,648	5,791,523	45.1
British Columbia	524	1,828,213	8.5
All Canada	9,355	$ 27,407,192	193.8

3. No additional employees were hired for these audits specifically since the same employees do audits of small business and professional income. The table shows the estimated consumption of person years.

CROWN CORPORATIONS BIDDING ON GOVERNMENT CONTRACTS

Question No. 4,771—**Mr. Herbert:**

Is it Government policy to invite Crown corporations and agencies to submit tenders on contracts in competition with the private sector and, if so (a) does the Government insist on or suggest guidelines for such Crown corporation tenders that relate to the calculation and inclusion of overhead costs and profit margins (b) does the Government require that any profits or losses from the execution of contracts by Crown corporations be compiled for public scrutiny?

Hon. J.-J. Blais (Minister of Supply and Services): Government policy permits Crown corporations and agencies to submit bids on contracts in competition with the private sector whenever such Crown corporations have established themselves as competing with private industry in the normal course of business. (a) No. (b) No.

X-RAY MACHINE FOR FREDERICTON AIRPORT

Question No. 4,784—**Mr. Howie:**

1. Was an order placed for an X-Ray machine to examine carry-on baggage of passengers for the Fredericton, New Brunswick airport and, if so, on what date was the order first placed?

2. On what date is it planned to instal such a machine and what is the reason for any significant delay?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): 1. Yes, the order was first placed on April 1, 1981.

2. The machine provided in response to the April 1, 1981 order was received at Fredericton in June, 1982, but could not be brought into service because of damage which occurred in transit. On February 17, 1983 another X-Ray machine was installed. This machine is awaiting inspection by the Radiation Protection Branch, Health and Welfare Canada, to ensure that it meets the requirements of Health and Welfare Canada Safety Code 21 before it is brought into service.

[*English*]

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

[*Translation*]

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

[*English*]

Mr. Taylor: Madam Speaker, several times now I have asked the Hon. Member when we might expect an answer to question No. 2,329. Every time I have mentioned this, the Hon. Member has said that he would be very happy to look into it. He is looking very sad today. Could he please look into the matter and table the answers so that he will look a little happier?

Mr. Smith: Madam Speaker, I would be absolutely delighted to look into that matter of behalf of the Hon. Member for Bow River.

* * *

MOTIONS FOR PAPERS

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

Allotted Days

[*Translation*]

Madam Speaker: Shall the notices of motions stand?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Madam Speaker: Shall all items listed under Private Members' Notices of Motions preceding item No. 74 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

ALLOTTED DAYS

PROCEDURE RESPECTING DESIGNATION

Mr. Doug Lewis (Simcoe North) moved:

That, in the opinion of this House, the observance of the proprieties of the House, the maintenance of its authority and the management of its business, require that once an allotted day has been designated by the Government House Leader, and the House has entered upon the notice period preceding the allotted day, the designated allotted day must be proceeded with.

He said: Mr. Speaker, I have had discussions with the Parliamentary Secretary to the President of the Privy Council (Mr. Smith) and also with the House Leader for the New Democratic Party (Mr. Deans). In view of the fact that there were certain other items which occupied us over the last few hours, I believe that it would be in order for me to move:

That the House do now proceed to order No. 62 standing in the name of the Hon. Member for Cumberland-Colchester.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, we are prepared to support that motion. We want to make it clear that we were ready to debate this motion today, but we are always happy to accommodate the Opposition Leader and are prepared to go along with his request.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would certainly not want to break up this love affair.

The Acting Speaker (Mr. Corbin): The Chair asks the Hon. Member for Simcoe North to repeat his motion.

Mr. Lewis: Mr. Speaker, I do have it in writing. I move:

That the House do now proceed to Order No. 62 standing in the name of the Hon. Member for Cumberland-Colchester.

The Acting Speaker (Mr. Corbin): The House has heard the motion put by the Hon. Member for Simcoe North, seconded by the Hon. Member for Perth (Mr. Jarvis). Is the motion adopted? The Hon. Member for Vaudreuil (Mr. Herbert) on a point of order.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, it would help if we knew what we were voting on. I understood it to be Notice of Motion No. 62, which I read as being a motion in the name of the Hon. Member for Gatineau (Mr. Cousineau).

Mr. Smith: I believe it was No. 262.

Mr. Lewis: I am sorry, No. 262.

The Acting Speaker (Mr. Corbin): That would be Public Bill No. 62 relating to Bill C-262. The House has heard the motion put by the Hon. Member for Simcoe North. Is it agreed?

Some Hon. Members: Agreed.

Motion (Mr. Lewis) agreed to.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CANADA ELECTIONS ACT

AMENDMENT TO PROHIBIT PUBLICATION OF OPINION POLLS

Mr. Robert C. Coates (Cumberland-Colchester) moved that Bill C-262, an Act to amend the Canada Elections Act (publication of the result of opinion polls), be read the second time and referred to the Standing Committee on Privileges and Elections.

The Acting Speaker (Mr. Corbin): Is it the pleasure of the House to adopt the said motion?

Mr. Herb Breau (Gloucester): Mr. Speaker, I have examined this Bill very carefully. It is a very important issue, and I know that the Hon. Member who has had experience in the administration of his Party has had occasion to be concerned by the effects that the publication of public opinion polls can have on elections. I am very well aware of his interest in that regard.

I am not so sure that the way to proceed with this nature is by way of legislation at this time. The form by which the Hon. Member wants to proceed concerns me a bit, so I wanted to put my concerns on the record. I believe that it has an impact on our notion of freedom of information and the right to know in today's society. I am not so sure that I would want to support that kind of a motion. I will listen to the debate very carefully.

[*Translation*]

Mr. Carlo Rossi (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, it is a pleasure for me

to join in the debate on Bill C-262. The purpose of this legislation is identical to that of two other bills that were considered previously, namely, Bill C-208, introduced by the Member for Athabasca (Mr. Shields) and considered on June 20, 1980, and Bill-555, introduced by the Member for York-Peel (Mr. Stevens) and considered on May 4 of this year. In addition, Mr. Speaker, the Bill now before the House was considered before on November 26, 1981. Even allowing for the fact that some Hon. Members in the Opposition may have a poor memory, I still fail to understand why we should have to discuss the subject again. In any case, for the information of the Hon. Member for Cumberland-Colchester (Mr. Coates) I would like to repeat some comments made on other occasions with respect to similar measures. The amendment he is proposing to the Canada Elections Act is aimed at prohibiting the publication in any manner of the results or alleged results of a poll of the public opinions of the electors. I feel that is entirely unacceptable. It is an insult to the intelligence of Canadian voters and it infringes their right to be informed of the things that concern them.

Mr. Speaker, I find it very distasteful that a member of the Progressive Conservative Party, a Party that has always been a tireless champion of freedom of information, is now proposing to gag the press and deny information to the public. Curiously, this proposal is being made at a time when the Hon. Member's Party is not in power but has a popularity rating of 52 per cent, according to the Gallup Poll. Apparently, it is now in the interests of the country. It is true that the Members of this Party are not known to be particularly consistent.

• (1520)

The Member for Cumberland-Colchester, one of the pillars of his Party, is trying to help his leadership candidate, Mr. Clark, as much as he can, and he is sponsoring Bill C-262, which prohibits the publication of results of public opinion polls throughout the election period. This is perhaps a little drastic, but the real problem is that this Bill does not treat Canadians with much respect. It infers that we are so many sheep that will immediately go off in the direction to which the public opinion polls seem to be pointing.

These fears about the ignorance and the credulousness of Canadian voters during a period of four weeks do not seem to have much of a basis in fact. I am reminded of the famous words of Franklin D. Roosevelt: The only thing we have to fear is fear itself, and he knew what he was talking about. In 1936, a now famous opinion poll was taken during the campaign for the presidency, which showed that Alf Landon would beat Franklin D. Roosevelt by a tremendous margin. Well, Mr. Speaker, what really happened is that Roosevelt beat Landon, by a landslide, but the *Literary Digest* had only consulted its subscribers. In the midst of the Depression, the only people who could afford to subscribe to the *Literary Digest* were Republicans. Not long afterwards, the *Literary Digest* went bankrupt. In any case, we must look at this problem realistically. Even if the House could agree in principle on the purpose of this Bill, it would have to acknowledge that it would be impossible to prevent the broadcasting or publication of public opinion polls. Adopting this legislation would be like tilting at windmills.

Mr. Speaker, I would like to quote what was said in April 1976 before the Committee on Privileges and Elections by the Hon. Member for Ottawa-West (Mr. Francis). The Hon. Member had this to say on the subject of opinion polls: If we tried to do so on a national scale, I am sure that it would be a Detroit newspaper that would carry out the poll in Canada and publish it in Detroit.

In the United Kingdom, they tried to enforce this kind of legislation, but there, people could get the results of the polls by listening to Radio Luxembourg. I do not think it is enforceable.

Mr. Speaker, personally, I am not very keen on opinion polls. I realize that we cannot adopt this legislation, but nevertheless, I think we should try to find the right way to achieve the same objective, and I do not think this is the right way.

The point raised in the proceedings of the Committee is a valid one. What would happen if a Detroit radio station decided to broadcast the results of a poll made in Canada? Considering the use of cable and other technology such as dish antennas with which we can receive satellite signals, a television station in Atlanta could broadcast poll results. Are we going to try to prevent it from doing so? That could lead to some very nasty incidents.

Mr. Speaker, I have this picture in my mind of people in Eastern Europe, listening to the radio in almost total darkness. They listen to the Voice of America, in fear of a police raid any minute. I remember many movies about the Second World War in which the Gestapo caught some member of the underground communicating by radio. Shall we do the same? This does not seem very realistic. If we are to gag the press and deny it the right to publish information, where do we draw the line, or rather, where do we begin?

I can understand why the Hon. Member introduced this Bill, but he is on very dangerous ground. In my opinion, such action is the first step towards the infringement of fundamental and valuable rights.

Mr. Speaker, the press in Canada has always been free to make criticisms and comments. We have survived in spite of this throughout the years. What would happen if someone conducted an opinion poll and wanted to do in Canada the same as in Hyde Park? Will the scope of this Bill be extended to prevent anyone from taking an opinion poll and climbing on an improvised platform to announce the results? Where do we stop if we prevent publication of poll results in the last week before an election? This is clearly encroaching on the freedom

of speech. These provisions would prevent individuals, journalists, magazines, radio and television to express their views during a crucial seven-days period. For reporters, this would clearly impinge on the public's right to be informed.

If part of the population changed its mind at the last minute, this ban would make it impossible for other people to be informed. It should be noted that this extensive ban would cover all poll results, including those which show a real trend, and not only those which could mislead the population.

Let us look at the results of the last election. Does anyone seriously believe that they were really influenced by the polls? Poll results were indeed widely publicized. Western voters were certainly not much swayed by the poll results showing that the Liberal Party would do extremely well in Eastern Canada. Voters in the Prairies did not rush out to support the Liberal Party. In fact, the effect of those polls was quite the opposite.

The results of all polls were identical, although the figures did vary. Polls conducted by the CTV network, the CBC and Carleton University all pointed to a majority Liberal Government, and that was the outcome indeed.

In a previous debate, the Hon. Member for Athabasca reminded us that a voter can be influenced by the opinions of his fellow citizens. For instance, anyone who is a strong advocate of a majority Government would probably like to know which of the two major parties stands a better chance of coming out on top.

Some voters might lean toward one Party or the other, and yet prefer a minority Government. If they think that the New Democratic Party might possibly end up with the balance of power, they would support that Party only because they would expect it to hold the balance of power. I see nothing wrong with that. Those are useful data which voters are entitled to have, Mr. Speaker. One thing for sure is that the electorate is increasingly conversant with politics, elections and major issues. To my mind, we should not prevent voters from gaining access to information which so far has been available to them, lest they be influenced and likely to change their minds.

Mr. Speaker, that is not the kind of behaviour we should expect to see in a democratic country such as ours. I for one think that we ought to continue to take opinion polls. Any voter in favour of a majority Government and anxious to know which Party will likely hold a majority can conduct his own poll. However, the results of that poll would reflect the trend in his own riding alone, which might be the exact opposite of trends in the rest of the country.

• (1530)

Mr. Speaker, in a land as vast as ours, extending as it does over 5,000 kilometres, people understandably want to know that views are prevailing in other areas. This Party does not want the publication of such information to be prohibited, even though it may influence voters. It is not my view that people generally are a flock of sheep that will simply follow the leader. The results of the last elections, especially west of Winnipeg, do show that if there was a wave in the west, it was not in favour of the Liberal Party but the other way around, even though people were very well aware of the opinion poll results.

They should also make distinctions between the works of political commentators, syndicate columnists, magazine writers or expert pollsters. Assuming they have identical talent and perception, who would suggest that a political commentator, writing in a number of newspapers, is not in a position to say after speaking to a lot of people that the Liberals or the Progressive Conservatives will win at this or that election? Mr. Speaker, people have consideration for newspapermen. If the Lynches, the Fishers, the Fotheringhams, the Vennats, the Vastels or the Deromes say they took the time to go and check in the field, their word may be taken at face value. On the other hand, admittedly commentators are not always right. But if that is the kind of information people are after, they certainly will believe Mr. Lynch or Mr. Fisher. Generally, the Progressive Conservatives trust Mr. Fisher. Should we prevent newspapermen from writing such news items for weeks on end during election campaigns? Such is not the thrust of the Bill, Mr. Speaker, but anyway! Newspapermen and pollsters create an impression, either personal or scientific. If voters are so easily impressed by observer analyses, instead of looking up the results of GALLUP or CROP polls, they will simply read the columns in the papers. We all know just how authoritative their analyses are. Sometimes, their opinions may differ, just as those of the pollsters do. Opinions do vary, Mr. Speaker, and that is another problem which might occur if such an approach were adopted.

I should like to conclude my remarks by saying that in Quebec, we feel the need to carry out opinion polls during election campaigns, and we think that the current ban on the publication of opinion polls results on the very last day is adequate. We believe enough in freedom of speech, and we rely enough on the judgment of Quebecers to make information available to them up to the very last minute.

[*English*]

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, in the time available to me I would like to make a few comments concerning the Bill before us and some of the reasons our Party is not overly enthusiastic about providing support for it. It is our feeling that there are some very high priority items which should be considered by way of amendments to the Canada Elections Act rather than the matter before us today, although it is certainly worthy of consideration and some interesting points have been outlined.

The first point I would like to make, Mr. Speaker, is that this House devoted a considerable amount of time to the Constitution of Canada. In that Constitution we looked at the democratic rights in the electoral process in a very determined way. Just to refresh the memory of Hon. Members since we are considering the Canada Elections Act, I would like to read a very short quote from the Constitution, which says that the Canadian Charter of Rights guarantees:

> Every citizen of Canada has the right to vote in an election of members of the House of Commons or of a legislative assembly and to be qualified for membership therein.

There is a qualification to that which says:

The Canadian Charter of Rights and Freedoms guarantees the rights and freedoms set out in it subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.

I would like to point out, Mr. Speaker, in considering amendments to the Canada Elections Act, that the Canada Elections Act does not allow every citizen the right to vote and, therefore, contravenes the Constitution. I would like to give an example or two in order to illustrate my concerns in this area. The Canada Elections Act does not permit Canadians who happen to be out of their home poll to vote. An absentee voter, a person who has left his poll on legitimate reasons and must be away from the area in which he would normally vote, cannot vote in Canada except under very tight and constrained conditions.

I would point out that the Canada Elections Act does not make provision for people to vote who are in acute care hospitals. As a matter of fact, it is very disconcerting that during the last federal election, all over this country people were trying to get ambulances to take them home in order to vote; some of these people were in very dire circumstances. One of the most disturbing aspects of that polling procedure was that people in the extended care parts of the hospital could vote because that was their residence, their home, yet people in the acute care side had their vote taken away. I suggest, Mr. Speaker, that that right was removed in defiance of the Constitution.

The second problem is the occupational groups—fishermen, loggers, miners, prospectors, construction workers and any individual who has to travel on a short-term basis. These people are all discriminated against in terms of the current Canada Elections Act. Their right to vote has been removed. The Government of Canada in its wisdom made a provision in order to attempt to redress this problem and provided what is termed in Section 46 of the Canada Elections Act as the proxy system. But that system is not the right to vote. Through very restrictive and discriminatory provisions, it gives someone else the right to vote for you. It is not in any way controlled by the individual; it simply gives someone the right to vote for you. I say that is denying you the right to vote.

• (1540)

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member but I have been listening intently to his comments from the beginning and it seems to me he has departed somewhat from the object of the Bill now before the House, which relates to the publication of opinion polls. Perhaps the Hon. Member would attempt to explain to the Chair in what way his remarks are related to the motion now before the House.

Mr. Skelly: Mr. Speaker, on certain occasions there is a need to lay the groundwork for remarks concerning the matter before us. I think that within that general context my remarks would be better understood, so with the indulgence of the Chair I will continue. If the Chair loses the train, then maybe you can call it to my attention again.

The Acting Speaker (Mr. Corbin): Well, it is not a matter of the Chair losing the train. The Chair has not got on the train yet because I have not heard any references specifically to the object of the Bill. So I invite the Hon. Member to come to that point rather quickly.

Mr. Crouse: It is not getting on the train; it is getting on the track.

Mr. Skelly: Mr. Speaker, I think it is very important that we outline some reasons why we cannot support this Bill, one of which is the matter of omissions. I have raised this on numerous occasions with the Minister responsible. The point I would like to stress concerning any amendment to the Canada Elections Act, particularly the one before us, is that there is a very serious need to redress the problems with the Act which deprive people of the right to vote. If we talk about the problems with the Elections Act, such as the taking and publishing of polls which influence a person's vote, we should be considering those who have been excluded from the opportunity to vote.

Under this proxy system, Mr. Speaker, certain individuals have been given the right to appoint someone to vote for them. The point is that a proxy vote is not the right to vote, it is a denied vote. I think the case has to be made that before the next federal election this House of Commons must invite the Chief Electoral Officer of Canada to include in his report a procedure which allows for absentee voting in Canada in order to guarantee that an individual away from his home riding on election day, whether because of his occupation or otherwise, in fact has the right to vote.

It is interesting to note that the Chief Electoral Officer has not received any expressions of concern on this problem. The people I have talked to in this House who support that kind of amendment and who will be speaking directly to the Chief Electoral Officer about it are the Hon. Member for Regina West (Mr. Benjamin), the Hon. Member for Dauphin-Swan River (Mr. Lewycky), the Hon. Member for New Westminster-Coquitlam (Miss Jewett), the Hon. Member for Broadview-Greenwood (Ms. McDonald), the Hon. Member for Burnaby (Mr. Robinson), the Hon. Member for Vancouver-Kingsway (Mr. Waddell), the Hon. Member for Winnipeg North Centre (Mr. Knowles), the Hon. Member for Oshawa (Mr. Broadbent), the Hon. Member for Hamilton Mountain (Mr. Deans), the Hon. Member for Kamloops-Shuswap (Mr. Riis), the Hon. Member for Spadina (Mr. Heap), the Hon. Member for Nanaimo-Alberni (Mr. Miller), the Hon. Member for Kootenay East-Revelstoke (Mr. Parker), the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly), the Hon. Member for Selkirk-Interlake (Mr. Sargeant), the Hon. Member for Yorkton-Melville (Mr. Nystrom), the Hon. Member for Vancouver East (Mrs. Mitchell), the Hon. Member for Saskatoon East (Mr. Ogle), the Hon. Member for Regina East (Mr. de Jong), the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish), the Hon. Member for Kootenay West (Mr. Kristiansen) and myself. That is just a

short list of those who will be writing directly to the Chief Electoral Officer and the President of the Privy Council (Mr. Pinard) asking that this very severe anomaly by which tens of thousands of Canadians are deprived of their right to vote is remedied very quickly, so that before the next federal election those Canadians who have been disenfranchised will be allowed to vote and select the Government.

It would be my hope other Members in this House, Members of the Conservative Party, would come forward and advocate that this anomaly be corrected, and that Members of the Liberal Party would come forward and insist that the Chief Electoral Officer remove this problem. If that is not done in a fair, open and direct way, then it would appear the matter would have to be taken before the courts. The existing situation runs absolutely contrary to the democratic rights of Canadians. If the Government and Parliament of Canada cannot redress this very serious grievance, then I guess the last resort is the courts.

Many other nations, Mr. Speaker, provide that their citizens can vote no matter where they find themselves. If they can make their way to an embassy, they can vote. If they can make their way to a polling station within their country, they can vote. A strong commitment to democracy implies that we enforce to the extent possible the right of every citizen to vote.

Perhaps I should refrain from further remarks on this matter. The point has been made and I know the tolerance of the Chair has been magnificent, as well as that of my colleagues. But I would hope that at some point, maybe this afternoon, the Parliamentary Secretary to the President of the Privy Council (Mr. Smith) might find an opportunity to make a few remarks in response to the omissions in this Bill and in the Act, and indicate whether we might see the Government go forward to the Chief Electoral Officer and express some concern over the fact we have not addressed the problem of absentee voting properly, and that in fact tens of thousands of Canadians who could easily vote are not given the opportunity to do so. We need that amendment and possibly the Parliamentary Secretary might find an opportunity this afternoon to comment.

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I think before resuming debate on this particular motion by the Hon. Member for Cumberland-Colchester (Mr. Coates), and in light of the remarks we have just heard from the Hon. Member of the NDP, perhaps I should, with your permission, Mr. Speaker, read into the record just what Bill C-262 states so that there is no confusion on the part not only of Members in the House but those who will read *Hansard* and are perhaps watching this afternoon.

The Bill before us is an Act to amend the Canada Elections Act, Bill C-262, and it concerns public opinion polls during an election campaign. It says:

> No person, company or corporation shall, after the issue of the writ for an election, and until the polls are closed, publish the result or purported result of a poll of the political opinions of electors in any electoral district in which an election is being held, whether such publication is by radio or television broadcast, or by newspaper, news-sheet, poster, bill-board, handbill, or in any other manner.

● (1550)

The amendment goes on to state:

> Any person, company or corporation that contravenes the provisions of this section and, in the case of a company or a corporation, any person responsible for the contravention thereof, is guilty of an illegal practice and of an offence against this Act.

Bill C-262 is an Act which, if adopted, would amend the Canada Elections Act in order to ban the publication of opinion poll results during a period which would start after the issuing of a writ for an election and last until the polls were closed. If adopted, the Bill would ban the publication of opinion poll results during the entire electoral campaign.

Your Honour knows that this is not the first time this particular subject has been debated before the House. Many other Bills along the same line have been brought before the House. As a matter of fact, a Bill to the same purpose, introduced by the Hon. Member for York-Peel (Mr. Stevens), was debated only two weeks ago. Prior to that time, other Hon. Members in the House, especially on the opposite side, had felt the same way as the Hon. Member for Cumberland-Colchester and had presented Bills in order to ban the publication of polls during election campaigns. During the present session alone, Private Members' time has already been used three times for this kind of Bill.

Mr. Munro (Esquimalt-Saanich): That shows how important it is.

Mr. Burghardt: The first time was on June 20, 1980, when the House debated Bill C-208, a Bill introduced by the Hon. Member for Athabasca (Mr. Shields). The second time was on November 26, 1981, when the House debated the Bill now before us for a second time, Bill C-262. The third time, as I mentioned earlier, was only two weeks ago when the House gave consideration to Bill C-555, sponsored by the Hon. Member for York-Peel.

Therefore, the House is asked by the Hon. Member for Cumberland-Colchester to debate such a Bill for the fourth time during the present session. Moreover, it is the seventh time since his election that the Hon. Member for Cumberland-Colchester has asked the House to debate this very topic. One may seriously wonder if all that could be said about this topic has not been exhausted. I suppose it shows that Hon. Members on the opposite side of the House are either unable to see the stupidity of such a proposal or they are simply obsessed by this particular question.

Mr. Lewycky: They wanted to hear your opinion, Jack.

Mr. Burghardt: Maybe that is it: a kind of fixation resulting from too many electoral defeats. Perhaps that is the reason. They were rejected at the polls by the electors so they are concerned about what the public opinion polls have to say during election time. They want to muzzle the news media and deny information to the people. Why do they want to do that now? We on this side do not seem to be very high in the

opinion polls these days, but nevertheless we do not try to stop the publication of opinion poll results.

Mr. Munro (Esquimalt-Saanich): Call an election.

Mr. Burghardt: Why do they still persist? I think that this Bill and the two other Bills sponsored by Tory Members really show that the Progressive Conservative Party is not ready to treat the Canadian people with much respect. It shows that the Tories think that Canadian electors are like lemmings, like sheep or like buffalo on the Prairies, all running in one direction. That direction is whatever way the polls seem to be following. Maybe the Hon. Member believes that this is the reason his Party has 52 per cent of the latest Gallup poll.

Those who support the Bill pretend that the use of polls during an election campaign becomes an impediment in the exercise of free choice of the citizens to vote and exercise his or her franchise. How can this occur? How can it come about that a citizen is impeded in the exercise of his or her free choice in an election campaign?

Some Hon. Members will answer that the use of polls in the election campaign in the current environment becomes an undue influence, unduly influencing voters. It is quite possible that individuals in Canada would take a poll result as being a definite indication of the parties' standings on the day the poll was carried. However, let me refer to the words of the Right Hon. John G. Diefenbaker, words which he said on many occasions and which I am sure the Conservative Members will very clearly remember. He said that the only poll that counts is the poll taken on election day.

Mr. Munro (Esquimalt-Saanich): It tells us something about the polls.

Mr. Burghardt: If those words are true, why do we then not take the appropriate step to ensure that the only poll which really counts is carried out in such a way that it does not become a source of undue influence on voters? The matter to which I refer is Bill C-113, a Bill which was introduced by the Government in order to have simultaneous voting all across the country. The Bill has been opposed by Members of the New Democratic Party. If its Members are so preoccupied by the alleged undue influence caused by opinion polls on voters, then why do they not support Bill C-113 and readily pass it through the House?

Mr. Skelly: I rise on a point of order, Mr. Speaker.

Mr. Burghardt: Steps should be taken to ban the publication—

The Acting Speaker (Mr. Corbin): Order. The Hon. Member for Comox-Powell River rises on a point of order.

Mr. Skelly: We opposed the Bill in order to place on the record that we were discussing the Bill and to indicate that it was the omissions which caused us concern.

Mr. Burghardt: Mr. Speaker, nevertheless they still opposed Bill C-113, and that is the bottom line. Regardless of any omission of amendments to the Bill, the New Democratic Party still opposed the Bill which would give us simultaneous election results right across the country. Therefore, if Hon. Members are really concerned about the undue influence of public opinion polls on voters, that is the Bill they should be considering so that all Canadians would receive election results at the same time.

I hope this legislation will not be referred to the Standing Committee on Privileges and Elections today. The Standing Committee, to my mind at least, does not have to discuss a matter which most of us in the House should oppose in principle. I believe that the Canadian people have the right to know and are mature enough to make decisions based on leadership and programs rather than on percentages. Nevertheless, it does not seem to be the case for the Tories who have no leadership and no program to offer Canadians. Rather than attempting to infringe on the freedom of the news media, I think the Hon. Member for Cumberland-Colchester and his colleagues should put forward some ideas to deal with the real problems of the country. Unfortunately, Hon. Members opposite seem to prefer moving dilatory motions, such as yesterday's motion which destroyed the business of the House for one entire day, or ill-conceived Bills such as this one, rather than getting down to the real issues.

Mr. Taylor: Where were you a week last Monday?

Mr. Burghardt: A week last Monday I was here. I was on duty and I was here at 11 o'clock—

Mr. Taylor: Your men weren't. They wasted the day, not us.

Mr. Burghardt: —to answer the Hon. Member of the Conservative Party.

However, returning to Bill C-262, as I said earlier, Canadians will certainly make up their own minds as to which political Party or member in the federal, provincial or municipal realm they will support at election time, regardless of what public opinion polls say. If we are to start banning public opinion polls during election time, then we will have to start banning editorials of newspapers and the writings of well known Canadian columnists in newspapers and preventing broadcasters in radio and television from expressing opinions during an election campaign. Many times editorials have been written with regard to a particular candidate or party. That does not mean to say that the Canadian people will follow that line of thinking. The same holds true for public opinion polls, whether they are published during an election campaign or at any other time of the year. It does not necessarily mean that Canadians will follow those percentage figures.

As I said earlier, Canadians will make up their own minds. They are mature and honest enough to make a selection during any political election campaign. To muzzle the news media as suggested by this Bill and similar Bills which have been brought forward by the Tory Party would certainly be a denial of the freedom of the press. I understood that Opposition Members would adhere to that but they do not.

• (1600)

In closing, I suggest that this Bill not be referred to the Standing Committee on Privileges and Elections. As a former member of the news media, it is a Bill that I certainly could not support.

The Acting Speaker (Mr. Corbin): Is the Hon. Member for Cumberland-Colchester (Mr. Coates) rising to contribute to the debate?

Mr. Coates: Yes.

The Acting Speaker (Mr. Corbin): I must inform the Hon. Member that he has already spoken at this stage of the Bill.

Mr. Smith: Mr. Speaker, I rise on a point of order. I think that we on this side of the House, not being afraid of information, would be prepared to give consent to allow the mover of the Bill to speak again briefly.

The Acting Speaker (Mr. Corbin): Of course, that could only be done with unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Coates: Mr. Speaker, I simply want to make a few comments. It has been some time since the Bill has been debated and I thought it would be appropriate in concluding the debate today to point out a number of facts.

Several Members from the Liberal Party have apparently presumed that all their Members are opposed to the banning of opinion polls at election time. I suggest they make a closer examination of their own leader's views on this particular matter since he has indicated on a number of occasions recently a real concern about the influence that opinion polls have during an election campaign. He has indicated a belief that it might be in the public interest to pursue this matter further in Parliament in order to determine whether it might be appropriate to take this action.

I was disappointed by the fact that the New Democratic Party Member from B.C. did not speak at least to some degree about how much freedom has been lost in that Province where opinion polls are banned. A pleasing fact about the British Columbia election campaign was that most people did not know what the results would be, including Members of this House. The voters in British Columbia were not being fed a lot of numbers by the press daily with respect to people's opinions. I did not hear any complaints from people in British Columbia that their freedom was infringed upon in any way as a result of no opinion polls being published during the election campaign.

Indeed, one of the best illustrations I can give showing the unfairness associated with the numbers game, which is all that public opinion polls are as far as I am concerned, come from the Ottawa *Citizen* of last Saturday and Tuesday of this week. In Saturday's Ottawa *Citizen* there was a section devoted to the seven major candidates in the Progressive Conservative leaderhsip campaign in which they stated their opinions on various issues of concern to Canadians. This was to allow readers to make a judgment on where those candidates stood and how much emphasis should be given to their particular aspirations to become leader of the Progressive Conservative Party.

On Tuesday, *The Citizen* released a Southam Global public opinion poll produced by Carleton University. If there has ever been a discredited organization associated with determining public opinion, I would think it would be this Carleton University group, who failed so miserably in predicting the results of our annual general meeting in Winnipeg. What I find interesting about public opinion poll experts is that when the results do not correspond with their polls, they can find as many excuses as the number of points by which they missed.

Another example of inaccurate polls occurred in the United States during the presidential election campaign. All of these brilliant public opinion experts told the world, and particularly the voters in the United States, how closely Jimmy Carter and Ronald Reagan were running during the final days of the election campaign. Suddenly, what was supposed to be a one or one and a half point spread between Carter and Reagan resulted in almost a totally clean sweep of the United States by Ronald Reagan.

I am concerned that public opinion polls do not portray the facts. Currently, these so-called experts who determine public opinion are discovering that the people upon whom they base their results lie and have fun with those experts. They may be white lies, but they are putting them on. The result is that the public is led to believe anything but the reality of the situation. For that reason I believe these polls are an unfair intrusion into the election process. That includes polls concerning our Party, the Liberal Party, the New Democratic Party or even an internal party matter.

Polling experts today feed off of political parties. I am not opposed to polls being conducted by a soap manufacturer, car manufacturer or others in order to determine public opinion about a certain product. I am not even opposed to political parties conducting their own polls during election campaigns if they wish to spend their money to do that privately. However, I strenuously object to so-called public opinion experts interfering in the electoral process and preventing people from examining the issues of the day as put forward by political parties while the newspapers, television and radio programs feed the public numbers that really mean nothing.

The Hon. Member who just spoke suggested that I have attempted to eliminate the publication of opinion polls during election campaigns on seven occasions. He is correct, I have attempted to do that. The only time that this issue was sent before a parliamentary committee, which was some years ago now, there was a majority decision by that parliamentary committee that such action be taken and that the Canada Elections Act be amended to include the banning of the publication of public opinion polls during election campaigns.

I am aware that polls are used to play politics in the House and that right now the public opinion polls favour the Progressive Conservative Party. But that does not make any difference

to me. As the last speaker said, I believe that the only poll that is important is the poll on election day. I always liked what the late Right Hon. Member for Prince Albert used to say about public opinion polls. He said, "Poles are for dogs." That is my feeling as well. I do not believe that the banning of public opinion polls during an election campaign will interfere in any way with freedom of information being made available to the general public.

As a matter of fact, what concerns me so much about public opinion polls being conducted presently without any controls or regulations over their production or reliability is that the general public is being fed misinformation. Carleton University polls have proven over and over again that they are experts at misinformation rather than at information about what the general public is thinking, what the delegates to the upcoming Progressive Conservative leaderhsip convention are thinking or what is the reality. It would be healthy for the press of the country—and I mean the entire media—to have to go out and obtain the facts, not live off polls which really do not contain much hard information about the realities of the moment.

• (1610)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I have listened with interest to the debate this afternoon. We have debated this issue in the House of Commons before. I think the Hon. Member for Cumberland-Colchester (Mr. Coates) has a basic flaw in his argument, in that he seems to approach the subject with the premise that if Canadians are aware of what other Canadians are thinking, somehow they will be influenced by it. Then he cited a number of examples in which polls have been way off.

I agree with one point he made, the one concerning the Carleton University poll on the Winnipeg convention. It was out by about 8 per cent because of the fact that some Tories were lying to them. There is no doubt about that.

He suggested the reason people in British Columbia did not know who would win the election was that no public opinion polls were published. I suggest the reason they did not know was because it was close. Certainly the Parties were polling. They may not have been releasing the poll results, but certainly Hon. Members of the House are fairly well connected with groups in British Columbia that were in fact polling. For example, I am sure NDP Members knew what the polls were showing. If they were unable to predict the election, I suspect that it concerned the fact that the election was a close one.

The basic problem with this Bill is that it interferes with free speech. Once we start doing that, how do we enforce it or where do we draw the line? What happens if the Detroit *Free Press* or a Detroit television station, because of its great interest in Canada and the following it has here, decides to conduct a poll? Obviously we could not enforce anything against that newspaper or station. Should we put ourselves in the position of some East European communist countries, where people huddle by their radios listening to the news on the "Voice of America" to find out what is going on in the rest of the world? Will we try to put a blanket of secrecy over polling throughout the country so that people in Windsor cannot listen to Detroit radio stations or buy the *Free Press* to find out the results of a poll?

There is a large body of evidence to suggest that the fact the public may be aware of opinion polls does not make opinion polls fulfil their own prophecies. I suppose the most famous one was in 1936, the famous Literary Digest poll which predicted that Landon would defeat Roosevelt. Of course, we all know that that poll was so far out that the Literary Digest did not last much longer.

What about the Truman-Dewey election in 1948? All the polls showed that Dewey would win, but did they influence the American people into electing DeweY? No, they did not. They elected Harry S. Truman, as we all know.

It seems to me that there is some sort of fear that Canadians will act like lemmings or sheep. I have greater confidence in the maturity, the wisdom and judgment of Canadians that in fact they will not act like sheep. Let us look at western Canadians, for example. Prior to the 1980 election, the opinion polls showed throughout the campaign that the Liberals would probably win. They did win the campaign. Does that mean that people in Alberta and in other parts of western Canada, such as Edmonton from where my good friend comes, all suddenly jumped on the Liberal bandwagon? Of course not. Why did they not jump on the bandwagon? The reason is that they were not influenced by the polls.

Another matter which must be pointed out is that a law has to be practical. This Bill provides that no person shall publish the results of a poll by any manner. In Toronto we have Allen Garden where people stand up on soapboxes. It is a smaller version of Hyde Park in London. What if someone walked down the streets of Toronto, asked people how they would vote, got up on a soapbox in Allen Gardens and said that he had just conducted a poll?

In British Columbia they have hamburger polls. I think they are at the PNE or something. The Hon. Member for Esquimalt-Saanich (Mr. Munro) may be familiar with them. One buys a hamburger at some place in Vancouver and indicates whether it will be a Bennett burger or a Barrett burger. If this Bill were in place, it would mean that they could not sell Bennett burgers or Barrett burgers. The point I am trying to make is that it is impractical. Once we start interfering with freedom of speech, where do we draw the line?

We on this side of the House are not afraid of the principle of freedom of information. We are not afraid.

The Acting Speaker (Mr. Corbin): Order, please. Pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings.

[*Translation*]

Shall all items listed under Private Members' Public Bills be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

[*English*]

HOUSE OF COMMONS ACT

INCREASE IN NUMBER OF INTERNAL ECONOMY COMMISSIONERS

The House resumed from Friday, November 6, 1981, consideration of the motion of Mr. Lambert that Bill C-273, an Act to amend the House of Commons Act, be read the second time and referred to the Standing Committee on Privileges and Elections.

Mr. D. M. Collenette (York East): Mr. Speaker, I would like to speak for a few minutes on Bill C-273. I am grateful to the Hon. Member for Edmonton West (Mr. Lambert) for bringing the matter to the attention of the House. I understand that this is the second time around on second reading debate of this Bill in this session. I should advise the Hon. Member for Edmonton West that, as a member of the Special Committee on Standing Orders and Procedure, I have been active with my other colleagues on that Committee in debating this very question. We have certainly benefited from the speeches of the Hon. Member earlier in second reading and from those of other Hon. Members who contributed to the debate.

In saying that I welcome the matter coming before the House, I believe the solution proposed by the Hon. Member for Edmonton West is not the desired one. I hope he will listen in this debate to suggestions whereby we can improve upon his original concept.

Essentially the Hon. Member argues in Bill C-273 that:

> The Governor in Council shall appoint five Members of the House of Commons, who, with the Speaker of the House of Commons, shall be commissioners for the purposes of this Section and Section 17 and 18.

The simple purpose of this Bill is, of course, to increase the number of Internal Economy Commissioners from the present five to six. The explanatory notes in part read:

> It allows for the commissioners to be chosen from the House at large rather than solely from the ranks of Privy Councillors.

There is one particular point on which I think the Hon. Member is correct. The administration of the affairs of the House or the final responsibility for the running of the House should not be dominated by the executive branch of Government. It should be remembered that our present practice originates from the earlier British practice. I believe it was an Act some time in 1812 or thereabouts which called for the same kind of administrative body in the United Kingdom House of Commons, whereby members of the executive would be responsible for the day to day administration of the affairs of the House. I draw the Hon. Member's attention to the fact that in 1978 the British House of Commons passed what I think was called the House of Commons Commission Act which updated that procedure.

Rather than being content with solely adding one additional member to the present Internal Economy Commissioners, we should perhaps take a look at the British practice and see how it has worked. The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), who is deep in discussion at the moment, has some personal knowledge of this, having travelled to London. The Hon. Member for Capilano (Mr. Huntington) was there with us in January. Perhaps they would like to contribute to the debate to let those Members of the House who were not in Great Britain know how the present situation is in Westminster and how the administration of the House there has been improved by the House of Commons Commission Act.

• (1620)

The setup there, as I understand it, is that the Speaker presides over the commission. The Leader of the House, whom we call the Government House Leader, is on that committee representing the Crown. A representative of the Leader of the Opposition—not necessarily the Leader of the Opposition but his nominee—is on that commission and a nominee of the third party. In subsequent years, with the continual growth of Parties in the House there, they may have problems.

At the moment we have three Parties in this House and certainly they should all be represented. The way the 1978 Act in Great Britain is phrased, it could be applicable here so that a Member of the New Democratic Party would be nominated. It would not have to be a Privy Councillor.

There are three other nominees from the House at large. These Members are not related to their Party standings. They are Members who are not of Cabinet rank. There could be Privy Councillors or backbenchers on this commission. That seems to be a bit more workable than the present situation, and certainly the situation proposed by the Hon. Member for Edmonton West.

The Hon. Member for Edmonton West in his speech earlier, and I read it this afternoon, took great exception to the fact that the Speaker was involved in the direct administration of the House. I may be misquoting him; if so, I certainly stand to be corrected and will allow him to interrupt and give the right impression. However, he seemed to object to the Speaker being an administrator.

I must draw to his attention that the Speaker's role in administration is well founded in parliamentary practice. I need only refer to Erskine May, Nineteenth Edition, Chapter 13, where it talks about the machinery of Parliament, pages 228 to 230. It is specific in talking not only about the Speaker's right as a presiding officer in the House of Commons, but at page 231 refers to the Speaker's powers over the administration of the House.

We should not shy away from the right of the Speaker as the first among equals in this House to be ultimately responsible for the administration of the House. In the first paragraph under the section "The Officers of the Commons", Erskine May talks in terms of the Speaker as "the representative of the House itself in its powers, proceedings and dignity". All of the Members of the House are represented in the Speaker. Certainly the Speaker should be the final arbiter of all matters affecting the House, not only privilege and procedure, as the Hon. Member for Edmonton West believes, but also administration. As we have seen recently, matters of

administration of the House of Commons also bear on the privileges of Members.

There was a case a week or two ago wherein the Leader of the Opposition (Mr. Nielsen) objected to certain carvings being removed from the boardroom in the office of the Leader of the Opposition. He rightfully objected. He made the argument that his privileges as a Member were affected in that those carvings were an integral part of the history and the lore of the House of Commons and that there was no authority by the House to have these carvings changed. I believe the Speaker upheld the Leader of the Opposition in his argument. Even in a small administrative matter of that nature, it did have a bearing on the privileges of the Member.

In Britain the commission meets quite frequently. I understand it meets more frequently than the Commission of Internal Economy here who, as I understand it, have a hard time getting together not only over weeks but months. Ministers of the Crown have other important duties. If I were a Minister of the Crown, being a Member of that particular commission would not be my priority. As a Member of that commission, I would not be responsible in the House on a day to day basis for the administration of the House. There is not a "Minister of the Commission of Internal Economy" who is asked questions; it is the Speaker, or questions are raised in another manner.

I understand that there are four Ministers on the Commission of Internal Economy. Every day in the House of Commons they have to answer for the their departments. The administration of the House is not their authority, nor should it be.

Representations were made to the Special Committee on Standing Orders and Procedure that the executive branch of Government is, in a sense, taking over the House itself. It is not only the fact that the Prime Minister's office is in the building, as indeed it should be, but that the Cabinet room is here and other rooms have progressively been taken away from Private Members for Members of the Cabinet when Members of the committee have their own departmental offices.

I am not giving my own view on this because I have not made up my mind, but the argument that came forward in this committee is that this represents encroachment upon the rights of individual backbenchers in that the executive branch is, in a sense, taking over the precincts of the House of Commons. There may be some validity to that, but we could never hope to get that changed unless the administration of the House of Commons did revert to—perhaps that is not the word because it has never been the responsibility of ordinary Members, but perhaps be given to a commission such as in Britain.

The Hon. Member for Northumberland-Miramichi (Mr. Dionne) spoke earlier in the debate. I want to quote him because he raised an important matter. He spoke rather eloquently. I quote:

> One of the subclauses of this Bill suggests that the Speaker have the power to delegate any or all of his or her administrative powers to the commissioners. I have some difficulty with that. I believe we must always retain the Speaker of this House as the guardian, the protector and the ensurer of the rights and privileges of the Members. The Speaker of this House is not above the other Members of this House; the Speaker of this House is the first among us, and in fact in this House no Member should be any other. However, the Speaker must be responsible, in the final analysis, for the administration of the Parliament of Canada and for the protection of the rights and privileges of its Members.

I certainly agree with the Hon. Member for Northumberland-Miramichi. I fail to see how this basic principle of parliamentary democracy in the Westminster context that we enjoy in Canada can be observed by the changes proposed by the Hon. Member for Edmonton West.

There is in our House of Commons other problems in terms of administration. We have a Committee on Management and Members' Services. Although I have been around here for a few years, I fail to recognize the true role and powers of this committee and have yet to understand the work of it. The Hon. Member for Edmonton West, who is a member of that Committee, might want to enlighten the House as to what it does.

Perhaps if we adopted the U.K. model and put in our own commission with the Leader of the House, a representative of the Leader of the Opposition, a representative of the third Party and three non-Cabinet members, we may be able to abolish the Management and Members' Services Committee or amalgamate the two functions and have a truly representative body.

• (1630)

One problem exists now, Mr. Speaker, and that is, that in the last two years since Madam Speaker took the Chair, we have seen the emergence of an Administrator of the House of Commons. I believe that that Administrator has performed the administrative duties assigned to him exceedingly well. I know that there have been disagreements here or there, but the problem as I understand it is that the Administrator's responsibilities are not mentioned in Standing Orders. There is no real authority for this person who has, in a sense, developed into a person of the same rank as the Clerk of the House and the Sergeant at Arms. I believe that that should be remedied. Perhaps it could be remedied in an all-encompassing Act that could deal with the point raised by the Hon. Member for Edmonton West (Mr. Lambert), and perhaps that with that Act we would see the emergence of a truly representative kind of administration for the House of Commons.

I think that that is about all one can say on the matter. Again I believe that the idea is worthy of discussion, but I believe that the Hon. Member for Edmonton West focused too narrowly on the issue. The administration should be discussed in a wider context. What should be done in this Bill and what is not done is to truly wrestle the administration of the House of Commons away from the executive branch. I am not so sure that the executive branch really wants the responsibility of administration anyway. I have not heard any stout arguments in defence of the executive branch having so much control over the administration of the House of Commons.

Perhaps the Hon. Member would be gracious enough to withdraw the Bill and bring back a Bill later in the session that is more all-pervasive, a Bill that is a bit more thoughtful and that takes note of the true desire, which I am sure that we all

share, to give the administration of the House of Commons in its totality back to the Members of all Parties.

Mr. Deputy Speaker: A question by the Hon. Member for Edmonton West.

Mr. Smith: Mr. Speaker, may I rise on a point of order?

Mr. Lambert: Mr. Speaker, bearing in mind that this Bill was tabled in April of 1980, might I ask the Hon. Member whether he thinks that my thinking today, which is comparable to his thinking today, would necessarily be encompassed in this Bill?

Mr. Deputy Speaker: Just to set the Parliamentary Secretary to the President of the Privy Council (Mr. Smith) straight, it is my understanding that if an Hon. Member wishes to accept a question and still has time remaining, it is permissible. This is the situation we find ourselves in now.

Mr. Collenette: Mr. Speaker, I would be pleased to answer the Hon. Member's question, but I really did not follow the logic of it. Perhaps the Hon. Member could rephrase his question so that I, with my limited mind, could understand it.

Mr. Lambert: Mr. Speaker, I would not want to try in any way to cast any aspersion regarding the Hon. Member. I was wondering whether he was aware of the fact that this Bill had been tabled in April of 1980, and as such, whether it would necessarily reflect his thinking at the time and my thinking at the time. If I had the right to speak at this time, I would certainly set the Hon. Member straight.

Mr. Collenette: Mr. Speaker, I am not really sure what the Hon. Member is getting at. When I was Parliamentary Secretary to the House Leader, I was aware of this Bill and I saw its limitations then when it was first introduced and first put on the Order Paper. My original reservations about the intent of his Bill have been substantiated by the knowledge that I have gained from the representations made before our committee.

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, it gives me great pleasure to speak to Bill C-273 at this time. Bill C-273 is a Bill which is designed to amend the House of Commons Act and which deals specifically with changes that could be made to the Commissioners of the House who deal with many of the administrative concerns of the House of Commons. In view of the favourable attitude that the Hon. Member for York East (Mr. Collenette) seemed to take on some aspects of the subject matter, I had hoped that perhaps at the very least we could have had the Bill withdrawn and the subject matter referred to committee, enabling us to deal in a more substantial way with some of the suggestions made by the Hon. Member for York East. I believe that some of his comments are similar to the observations I have made over the last three years or so that I have participated in the Committee on Management and Members' Services and have been concerned about the workings of the Commission on Internal Economy and of those who have been making decisions with regard to many of the administrative matters that affect us in the House.

I would point out that Section 16 of Bill C-273 remains as it is currently in the Act in that the Governor in Council is empowered to appoint Members to serve on this Commission, and I think some of the comments that the Member for York East made coincide with some of my observations. These observations are that I think we would be much more impressed with the situation if Members were either elected or in some way proportionately nominated by the various Parties to serve, as it were, as the judges on matters that came before the Internal Economy Commissioners. As was mentioned by the previous speaker, it would certainly seem to me that if Members who were not loaded down with the executive responsibilities of Government served on the Commission, then the various issues and concerns that Members have raised would be dealt with perhaps much more expeditiously and even more equitably.

In the time that I have, I would like to underline the kinds of concerns that we in the New Democratic Party have, and I know from my experience on the Management and Members' Services Committee that other Members from both the Liberal and Conservative Parties have raised the same concerns. As was mentioned, substantial administrative changes have been made by the introduction of an Administrator. As has been rightly pointed out, these changes have not been reflected in Standing Orders, and this is certainly a matter that should be addressed and perhaps examined more carefully.

There exists a Management and Members' Services Committee which meets fairly regularly, but its powers have been rather limited in the sense that it serves basically as an advisory group. As a result, there have been quite a few communication and consultation gaps in the recommendations made by the Management and Members's Services Committee. On many occasions, recommendations have been made to the Speaker and to members of the internal economy group, and at the same time, answers have been given to questions that have not been asked or recommendations that have not been made. Many problems have been experienced with the feedback being either slow or incomplete. This would indicate to me that there should be a re-examination of the function of the advisory Committee on Management and Members' Services and, as was suggested, perhaps there could be an amalgamation of the functions of the commissioners on Internal Economy or else the Commission could be restructured so that the Members who make decisions are representative of the various groups and political Parties.

In terms of my experience in the Committee on Management and Members' Services, I find that that committee is one of the most non-partisan groups in the House of Commons. On almost every problem that we have tackled, the attitude of all Members has been constructive. The Members have co-operated and worked together. It is a group that has not been wracked with division or strife nor have its members tried to score political points. Basically we have been trying to deal

with the problems that face Members of the House, and I should like to outline some of them.

• (1640)

There has been notification of salary freezes for the staff of Members, for example. A lot of decisions that have been passed down to us have been made without prior notification or consultation with Members at large or with the Standing Committee on Management and Members' Services. This is complicated by the fact that the commissioners of Internal Economy meet so infrequently. That is almost a secret group in the Cabinet which makes decisions on the way the House of Commons ought to be administered.

Members have other conerns, and if there were a group that was representative of all Parties, it could probably find more constructive ways to deal with our problems. I am aware of some matters that have been raised by certain Members who have participated in the deliberations of Parliamentarians for World Order. The decision on whether this is a parliamentary group has seemingly been made in a vacuum without consultation or adequate explanation to the Members who have worked hard and devoted their time to the discussion of issues they feel to be important.

Many technological and other changes have occurred in the operation of the House of Commons and I think it is important that Members of Parliament have an input into these decisions. There is the Oasis project which is an attempt to bring the House of Commons into the twentieth century. Members will have an opportunity to examine new office procedures, technological and information systems. If Members were freed from their executive responsibilities in order to make the decisions, then I am sure that after complete hearings better decisions could be made on the implementation of such projects and Members would feel better about the way the House of Commons is administered.

Another concern that has been brought to my attention frequently is the matter of a Member's budget. A common complaint in my caucus is that funds can be used either for salaries or for machines. This irritates many Members who feel there should be a separation of these two items in the budget.

These things have been mentioned time and again in the Standing Committee on Management and Members' Services, but because of the dichotomy and the differences between the commissioners, who operate without direct communication with the Committee, and members of the Committee, a lot of things are not dealt with adequately. Often, after matters have been dealt with by the committee, communication becomes bottlenecked, either through the Speaker or through whatever procedure is being used, and information is not given to all members of the Commission.

It is because of such bottlenecks that I support the substance of the Bill presented by the Hon. Member for Edmonton West (Mr. Lambert). I wish the subject matter could be referred to the Standing Committee on Management and Members Services by an order of the House. The Committee could then report back to the House, which could act upon it. I know that many Members have been working hard and diligently on issues that have been brought before them.

A recent concern is that Rogers Cablevision has discontinued the service it had been providing for Members of Parliament. In constituencies such as mine the cable networks are locally operated. I was able to have tapes of the House sent to the local cablevision company so that people in my constituency who cannot receive the proceedings of the House directly, could see at least some of the debates and hear my comments or those of other Members. That service should be reinstated. Concessions were made to Rogers Cablevision by the House in order that it could present such programming, yet if the service is withdrawn we find that there is no way the problem can be dealt with adequately. Such problems do not funnel through to the commissioners for discussion at their rather infrequent meetings.

Members have other concerns. My colleague, the Hon. Member for Broadview-Greenwood (Ms. McDonald) has been troubled by the lights in the House which are far too strong for her. This matter has been raised, but it is not something that can be dealt with expeditiously at the present time. If there was a group of Members which could deal with such matters, the lighting could be changed, as it has been in the Saskatchewan legislature, so that Members would not have to suffer physical discomfort.

Then there is the question of the right of the staff of the House of Commons to have an opportunity to bargain as staff in other Government departments can. Such issues could be dealt with if the ideas in the Bill could be referred to a committee where they could be considered and perhaps changed.

We should examine how matters stand in other jurisdictions. Reference has been made to the United Kingdom model. I like some of the things I have heard about the way the House of Commons is administered there. Perhaps we could incorporate some of its methods. Other jurisdictions have been examined and we could incorporate some of their methods as well.

I should like to close by indicating that we support the general thrust of Bill C-273 although we believe it would require some polishing. We would support the Bill being withdrawn and the subject matter referred to the Standing Committee on Management and Members' Services. Perhaps someone from the Conservative Party, in consultation with the author of the Bill, might negotiate such a move with the Government.

Those are the concerns that I wanted to raise because Members who have served on the Committee are interested in finding a more effective way to serve Members of the House. One way in which we can serve Hon. Members is to ensure that the way in which final decisions are made can perhaps be streamlined and that there is more representation by Hon. Members who do not have Cabinet responsibility and who can devote their time to the type of decisions which would have to be made. These Hon. Members would also, perhaps, have a

better understanding of the problems which regular backbenchers face who do not have a flock of assistants to deal with the various problems but who must deal with constituency and other matters.

• (1650)

I believe that if such changes were made it would be to the benefit of all Canadians and of the constituents whom we serve, regardless of political Party, because, as I mentioned, the Management and Members' Services Committee has been most non-partisan. In fact, even the Chairman has been from the Opposition. This Committee and the Public Accounts Committee are two parliamentary Committees the Chairmen of which are not Government Members. That has certainly improved that Committee's method of operation and the way it has sought to address the issues.

I hope that the Government will take cognizance of some of these matters and introduce speedy changes in that regard.

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I am very pleased today to make some specific comments on this Bill. The Hon. Member who is sponsoring this Bill wishes to increase the number of commissioners of Internal Economy from five to six, and to have the membership of the Commission made up of Members of the House of Commons. The Bill further provides for delegation by the Speaker of any or all of his administrative powers under Sections 16 to 18 so that his presence would not necessarily be required for the purpose of carrying out those Sections.

My views on the specifics in the Bill, Mr. Speaker, are simply that I believe that the commissioners of Internal Economy should be made up of a mix of Privy Councillors, members of the Cabinet—because, after all, they are still responsible for the purse strings—and representatives from the House of Commons. I believe that there is a lot of evidence to prove that when an all-Party committee sits down like this to discuss matters, some useful ideas come from it. There is communication at first hand; the Opposition caucus is not coming over and lobbying Privy Councillors; the New Democratic Party is not coming over and lobbying Ministers; and Members within our own Government caucus are not lobbying committees. It is a united lobby. That demonstrates clearly what the Hon. Members of the House of Commons really need.

I do not agree with having the Speaker delegate a lot of authority which she now holds. I believe that if the system, as we have described it up to this point, were working effectively, that would not be necessary. Speakers have said in this House that they are here to serve the Members of the House of Commons. What better way can they serve, and what better way would they have of knowing how to serve, than if Hon. Members from the House of Commons were to sit down with Privy Councillors in managing the affairs and services of this House of Commons?

I do not believe that the Administrator of the House of Commons, who is a servant of this House of Commons, should be the secretary to the commissioners of Internal Economy. I believe that is a mistake. The only people who can really represent the Hon. Members of this House of Commons on both sides of the House are the Hon. Members themselves. If representations are made from each Party caucus in the House, then it will be the responsibility of each Party caucus to advise its representative on the Internal Economy Commission precisely what his Party's position is.

I believe that whoever is Speaker in future years, as well as the present Speaker, would welcome this arrangement. It would remove a big problem from their shoulders because a consensus has already been reached when they are presented with a request from the House of Commons or with the work of the commissioners of Internal Economy.

I would like to deviate a little from the subject of the remarks I just made and go back to the time when individual Members lobbied Members of the Privy Council in order to get things done, which was a very loose and unsatisfactory arrangement. I remember one day when the Hon. Member for Terrebonne (Mr. Comtois),—who is in the House today—the present Minister of National Health and Welfare (Miss Bégin), myself and one other Member met together. We had just returned from a very busy weekend in our constituencies. I personally had something like 40 phone calls and visits from people to my home on Saturday and about 30 on Sunday, and I had to come back to Ottawa on Monday morning to manage all this. Therefore, our first aim was to bring to the attention of the commissioners of Internal Economy the real need for Hon. Members to have constituency offices. Eventually, that came about. We look upon this as one of our first achievements. Out of this group, in a continued liaison with the other two Parties in the House, came the founding of the Standing Committee on Management and Members' Services, which is chaired by the Hon. Member for Cumberland-Colchester (Mr. Coates). I would like to pay him a compliment today. He does a very good job as Chairman of that Committee and he operates in such a way that I sincerely feel he has the confidence of all the members of that Committee. That is very important for a chairman to have.

The founding group has continued. Some of us have been part of the Management and Members' Services Committee from time to time, others on a continuing basis. However, I believe that this Committee serves this House very well, and it will continue to serve this House very well if it is given serious attention. I feel that the time is definitely ripe for a new tone to be set with the commissioners of Internal Economy, that Commission should be reformed that Hon. Members of the House from all Parties should sit on that Commission. I cannot think of anyone who would be more qualified to do so, Mr. Speaker, than a Party representative who comes directly from the membership of the Management and Members' Services Committee. In that Standing Committee the Hon. Members are well aware of everything that is discussed. They are well aware of all the issues which are brought to their attention and they can certainly explain things on a first hand basis to the commissioners of Internal Economy who are sitting around that table.

We do not need a bureaucratic set-up in order to get our views across the Cabinet Ministers. That is a direct process. I resent having any individual as a go-between me and any Cabinet Minister to whom I want to make a proposal, and I am sure that all Members of this House feel the same way. We are here to do a job. We face this issue of personal representation and group representation all the time. I believe it should be laid clearly on the line, Mr. Speaker, that when we say "Management and Members Services"—although it sounds like a very self-serving phrase and people might get the idea that in this Committee Members of the House are serving themselves, which, of course, is totally inaccurate—we mean that Members are there to try to upgrade the services of Members of the Parliament of Canada, to give them better working conditions and to give them some staff to work with so that they can do their jobs better.

I believe the Hon. Member for Dauphin-Swan River (Mr. Lewycky) was talking about the British parliamentary system and he mentioned some of its superior philosophies and ways of operation. However, I would like to point out that that is certainly not the case when it comes to the British Member of Parliament. I have been in the office of a British Member of Parliament and it is not even as big as the one I occupy here on the Hill, which certainly is not big by ordinary standards. In that office there were four MPs and two secretaries. If there was ever a set-up for a family feud, Mr. Speaker, I imagine that was it. Each Member had to come in the office to see if the chair in the corner was vacant so that he could sit down to do some work with one of the secretaries.

• (1700)

As you know, Mr. Speaker, the British Parliament has its time well programmed. When they have a debate, they say how many speakers there will be and how many minutes each will be allowed. In order to conserve space on the floor of the office they have this little television set up in the corner fastened to the ceiling so there would be no square inches lost. From time to time that set would indicate the number of minutes left in the total debate and the number of minutes left to each speaker. In that way they know when the debate is coming to a close. They have many interesting things like this. The Hon. Member for Dauphin-Swan River (Mr. Lewycky) told me that the Hon. Member for York East (Mr. Collenette) also had referred to the British Parliamentary system.

Certainly there have been improvements around here since I first came to the House. I mentioned constituency offices. Then there is the matter of equipment in our own offices, and office space. When some of us first came here, if we wanted to have a confidential conversation with a constitutent or a group of constituents, or some Members came in and we had to have a private conversation, the secretary either went down to the cafeteria for a coffee or took a walk down the hall to the washroom or something because we only had one small office in which to operate.

Another difference which I would point out between our system and the British system is that in North America generally, here and in the U.S., we are loaded down with mail and telephone calls to a far greater degree than British Members of Parliament. If we really want to compare the three systems, we have to compare the actual work load. It is important that we as Members of Parliament have good staff and are able to keep them to do the work in our offices. That means half decent working conditions, half decent pay. If we cannot get people of good calibre to handle the issues in our offices and routine things which come up during the day, then we ourselves are going to be tied up in the administrative details of our own offices to such an extent that we will not be able to be legislators. When that happens, there is only one group left to do the legislating, and that is, the executive committee of Government, namely the Cabinet.

Now, Mr. Speaker, I think in all democracies we have to be able to free the representatives of the people so as to enable them to dig into what is being done by way of legislation, to make proposals for legislation and improvements in legislation, and really to be able to discuss it intelligently with their constituents. Surely that is our role. But at the same time we must look after our constituents because that is what we are here for. We can do that if we are good individual administrators as MPs, but we cannot be good administrators if we do not have the staff, equipment and techniques with which to work.

People who come to the House of Commons, Mr. Speaker, are there because in one way or another—indeed in many ways—they have already become leaders in their own communities. They have a lot of respect in their own communities. Therefore, why should we not have executive representation on the internal Economy Commission? We should have good representation from the House of Commons to represent the Members of this House of all Parties who are informed about what is required by all Members of this House and who go there with the same didication with which they go to the Committee on Management and Members' Services.

I am going to leave it at that, Mr. Speaker. This has been a long process, starting with representations on an individual basis, that first little group which met and tried to get constituency offices funded. Along the way a fairly good rapport has developed between members of the Management and Members' Services Committee and the representatives of the Commission on Internal Economy. There was a necessity for direct input on a continuing basis from Members of this House to the commissioners and a reform of the commissioners' operation itself because we have travel arrangements today that we would never have had if we did not have the opportunity to put them forward. I am going to sit down, Mr. Speaker, because I know that another Hon. Member wishes to speak.

Mr. Robert C. Coates (Cumberland-Colchester): Mr. Speaker, I only have a few moments, and I just wanted, first of all to congratulate the Hon. Member for Edmonton West (Mr. Lambert) for proposing this Bill. I have had the privilege of being the Chairman of the Committee on Management and Members' Services for probably eight years now and I think,

unlike the Hon. Member for York East (Mr. Collenette) who does not seem to know what the Committee does, that it has done a great deal to make working conditions for ordinary Members of Parliament a great deal better, both here on Parliament Hill and in serving their constituents wherever they happen to be located. I think as well that the Committee itself has, on a number of occasions, moved motions and sent them to the Commissioners on Internal Economy to have a member of my Committee serve on that Internal Economy Commission, because all too often the proposals of Members, who work very hard and are very diligent—and probably that Committee has the best attendance record of any Committee on Parliament Hill—are in a raw form without any explanation attached to them, and we have no one really to carry the message and to explain whatever nuances the motion might have. As a result, actions are taken which neither put the full proposal into effect nor reject it out of hand. That, almost without exception, is a mistake and it deters the work of individual Members of Parliament to a certain degree.

• (1710)

We must also recognize the fact that there are two different groups of Hon. Members who sit in this institution. Some are backbenchers and others are members of Cabinet. I do not think that, from a day to day point of view, we must worry about members of the Cabinet. They look after themselves pretty well. They have their own staffs, their own offices and their own people to do their thing. Individual Members of Parliament do not have anything similar.

There should be an infusion of information to the commissioners of the Internal Economy Commission as to just what the role of an individual MP might be on any particular issue that is before them and the problems which are associated, for instance, with rejecting a motion which has been discussed for many hours in the Management and Members' Services Committee before a resolution, which is usually a unanimous resolution in the Committee, goes forward to the Speaker.

We are an advisory committee to the Speaker and, as such, when it reaches the top echelon of decision-making, we do not have any part to play in it. I believe that even in an advisory way, a number of the members of the Management and Members' Services Committee should be in attendance at these particular meetings to point out what individual motions are all about and the reasons the Committee has put them forward.

Many things have been achieved, but many things have not. One of our concerns right at this moment in time involves the morale of either our office employees or of our personal employees on the Hill who are totally frustrated with individual Members of Parliament because we have been put in the position where we cannot even give our staff the 5 per cent increase which other civil servants have available to them. We cannot give them 1 per cent. We cannot give them anything. It is only because we have loyal staff that they are staying, if they are staying. I know of examples where they are not staying and are even going to the administration operated here on Parliament Hill because the pay is better than in individual Members' offices. We must get that straightened out. We must also do something about ensuring that the Speaker, the Chairman and the members of the Internal Economy Commission pay more attention to what is really happening in the Management and Member's Services Committee.

[*Translation*]

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, I am pleased to have this opportunity to take part in the debate on Bill C-273 introduced by my colleague opposite, the Hon. Member for Edmonton West (Mr. Lambert), to amend the House of Commons Act with a view to changing the number of Commissioners of Internal Economy and looking into the possibility of delegation of powers by the Speaker.

I quite agree with the over-all objective advocated by the Hon. Member, but then I must say that his Bill, which was introduced in the House a little over two years ago and came up for debate on November 6, 1981, does not solve the whole problem. The Hon. Member himself admitted earlier today in a private discussion that his opinion has been changing all along and that he was prepared to go even further than in the measure under study.

As it happens, Mr. Speaker, I too am drafting a Bill which I thought and still think is more comprehensive than the Hon. Member's. In light of the statements I have heard here this afternoon, I realize that I am still not sure whether he is going far enough.

Still, my opinion is closer to that of the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) than to those of other Members, for I believe that some members of the Privy Council ought to be Commissioners of Internal Economy because they do have some financial responsibility toward the House. My bill should satisfy the Hon. Member for Cumberland-Colchester (Mr. Coates) since it provides for two additional Commissioners, two backbenchers—one from the Government, one from the Opposition—who have no special duties and no allowance. I intend to introduce my bill in the near future.

Earlier, when I was listening to my colleague from Cumberland-Colchester—I must commend him and the others who sit on the Committee on Management and Members' Services for the heavy workload they carry—I wanted to ask him before he left whether at one time or another someone from that Committee had been invited to appear before the Internal Economy Commission. That is where—

The Acting Speaker (Mr. Corbin): Order, please. Pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings. There being no other item on the order of business for today, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

At 5.16 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 19, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed from Monday, May 16, 1983, consideration of the motion of Mr. Pepin that Bill C-155, to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport; and the amendment thereto of Mr. Benjamin (p. 25389).

The Acting Speaker (Mr. Corbin): The Hon. Member for Provencher (Mr. Epp).

Mr. Deans: I rise on a point of order.

The Acting Speaker (Mr. Corbin): Order. The Hon. Member for Hamilton Mountain (Mr. Deans) rises on a point of order.

Mr. Deans: Mr. Speaker, I realize that it is the Speaker's prerogative to recognize any Member, but the understanding that I had was that it was this Party's turn to speak. I had understood that in fact the Hon. Member for Kamloops-Shuswap (Mr. Riis) was to be on his feet, but as he is unable to be here at the moment, the Hon. Member for Saskatoon East (Mr. Ogle) had risen to speak.

The Acting Speaker (Mr. Corbin): The Chair accepts the Hon. Member's intervention. Naturally the Chair wants to be fair to the various Parties present in the House. Unfortunately, I do not yet have at my disposal the list of former speakers; the Chair apologizes for that. Nevertheless, on the basis of Members who have already spoken for each Party, if the Chair has not followed the usual allotment of Members from each Party, perhaps the Hon. Member for Provencher would cede the floor to the Hon. Member for Saskatoon East.

Mr. Epp: Mr. Speaker, I would like to co-operate. If there were previous arrangements, I am willing to step down and be recognized as the first speaker from our side of the House when our turn in the rotation does take place.

Mr. Taylor: On the same point of order, Mr. Speaker, on Monday, May 16, at 5.56, the Hon. Member for Kamloops-Shuswap (Mr. Riis) did take the floor and spoke for the four minutes that were left. I do not know of any particular arrangement that had been made, but he did take the proper place for the NDP at that time. I think that in fairness the NDP should now have a chance to speak because the Hon. Member for Kamloops-Shuswap did not have a chance to speak for very long; he simply filled in the remaining four minutes.

The Acting Speaker (Mr. Corbin): I thank the Hon. Member for Bow River (Mr. Taylor) for having refreshed the memory of the Chair. In any case, there seems to be agreement now to allow the Hon. Member for Saskatoon East to contribute to the debate.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I would like to thank my colleagues from the Progressive Conservative Party and particularly the Hon. Member for Provencher (Mr. Epp) for allowing me the opportunity to speak this morning. Mr. Speaker, I support the amendment that is now before the House because the amendment basically tells the people of Canada that our Party is not supporting the Bill to change the Crow rate.

Last weekend while I was in Saskatoon, I attended a very interesting and pleasant event. I was able to take part in the one hundredth birthday party of a Saskatoon citizen. Mr. Percy McKague was born on May 15, 1883 and last Sunday he celebrated 100 years of life. Mr. McKague is still a very clear-minded and lively person. He has a little difficulty with his hearing and he has a little difficulty with his sight, but his mind is as fresh as it ever was. He was happy to celebrate with members of his family and with friends who had recently celebrated their seventieth wedding anniversary, and I was happy to be with them.

As soon as Mr. McKague was able to recognize who I was when I sat close enough to him and spoke loudly enough so that he could see and hear me, he said: "You are from Ottawa, are you?" I said: "Yes, I am from Ottawa." Then he said: "Well, make sure they keep the Crow. The Crow belongs to the West." He said that in a clear, bell-like tone. We must remember that Mr. McKague, whose family started one of the local funeral parlours at the turn of the century, was speaking from the historic perspective of a person from Saskatchewan. People from Saskatchewan know that the Crow rate gave them some control over their own lives. As Mr. McKague said, the Crow belongs to the West. The East has plenty of things that look after it but the Crow belongs to the West.

• (1110)

There are many Members of the House and many people from the West, particularly Saskatchewan, who know that the Crow legislation made it possible for communities in western Canada to become established, to remain as communities with the possibility of a viable life and to build up what we call today the fibre of our Province. I know I am biased because I come from Saskatchewan. I have travelled the Province and I believe it has developed into a rather unique place on the planet. All across the Province there are viable communities established by people who have come from all over the world.

In pioneer days when the railroads were being built—and Mr. McKague was born two years before the first steel was laid in Saskatchewan—immigrants came to the communities being built all across the prairies. These people turned that land into fertile, food-producing farms.

In Saskatchewan today you can go to one town in which the predominant population is Ukrainian. You can go down the road about seven miles to another town and the people will be French-Canadian. Another 15 miles along there will be a German community, and so it goes, down the tracks. Each of these places was established by prairie settlers who came from different parts of the world and built towns, communities and viable centres where people could live and have a good life along the railroad lines. The railroads were the warp and woof of the fibre of our whole being.

Today it is extremely important to guard the human values established by our pioneer forefathers. These people put their lives, hearts, souls and futures into the West and made it a good place to live, a place in which the value of people, the value of the community and the ability to live together formed a Province built on unity and a common belief in itself.

The legislation proposed by the Minister is seen by some as a kind of saving dollars and cents legislation which will go to the very fibre of life on the Prairies. But this Party opposes the changes that make it necessary for people in those communities, those farming areas, those places in which the food of the world is produced, to shoulder an unfair burden.

I should like to repeat what Mr. McKague said in his clear, one hundred year old voice. He said that the Crow belongs to the West and an attack on the Crow in the West is an attack on life in the West.

• (1115)

Farmers, retired people, not just people on the land but storekeepers and business people, all know and understand that the reason these towns and centres continue to progress is that the Crow rate stabilizes the economy and the possibility for income on the Prairies. Everyone in western Canada knows that if the farmers are prosperous everyone ultimately benefits. It keeps the local stores open, it provides schools, it makes it possible for communities to have their own rinks, their own ball team and their own band. It makes it possible to live as viable human beings and to continue to do so. But they must keep the rail lines. The rail line is like an artery in a human body. If you cut an artery, the next thing that happens is that a part of your body dies. Abandon the rail lines and that is just what will happen to those communities.

I speak with deep feeling for those people who want to keep their way of life. Their way of life is uniquely associated with their ability to have railroads, to have rail service which links them with the rest of the country and with the rest of the world. They must ship their produce to the markets of the world. This Bill to change the Crow rate is basically an attack against the fibre of life in Saskatchewan. As my old friend in Saskatoon, Mr. Percy McKague, who is 100 years old, says, "The Crow is part of the West. It belongs to the West." I hope that is where it stays.

Hon. Jake Epp (Provencher): Mr. Speaker, I have a number of points I would like to make and only ten minutes to make them, but perhaps I will be able to outline the areas I wish to highlight and, hopefully, there will be other occasions when I will be able to expand on these points. I look at the debate on the Crow rate proposals in a way similar to the way I looked at two other issues raised in this Parliament. First of all, it is not only a debate which relates to western Canada. Although the greatest impact will be in western Canada, it is a debate which has national implications and should concern every Member of the House.

The first major piece of legislation which affected us, I believe, as Canadians, and specifically as western Canadians, was the Constitution. Hon. Members might question why I raise the Constitution in this debate and I do so to make this point: it was a painful process for Canadians and for Hon. Members of this House. But to argue that the process did not result in a greater consensus would be violating the historical fact. What was argued in that exercise was that all Canadians are equal, that all regions are equal and that every Canadian and region should have the right and the ability to make their largest contribution to the national good; that they should have the right to develop their natural advantages. Canada as a whole benefits from the development of those natural advantages, not just simply the areas where that development takes place.

The second major piece of legislation which I believe affected Canadians in the perspective of how they see themselves was the National Energy Program. All of us, I would think, can agree that a national goal which has validity is that Canada become energy self-sufficient, and that is a national goal. The natural resources which give us that potential are based on the constitutional arrangement that those resources belong to the citizens of a given Province. But it does not stop there. Those Provinces and citizens have the right and the responsibility to develop those resources and to make the advantages which flow from that development available, again, to all Canadians.

• (1120)

That is essential, I believe, to understanding what Canada is. If we do not accept that principle, then those areas of the country, be it Atlantic Canada or western Canada, which do

not have that advantage cannot develop their own economic base and become contributors to the larger national goal.

When I speak to provincial leaders and citizens who live in Provinces which receive a substantial part of their income through equalization payments, I do not hear that they want greater equalization payments. What I hear from them is that they want the right to develop their natural advantages in order to develop an economic base and become contributors to the national economic scene, rather than relying on ever-increasing equalization payments.

That, Mr. Speaker, takes me directly to this Bill. I appreciate that the Minister is in the House and he might find this a little odd, but I hope my remarks are not seen to be highly partisan because I approach this question on the basis of what is best for Canada as I see it, and what is best for us in western Canada.

Obviously this Bill, if it were passed, would radically change the infrastructure of western Canada. Any time change takes place there is the natural tendency to be fearful; that is human. Having said that, I think there is a consensus generally that there must be some change to the transportation system in western Canada. Why? Because there is the very distinct desire to diversify. Now, there has been diversification in agriculture and related industries in the West, but I think the Minister would agree with me that that has not resulted primarily because of Government leadership. Generally it has been economic reality where farmers and agri-business people have diversified for economic reasons. The question then is: Does this Bill enhance this diversification or will it hinder it? My view of the Bill before us today is that it will hinder it and I want to give the reasons why.

We agree there must be some change, there must be some diversification beyond that which is taking place, so we need a national transportation policy. This might seem a little odd to some Members, including some from the West, but I believe it sincerely. I do not think that our transportation system can be based solely on the concept of an export economy.

Mr. Pepin: Agreed.

Mr. Epp: I know for us in western Canada there is the argument of the net benefit of $6 billion in exports and therefore that is the transportation system. But surely if we want more diversification, it must also be based very strongly on what is best in the way of internal diversification for Canada as a whole. While I believe there will always be a bias toward transportation in western Canada to the export market, I do not think we are well served by virtually looking at our total transportation policy from that perspective alone.

What concerns me with the present Bill, Mr. Speaker, is what happens to the ability to diversify in the livestock sector. I see nothing in the Bill which says to me that there will be greater opportunity for our livestock producers to develop that industry.

• (1125)

I would like to mention hog production. In speaking to producers of hogs in Manitoba, they tell me they now see a loss between $3.75 and $4 a hundred weight on hog production. There is concern that we are in fact increasing the distortion between grain production and non-grain production on the Prairies. The ability, for instance, of Provinces to top load programs plays into that distortion. Therefore I think it is very clear where the solution must lie.

If I can speak provincially for a moment, I do not see anything in the Bill which would enhance the ability of Churchill to become a major port. I know of no country that has ever given up voluntarily, by attrition, any salt water port. I have never seen any country that has been willing to allow its ports to deteriorate to the point at which one questions their viability. I have always seen the opposite, that those ports are developed, and I want to see Churchill developed. I want to see the railway developed. I want to see a diversification in Churchill, not only in grain but also in Saskatchewan potash. I want to see products being handled through Churchill for a longer period of time.

The former Minister of Indian Affairs and Northern Development, who is now the Minister of Energy, Mines and Resources (Mr. Chrétien), and I had as an objective: Why must we buy arctic technology? Why, as an arctic country, do we not develop the best arctic technology for ourselves, as Canadians? That matter is not addressed in the Bill.

In addition, what concerns me about the Bill is husbandry of the soil. I say that farmers must diversify for reasons of the soil, for reasons of economics, but the summer fallow wheat cycle simply does not address the problem any more. We are mining the soil. We must surely have legislation which will allow the farmer to farm the very best way the soil of which, for the moment, he is the steward. That must also be in the legislation.

Mr. Pepin: In the legislation?

Mr. Epp: I am saying in the legislation in terms of the philosophy which will allow farmers to make those decisions.

Mr. Pepin: But you can't put everything in the Bill.

Mr. Epp: The last point I want to make, and I said I would be short of time today, is this. The Minister is opposed to the hoist. He asks, "Why should there be further delay?" That brings me back to the first point I made. I believe that in the federal state called Canada it takes time to develop consensus. The Minister will say; "We have had Hall, we have had Snavely, etc.; have we not had enough time?" I am convinced that a consensus is developing which would allow producers to consider these various options, including the one advanced by my colleague, the Hon. Member for Vegreville (Mr. Mazankowski). Therefore I suggest to the Minister, let us now use the new awakening in the farm community, in the western community, in fact in Canada, to develop that consensus and have

the best legislation to meet the objectives on which I think most of us agree, rather than push through legislation which, for a political reason today, might seem acceptable but tomorrow could seriously harm both the West and Canada itself.

Mr. Albert Cooper (Peace River): Mr. Speaker, I am pleased to have an opportunity to enter this debate on Bill C-155 because it is certainly a very important piece of legislation to the Peace River country. I guess the reason for that is very simple. Farming is one of the most essential elements of the Peace River economy. The communities and businesses existing in that area have largely been built because of the agricultural sector and the economy which has contributed to the well-being of the area. Therefore, the prosperity and well-being of the region are dependent, to a very large extent, upon farming.

Another thing that makes our country and our area unique is the fact that we are in the far northern part of Alberta where we have a unique climate and unique soil conditions. We have a unique growing season due to the fact that our days are long and we have an abundance of sunshine. Despite the fact that we are so far north, we can produce very good, high quality crops.

• (1130)

Another factor which makes us unique in that part of the country is that we have a large amount of undeveloped land which is still to come onstream. It is one of the last large agricultural frontiers in Canada which is essentially still populated by pioneers today. They are pioneers who originally came here in the early 1900s and are still taming and developing new agricultural lands in our area.

The people of that region have faced hardships, which has been particularly evident lately. That is one reason why I am so concerned about Bill C-155. As a result of the fact that we have experienced drought conditions in the last four crop years, our farmers are facing difficulties.

Another problem our area faces is the long distance which must be travelled to major centres. Consequently, our local farmers have had difficulty being productive and ensuring that their land is productive. They have had to pay the price to do those difficult tasks.

The Crow rate was originally established to aid the pioneers of an earlier age. I do not believe that the goal of that original philosophy has been reached in my area. In terms of Bill C-155, I do not foresee a great deal of improvement for the people of the Peace River country.

Let me elaborate on the problems there. I believe the most serious effect of this Bill is that it will take away a consistent freight rate which is the one thing that farmers could plan on to predict their economic situation. All other agricultural factors, such as fuel costs, fertilizer costs and machinery costs, have fluctuated. The freight rate has been the only consistent cost that farmers could relate to.

This legislation does not in any way enshrine that freight rate. The Western Grain Transportation Act will create a new bureaucracy, which always causes me concern. Another concern is the fact that there will be open-ended price increases. I suggest that the settlement for the railway companies is too generous and not essential.

I am also concerned that there will once again be too much ministerial power. We have seen that demonstrated in many Bills that have been brought before the House.

Mr. Pepin: That is not true at all.

Mr. Cooper: The Minister of Transport (Mr. Pepin) should read Bill C-48 for a good example of ministerial powers being placed one upon the other. We are seeing the same thing in this Bill.

I want to re-emphasize the problem of distance from markets in the Peace River country; I believe that will have a real impact on this Bill. I have discussed this issue with the Minister of Transport in the past. In the Peace River area there are places like La Crete, Fort Vermillion and Worsley which do not have rail service. Today there are farmers in our area who must load their grain in trucks and travel from 50 miles to 120 miles, in some cases, to the nearest railway. That is money they have already been paying but the average Canadian farmer has not since they only travel an average of 20 miles to the nearest elevator. That is an additional expense that the people in our area have faced. As a result of this legislation this problem becomes intensified and more serious. There is no possibility of a resolution of the problem for those people.

Another problem is the 31.1 million tonne limit. Again, that is a disincentive to people in my area. It is a disincentive to increase production and a serious disincentive to land development and improvement. That development is very essential to the Peace country since there is so much new land that we would like to see brought onstream in order to benefit the economy of the Peace country.

I believe the people of the Peace country will suffer doubly as a result of the proposed changes in Bill C-155. They will be at the mercy of the bureaucratic structure. They will have to pay high initial handing rates and high rail rates. All of that will be a disincentive to increased production in the Peace country. Of course, they are still adding the high cost of initial freight rates in taking grain from the farms that 50, 100 or 120 miles to the nearest elevator.

I believe it is important to note that this legislation reflects a change in attitude away from the support of grain production. It is a deviation from that policy which has been so important in the past. This legislation ignores the Hall Commission Report while it accepts the Snavely Report and the Gilson Report. But then, it is even changing the Gilson Report to the advantage of the railways. The Gilson Report initially recommended that producers would pay 4.5 per cent of the cost as opposed to the 6 per cent inflation which is now proposed. The increase in the open-ended freight rate makes it difficult for producers in our outlying areas to carry on grain production. That is a major concern in an area that is developing new land. I cannot emphasize enough the fact that the farmer will be

paying more because of his initial costs in taking that grain to the railhead.

My concern for all of those cost factors becomes very dramatic when I consider a new era with new land and the high costs already facing farmers. They now have an added expense which is brought forward in Bill C-155. I believe it will make all the hard work and investment by the people in the Peace country less worth while and make that pioneering spirit that we have needed in many of our new areas less attractive and less worth pursuing. The consequences will not only be an effect on the agricultural economy of the Peace country but in fact a very dramatic and serious effect on our whole economy, since everything is so closely related.

The Government has told us that diversification is a primary goal of changes to the Crow rate. That is important. While that is very important to the people in the Peace country, all of the diversification in the world will not induce our farmers to produce goods that they cannot afford to ship. There is no flexibility provided for in the present situation. The Crow benefit should be applied in such a way as to encourage our farmers to make on new products, use their land in different ways and provide a better farming base for them. I do not see that in this particular legislation because there is no flexibility.

I believe that Canada as a whole benefits from the production and shipment of grain. I suggest that we are all aware of the fact when we look at the country. We all realize that since Canada benefits from the agricultural community, which is certainly true of the Peace country, we have supported that industry in order to allow it to compete, become strong and develop new lands. That is now suddenly coming to an end. We do not have a river system such as the Mississippi to ship our grain. We have to cross mountains and prairies in order to reach both export and domestic markets.

The Government has indicated time and again that it wants to support Canadian industry. I believe very strongly that if we are to support Canadian industry we have to support the farm community.

In closing, I want to say that I do not support this particular Bill because I do not think it helps the farmers of the Peace country, and I do not see it benefiting them in the difficulties they face today, or in the future.

Mr. Ron Stewart (Simcoe South): Mr. Speaker, as an Ontario Member and not as a westerner, I rise to speak against this Bill, unfortunately only for a short ten minutes. This Bill, which would change the traditional Crow rate after being in place some 86 years, will fundamentally change the whole transportation system of Canada. If the change remotely parallels the Post Office, CNR, the CBC, the National Energy Program or Canadair, I would ask Members to consider the devastating results for all Canadians. No one trusts this Government with its sticky fingers on anything, let alone the national transportation system of this great nation.

• (1140)

Every Province and every industry in Canada, not just the West by any means—and I reiterate I am an Ontario Member—will be damaged by this change, particularly the total agricultural community; and unfortunately, the extent of this damage and its total effect is an unknown quantity.

Mr. Pepin: Jim Snow will be angry at you.

Mr. Stewart: Why? Because this Bill is so obtuse, so convoluted, so ill-conceived, so disastrous a bureaucratic nightmare, Mr. Minister, that even the President of CNR whom you represent and two top lawyers admit they do not understand it.

Mr. Pepin: I am destroyed by the power of the argument.

The Acting Speaker (Mr. Corbin): Order, please. I invite the Hon. Member to address his remarks to the Chair.

Mr. Stewart: The Minister was heckling, with all due respect, Mr. Speaker.

The Hon. Minister of Transport (Mr. Pepin) has suddenly become—and he is leaving the Chamber—after such a lacklustre performance with rail curtailment and the VIA debacle, an expert in the field of transportation. This, of course, came after his advice from whom else but his Quebec caucus. Yes, that Minister is an instant expert, Mr. Speaker. We all know the definition of an "expert" in this House: "X" is an unknown quantity and "spurt" is a big drip under pressure.

Some Hon. Members: Oh, oh!

Mr. Stewart: Mr. X was under enough pressure from his Quebec caucus and colleagues not to come before this House to express his proposed changes to the National Transportation Act. Of course not. Major changes to the fundamental infrastructure of this country, particularly anything to do with western Canada, English-speaking Tory Canada, are done outside the House by this Government using Order in Council and/or closure. At every opportunity this Government bypasses the rights and freedoms of this institution which have been nurtured over tens of years and make us, the elected representatives or voice of the people, absolutely redundant. This is the procedure of this Government. We have seen it for months and years. Do not call witnesses to the committees; do not let Members speak; just bypass, bypass.

The Minister first made his intention to make this change known in Winnipeg on June 28, 1982. This was the birth of the Gilson Report, accepted I might add, which was announced in Winnipeg. Twice more the Minister made statements outside the House and the fifth announcement was made in, of all places, the theatre of the National Press Club. So much for Parliament! This was all done outside these hallowed halls, and I say that advisedly. Five times it was done, twice more than even St. Peter. This was all done out of reach of debate on something of such coast to coast interest and tantamount importance as the complete transportation system, which is the glue upon which this nation was built. This Government has a

total disregard for the parliamentary process. In short, what it has done is cowardly and absolutely reprehensible and I hope Canadians will remember.

But, Mr. Speaker, there is more. When the Bill was introduced after a battery of lawyers and bureaucratic whiz-kids got finished hatching it—and here we have shades of Eddie Clark and the disastrous National Energy Program—only 25 copies were made available to this side of the House and those were not received until late afternoon. Is this parliamentary process? Is this democracy? We thus had but one day to examine the legislation, and upon examination the legislation is a garbled diatribe of the impossible. It reminds me of something an old fellow used to say in the streets of Barrie. It is something "oversicoscious, upstantiatious, plarell, plichadale, platinum plated before sundown".

Some Hon. Members: Right on!

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Stewart: If that sounds unintelligible, Mr. Speaker, think on this. The Crow statutory freight rate was seen as necessary for our economic well-being and was simply defined at a rate of one-half a cent per tonne mile. It has now been changed into the following gobbledegook—I will read a little bit of it. This was pointed out by my colleague, the Hon. Member for Vegreville (Mr. Mazankowski), who has forgotten more about transportation than the present Minister will ever know.

Some Hon. Members: Hear, hear!

Mr. Stewart: Just listen to a short excerpt, Mr. Speaker. In the new piece of legislation, a simple thing like half a cent a tonne mile is now eight paragraphs. I will not take up the time of the House with the whole diatribe because my hon. friend from Vegreville has already read it into the record, but the clauses are eight and they take up better than half a page of *Hansard*. These Clauses read like this:

> The annual rate scale in respect of a crop year shall be determined by multiplying the amount per tonne for the movement of grain over each range of distance set out in the base rate scale by the quotient obtained by dividing the estimated eligible costs of the railway companies in respect of that crop year less the CN adjustment in respect of that crop year by the base year revenues within the meaning of subsection (2), as those revenues are adjusted in accordance with the grain tonnage forecast for that crop year—

That is one paragraph.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Stewart: Then we have Subclause (4) of Clause 37, which reads:

> For the purposes of subsection (2), the "estimated government commitment" means an amount equal to the aggregate of
>
> (a) the Crown Benefit for that crop year divided by 31.1 million tonnes of grain and multiplied by the number of tonnes of grain that, in the estimation of the Administrator—

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Member for Gloucester (Mr. Breau) is rising on a point of order.

[*Translation*]

Mr. Breau: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Corbin): Order! The Hon. Member for Gloucester (Mr. Breau), on a point of order.

Mr. Breau: Mr. Speaker, I realize the Hon. Member has a right to speak as fast as he wants to, but perhaps I may remind him that there is an interpretation service for Members who do not understand English, and if the Hon. Member speaks this fast, the interpreters will not be able to do their work.

[*English*]

The Acting Speaker (Mr. Corbin): I am not sure what the Chair is expected to do in such circumstances. I did notice the *Hansard* reporter was having considerable difficulty following the Hon. Member. I invite him to resume his speech.

Mr. Stewart: Mr. Speaker, I apologize to the *Hansard* reporter, but I am reading from *Hansard* at page 25383 for May 12, 1983. I was quoting from the speech of the Hon. Member for Vegreville. I apologize to Brenda, if I may be so bold as to use her name.

The Acting Speaker (Mr. Corbin): Order, please. I do not know exactly how to qualify it, but I do not think the Hon. Member should refer to employees or staff of the House of Commons in the way he did.

Mr. Stewart: I am very sorry, Mr. Speaker, but it is about time some of the good employees of the House of Commons were recognized.

Some Hon. Members: Hear, hear!

Mr. Stewart: At any rate, Mr. Speaker, that is how ludicrous this piece of legislation is, and I hope I have proved a point.

Some Hon. Members: Hear, hear!

Mr. Stewart: To add insult to injury, after only two days of debate, once again we have closure. This makes 18 times in this session that, with closure invoked, free speech and the ability as Members of Her Majesty's Loyal Opposition, which I say with pride, to represent our constituents by speaking on their behalf—which is why we are here—have been thwarted or completely garroted. And so the bells rang again. Pourquoi? Why am I speaking now? Because the new rules limit debate to 10 minutes after 8 hours and the Government capitulated to us on closure only because of the time element; otherwise I would be speaking on a closure debate. I hope this does not happen this afternoon, Mr. Government House Leader.

Closure was not necessary, only in a dire circumstance, before this Government came along. That is the only time it is necessary. But we have experienced closure 18 times this

session. It has become the rule, not the exception. The government treats this Bill as if it were a routine piece of legislation. It brings this Bill forth knowing full well that it needs revision.

The Prime Minister (Mr. Trudeau), while in the West, admitted its imperfections but said that because there were no representatives from the West in his Government it would have to do. Well, it will not do. It is not routine legislation. It is almost as important as the Constitution, a Constitution without property rights or language protection for the majority, I might add.

Now we have a national transportation policy change, a change that can only be passed by this House, thank heaven. This is a Bill so incomplete that it does not address the impact on western grain producers, meat packers and the livestock feeding industry, let alone the impact on my Province and the Maritimes.

Where is the cost analysis of this impact that will be felt coast to coast? Because that is what Canada is all about. It is a small market of less than 25 million souls spread some 4,000 miles and held together by a band of steel known as the railroad. It was built by a population at the time of less than 3.5 million dedicated people, people deeply in debt, and against all odds. Now we want to destroy that system as it refers to all Canadians.

Today, as then, they must have fair freight rates in the West, subsidized freight rates. What is wrong with that? We subsidize our roads, our canals, our highways, our sidewalks and our airports. Let us take a good hard look at Mirabel which loses $1 million a week, Mr. Speaker. Are we going to turn that money around and give it to the railroads? Why not our hard working and tax-paying farmers? Fairness can only come about with total hearings in committee by committee witnesses, such as was done with the Gilson hearings. We need real experts, not a bevy of ministerial bureaucrats. We need real debate in this House.

• (1150)

To show just how ludicrous is the handling of this Bill by the Minister, before he even tabled it announced unseen modifications. They were an agreement regarding linkage of grain-moving costs to international costs and the inclusion of specialty crops under the Crow rate. Lo and behold, these specific details were not made to Parliament but to the Press Club across the road. They are nowhere to be found in the legislation.

Nowhere in the Throne Speech or in the last election was change to the Crow rate even mentioned. One must wonder if this legislation in its present emasculated form, or anything vaguely resembling it, would be before us if the Government had even one Member west of Winnipeg.

This Bill, by estimation, will cost grain producers 10 per cent of their gross at a time when many are fighting for survival. It will cost livestock producers $20 a tonne to offset grain producers. The out-of-whack rates in oilseeds and grain as opposed to processed products should be removed. All farmers must be sure they have an efficient, inexpensive grain transportation system.

This Government and the railways are a fact of life, and in view of the actions of the United States, Argentina and other countries which subsidize grain exports, we must provide a low, competitive freight rate. Of course, the railways should receive proper compensation to be able to provide proper equipment and maintenance to move all Canadian commodities to market. This Bill is too generous to the railways which, by 1990, will receive a 1,000 per cent increase; and it does not address properly the other problems just stated.

Mr. Minister, Canadians need more input before their national transportation system is vandalized as the national energy system of this country was vandalized. Mr. Minister, why don't you go back to the drawing board.

The Acting Speaker (Mr. Corbin): Order. The Hon. Member is an experienced Parliamentarian. I have admonished him previously to address his remarks to the Chair.

Mr. Stewart: I apologize, Mr. Speaker, and I conclude—

The Acting Speaker (Mr. Corbin): I should inform the Hon. Member that his time has expired.

Hon. John A. Fraser (Vancouver South): Mr. Speaker, I rise to join in this debate as the Member of Parliament for my riding of Vancouver South, as a western Member of Parliament and Member of Parliament from the Province of British Columbia. What I want to say today through you, Mr. Speaker, to the Minister comes not just as a consequence of my own views on this Bill, which will become clear as I continue, but I want to speak on behalf of fair-minded British Columbians who are concerned with all of our country.

I want to say on behalf of British Columbians who have a great stake in an improved rail system that when they start to realize the deficiencies and defects of this Bill, they will be as opposed to the provisions that have been presented to this Parliament as are the people in Alberta, Saskatchewan and Manitoba. I go even further and say that as British Columbians begin to realize what is wrong with this Bill and as citizens in other parts of the country than the prairie Provinces begin to realize what is wrong with it, they are going to say to the Minister on the floor of this House, through their elected representatives, "back up a bit and take some time to think it through".

We have been told that there can be no improvement to the rail system unless this Bill is passed by the end of June. That is the position of the Government and the Government propagandists. That position is being repeated in various places in this country to try to gain support for this Government to justify the closure that it nearly brought in and may still bring in, despite the fact that this Bill goes to the heart of what this country is all about. This is one of the most important provisions to come before this House of Commons since I came here in 1972. It affects dramatically and effectively three Provinces

of this country. However, it affects indirectly, and in some ways just as dramatically, the entire country.

If we are going to have a Canada, no piece of legislation that is going to cut right to the heart of what makes this country go can be pushed and bullied through this Parliament just because one Party has a majority.

Some Hon. Members: Hear, hear!

Mr. Fraser: It is absolutely incredible that this Government can come here, whine, twist, wring its hands and say that the people of British Columbia will be put to the blocks in terms of transportation if this Bill does not go through immediately. That is not true, and the Minister knows it.

On February 1 the Minister issued a press release. He was talking about his then proposal which has now been changed. He said:

> In the interim, to ensure that this transportation initiative brings jobs and investment as soon as possible, the federal Government will make payments of $313 million to the railways so that additional railway construction and investment can be undertaken this Spring.

The suggestion that is being made and will be made when the Government propaganda machine gets going is that if this Bill does not go through in its present form right away, the Government is justified in bringing in closure because the West will not have a better transportation system. In view of all the talk about western Canadian development and other things, that is just a lot of hogwash. It is a cruel deception that will be put upon people who will be asked a simplistic question: "Do you want better railways? Then let this Bill go through and back us in closure."

That, with great respect, is slippery tactics. It is dishonest tactics. What is more, it cuts right to the heart of what Members on the Government side of the House have always, at least platitudionously, put out, that we have to concern ourselves with every part of this country.

I cannot state the outrage that it gives me to know the tactics that are being used. I am from British Columbia. I have been intimately associated with the forest industry for many years. As Minister, I was responsible for forestry matters in this House. As Hon. Members know, nobody fought harder to do something about the needs of western forestry. In fact, during the short period that I was Minister, we managed to turn a program around.

Every British Columbian knows that we need better rail traffic, better rail facilities, more cars and more capacity. What is necessary in this House is to have sufficient time to debate the deficiencies of this Bill so that some sympathy can be gained in places like British Columbia in order that they may realize that this Bill will not do anything for western agriculture. It will not do much for British Columbia. It does absolutely nothing for the grain producers of British Columbia, or for the livestock or agricultural producers of British Columbia.

In what other ways does it affect British Columbia? Will the 50,000 acres of the so-called Dominion coal lands in the Province of British Columbia go back to the Province of British Columbia as a result of this Bill? No. They go back to the federal Government and British Columbians should know that. British Columbians are also aware that we need better rail facilities for the transportation of our coal and minerals. British Columbians need time to realize that there is no reason in the world why upgrading of the railways cannot go ahead now, despite the fact that it may take a little longer to get this Bill through the House than the Minister would like.

I deeply resent being told that if I do not pass this Bill, with all its warts and defects, the fact that three Provinces are opposed to it and hundreds of thousands of people's lives and future are dependent upon this Bill, there will not be proper rail transportation in my Province. That is a cheap argument, and I know it. I do no intend to be silent about it. This Government has no right to come into this House and deal with matters in this way.

• (1200)

In terms of the importance of this Bill to the country, the Hon. Minister of Consumer and Corporate Affairs (Mr. Ouellet) stated on Friday, May 13, 1983, about his own Bill:

> In fact, this is the third major piece of legislation that has come before this Parliament, after the patriation of the Canadian Constitution and our national energy policy which was announced over the last few years and months.

Has anyone in the country forgotten that there was a protracted and extended debate on the Constitution issue and that it was brought about with some decency and accord? Has anyone in the country forgotten that the national energy policy, which has now proved to be a disaster, was debated for weeks and weeks in the House despite efforts by the Government to close debate off? By the Government's own admission, Mr. Speaker, this legislation is the third most important piece of legislation brought in since its election in 1980, yet it wants to put it through in a couple of days.

Some Hon. Members: Shame!

Mr. Fraser: Mr. Speaker, that is just not good enough. This legislation goes right to the heart of what our country is all about.

There is no need for the Government to say that this must be done in so many hours or so many days. There are major defects in the Bill which can be corrected if the Government will use a little commonsense, back up and give Parliamentarians a chance to look at it. I say that to my hon. friends on the Government side because I am sure they can come up with better suggestions than those contained in these provisions.

The Government has done what it always does in these matters. For days, weeks and months it failed to get consensus, but because some of its so-called experts who were referred to by my hon. friend a moment ago decided that this is what is best for the country, that this is what we must do and we have the numbers to do it, the Government comes to the House of Commons saying that there now is a deal. No matter how many pieces of the garment are falling rent, the Government says: "We now have a deal and it is now up to you Members of

Parliament to darn well pass the Bill as fast as we expect to". That is the trouble with what is going on in the House of Commons and with what has gone on for many years, and that is the trouble with this Bill.

I say in closing, Mr. Speaker, that British Columbians will not be taken in. They want better rail transportation. They know that the money can be spent now and that the rail transportation system could be improved. But they also know that there is no excuse in the world to stop improving the railways just because this Bill will take a little bit more time than was expected by the Hon. House Leader of the Liberal Government.

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, a few moments ago I listened with a great interest to the speech made by my political neighbour, the Hon. Member for Provencher (Mr. Epp). I found it interesting that in his speech, which albeit was only ten minutes, he never once mentioned the word "Crow" or the words "statutory rate". He made no defence of the Crowsnest Pass rate, and I think that that is rather typical of the Tory duplicity on this particular Bill. Rather than trying to defend the Crow rate and trying to defend prairie farmers, many of the Tories, although not all of them, are limiting their attack to the process, which process I must say is somewhat less than good.

Mr. Epp: Mr. Speaker, I rise on a point of order. I know about both the Crow and the statutory rate. I support both.

Some Hon. Members: Hear, hear!

Mr. Sargeant: At least I have made a conversion here, Mr. Speaker. I was also interested in his defence of the Port of Churchill and I am glad that he has been converted on that issue as well. I would remind him that it was only about three and a half years ago during the time of the Conservative Government that another Manitoba Member, the Member for Lisgar (Mr. Murta), for whom I have a great deal of respect on many issues, headed up a task force whose recommendations would have led to the demise of the Port of Churchill. I am glad to see that the Conservatives are now supporting the Port of Churchill, and that is very admirable.

I now speak to Bill C-155, Mr. Speaker.

Some Hon. Members: That is a good idea.

Mr. Sargeant: Is that a good idea? Thank you. Mr. Speaker, a belief which I tend to agree with which has reached almost mythological status in western Canada is that the present Government and the Liberal Party in general are ignorant of what is going on in western Canada. During the last few weeks ever since the Pepin-Gilson proposals were introduced in the House, during Question Period Members from both Opposition Parties have questioned the Minister of Transport (Mr. Pepin) or the Prime Minister (Mr. Trudeau) or whoever about the wisdom and the specifics of the Pepin-Gilson proposal, and I have been surprised and astonished by the smugness of some of the backbench Liberals, people who would not know No. 1 Northern from stinkweed. I have been surprised at how smug they are and how much they seem to believe that they know what is best for western Canada.

Mr. Breau: The Hon. Member does not hesitate to speak about other parts of the country.

Mr. Hnatyshyn: It is a good thing that somebody speaks for eastern Canada because the Hon. Member surely does not.

Some Hon. Members: Oh, oh!

Mr. Sargeant: I would put it to you, Mr. Speaker, that the Government is really not very concerned about the welfare of prairie farmers. The Liberal Government has only two seats west of the Ontario border, it has few votes and it is going down.

The Acting Speaker (Mr. Corbin): Order, please. There appears to be two debates going on at the same time. The Hon. Member for Selkirk-Interlake has the floor.

Mr. Sargeant: Thank you, Mr. Speaker. Let me say to you, Mr. Speaker, that the Government is going in exactly the wrong direction if it hopes to win friends in western Canada with this Bill. If it is really interested in the national unity of the country, it will treat prairie farmers or indeed all farmers with the same kind of respect that it treats Bay Street bankers and railway executives. I must admit that I am glad that the Government has found a little bit of sense and withdrawn, at least for the time being, its closure motion.

To date, the whole procedure followed by the Government has shown a colossal disregard and disrespect for the parliamentary process. This Bill will have a greater impact on prairie farmers than has almost any other Bill that has been passed in the history of the House. The impact on the rest of the country will be profound. To attempt to ram the Bill through Parliament in a few weeks is an insult to the House and to Canadians in general. To have brought in closure on the third day of debate, Mr. Speaker, is inexcusable. Thank God the Government was able to dig deep enough to find at least a little bit of deceny and a little bit of respect for Canadian farmers and has temporarily withdrawn its closure motion.

The whole process has stunk for a number of years. The railway companies have been crying poor for years. These largest of corporate welfare bums have been trying to get their stricky fingers into the Government's cookie jar once again. Yesterday we heard my friend, the Hon. Member for Regina West (Mr. Benjamin), tell the House that now, at a time when the railways claim they do not have enough money to develop the rail system in western Canada, they can find $370 million to buy up American railways. That is scandalous, Mr. Speaker.

In recent years we have seen a former Minister of Transport, the former Member for Saskatoon East, sell out his western birthright by advocating the removal of the Crow. What happened to him when he next went to the polls after he had shown his true colours on the Crow rate? One would have thought that the Government might have learned a lesson from

that, but no, I do not believe the Government is capable of learning anything.

For many years, long before I ever came to the House, I have been puzzled and have wondered why the Government was forever setting up royal commissions, non-royal commissions, task forces, etc, to study things. These commissions would travel the country and spend zillions of dollars and they would sometimes present very good reports. The Government would ignore those reports, or if the Government did not like the recommendations, it would set up another study. I understand that in European circles this is known as the Canadian solution. If you do not want to face something, study it. I do not think we should tar all Canadians with that dirty brush; we should call it the Liberal Canadian solution.

• (1210)

That has been the Government's approach to the whole question of grain handling and the Crow issue. Not the first but easily the most comprehensive and the most balanced study was the one done by Mr. Justice Emmett Hall. He was a prominent Conservative hired by a Liberal Government who reached New Democratic conclusions. One would have thought that this would be enough to accord his study the overwhelming support of all political Parties.

But, no! He started from the premise of maintaining the Crowsnest Pass rate for farmers and working from there to solve the other problems. The Liberals and Tories had already decided to start by scrapping those rates for farmers. So the one study that solicited farmers' opinions, listened to farmers' opinions and reflected them in its report and its recommendations was thrown in the waste pile by past Liberal Governments and by the Conservative Government during its short sojourn in power in 1979.

After Hall there was the Snavely study which looked at things from a strictly economic or Harvard business school point of view, virtually ignoring any social, cultural or historic criteria. That was an approach totally unacceptable to western farmers.

Last summer, fed up with studies that provided recommendations that it did not like, the Department of Transport puts its own package together. It hired a commissioner in Professor Gilson who, it felt, would bring in a report that reflected the Department's package. Surprise, surprise—Gilson did that. The Gilson study was a sham. The Department had already decided what it wanted. I wonder if Professor Gilson realized that he was being used, that he had been conned by the Department of Transport.

Even the Prime Minister was conned. In the House he said that no changes would be made to the Crow unless there was widespread consensus in western Canada on whether and how to do so. Later when he stood in the House and defended the Pepin-Gilson proposals I think he actually believed that there was consensus. Even he had been conned. It must have been quite a surprise to him when he found that the prairie opposition to the Pepin-Gilson proposals was matched by the opposition of farmers in his own Province, the strongest of Liberal bastions. He had better keep looking over his shoulder; there may well be a number of Quebec Members of Parliament who may go the way of the late, great Otto Lang.

Perhaps we have come to the real reason for the closure motion being withdrawn—opposition from the Liberal caucus. If anyone wants to know how much consensus there is on these proposals, how popular the Pepin-Gilson proposals are on the Prairies, I suggest they ask the Minister of Transport about the warm welcome given him by Saskatchewan farmers when he visited the Legislature of that Province a month or two ago.

Mr. Jack Shields (Athabasca): Mr. Speaker, I am grateful for the opportunity, however short, to participate in the debate. I should like to comment that Members of the NDP are up to their old tricks again, trying to get back into the debate on the Crow by attacking the Conservatives. They spend half their time worrying about the Conservatives. They are the great defenders of everything and indeed nothing.

I should like the Minister of Transport (Mr. Pepin) and his colleagues to remember what things were like a year ago when interest rates on mortgages that people held on their homes accelerated to such a degree that there was a march on the House of Commons by people demanding action by Members. That was because interest rates had increased mortgage payments on their homes by 100 per cent. Do Members of the Government realize that by 1990 transportation costs to western producers of grain will be increased by 400 per cent? What are we doing to this country of ours that is supposed to believe in equality of opportunity for all?

The agricultural industry produces wealth from the ground which is converted into money. It contributes $6 billion per year to our balance of payments position. This is basically what we ship across the country.

The farmers' input costs have increased dramatically. The Government fails to recognize that all the various charges under the National Energy Program that feed $1 billion per year to companies like PetroCan find their way into input costs. As well, recognizing that commodity prices are going down, that all across the country farmers are going bankrupt and nothing is being done about it, the Government brings in a Bill to change the statutory freight rate to the point where the farmer will not be able to survive. This is clearly the most important thing that has hit the country for years.

I should like to invite the Minister of Transport to northern Alberta, an area where farmers do not even have a small country elevator. From the beginning farmers have trucked their grain from 60 to 100 miles to the nearest branch line terminal. He should read some of the letters that farmers write to me.

I would point out to the Minister that I do not ask a farmer whether he can deliver a Conservative vote if I am to stand here and defend his rights; I do not ask him if he can deliver a Liberal vote if I am to stand up and protect his rights. In Alberta, however, the Prime Minister faced the producers by saying; "I know this Bill on the statutory Crow rate is not a proper Bill, I know it is not economically sound, but you people

cannot deliver Liberal votes like they do in Quebec and other parts of Canada that this Bill is drafted to protect". That is the sickness of this Government.

The Minister of Transport makes fun of this very fundamental concept. Certainly there is competition to gain a seat in this House. We all go out and campaign. But when we get here, we represent every man, woman and child in the riding. The highest honour that can be bestowed on a man in this country is when he is made Prime Minister. Certainly he is there because he campaigned and because he got the support of a certain party; but he represents every Canadian from coast to coast. He should not have the unmitigated gall to say to people: "You can't deliver the votes; therefore we are putting through a Bill that we recognize is not economically sound, that we recognize is not right, but you cannot deliver Liberal votes in western Canada".

A sickness pervades this Government, Mr. Speaker. We have here a Bill that we cannot even comprehend.

Mr. Chénier: Go to school. Learn to read.

• (1220)

Mr. Shields: The Hon. Member opposite says "Learn to read". I would like to suggest to him that he just read through the Bill once.

Basically, Mr. Speaker, I believe the tenet is true that all Members of Parliament come here with the idea that they are going to do the best they possibly can for their constituency and for their country. I believe there is a real sense of purpose in a person who runs for office and comes to the House of Commons. I give that to the Hon. Members for the Liberal Party which forms the Government, and I give that to the Hon. Members for the New Democratic Party. I may not always agree with them, but there should be a system prevailing which allows us to sit down and discuss a Bill.

When Bills are introduced in this House and put on the Order Paper, they are printed and every Hon. Member gets a copy of the Bill. They are left there for two months so that pressure groups, lobby groups and interested groups from across the country can have input. But what has happened here? I cannot understand the Minister of Transport doing this because he is an honourable man. I have always admired his honesty and the straighforward way he speaks about issues. Did the House Leader say to the Minister of Transport, "We will ram it through with closure"? I cannot understand this because it is not in character with the Minister of Transport. It is truly not, Mr. Speaker.

I suggest to the Minister that he give the necessary time to allow interest groups from across the country to study the Bill. Surely he has read the Bill. Surely he cannot honestly stand up in this House and say that he understands all the provisions, that he can work out what it is going to cost a producer in northern Alberta to ship his grain, how much a bushel? The legal experts cannot get through the legal jargon; how can he pretend that he can? How can he pretend that we can? It is badly worded legislation. It is bad legislation at a time when costs of producers are going up increasingly every day. How can we expect a producer to survive if we increase his freight rate, the cost to him, by 400 per cent?

We recognized that situation in this House when it hit the home owner. We recognized immediately that the home owner, who was locked into a mortgage and then had to renew his mortgage when interest rates were so high, would have his payments doubled in some cases. We recognized that in this House, every one of us, and we were prepared to sit down and try to do something about it. I suggest to the Minister, Mr. Speaker, that we are prepared to do something; we are prepared to sit down, we are prepared to say to the farmer "We will give you a choice". We are prepared to work on it, but we cannot do it in two or three days. This Bill is totally and absolutely wrong. The way this Bill is drafted is an outlandish attack on the producers of western Canada.

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I would first like to say, through you, Sir, to my colleague the Hon. Member for Athabasca (Mr. Shields), and to my colleague the Hon. Member for Vancouver South (Mr. Fraser), that the voices which you are hearing today are the voices of Hon. Members from across Canada. They are expressing the views of the people across Canada on this Crow rate Bill wich is before this House.

As a Member of Parliament for a riding in northeastern Ontario, I must say that my constituents will be directly affected by this legislation. Many of them are concerned about this legislation and its implications. There is a large agricultural community within my riding of Timiskaming and the farmers of northern Ontario share many of the concerns of their colleagues in western Canada. I must say to you, Mr. Speaker, that the Hon. Member for Timmins-Chapleau (Mr. Chénier), being from northern Ontario, should have concern for transportation in northern Ontario.

Some Hon. Members: Hear, hear!

Mr. MacDougall: Like western Canada, northeastern Ontario was developed as a result of the construction of a railway. The railway was the lifeline of many small communities. The character and nature of those communities developed in stride with the railway. The rail line was the transportation link to distant markets and a key factor in the economic well being of the farming community.

The effect that freight rates can have on individual farmers and the agricultural industry is a well-known fact in northern Ontario. This Bill could have a devastating effect on the economy and lifestyle of western Canada. The Crowsnest Pass statutory freight rate has been the basis for the system of production, distribution, marketing and transportation of grain for decades. Every farmer knew what his transportation costs would be each year. It was simple and it was stable. It was one of the few constant factors in an industry that is subject to the whims of nature. Because of the impact this legislation will have, one would think that the Government would proceed with caution and attempt to reach a consensus with all who are

involved as to what steps should be taken before attemping to change the Crow. That, however, would be far too logical a method to expect from this Government. Instead, it has decided to proceed with this legislation no matter what consequences to the West.

There are numerous concerns created by this Bill which force me to oppose it. To start with, it is a complex and bureaucratic nightmare. It is doubtful that a Philadelphia lawyer could decipher it, let alone the average farmer or layman. As I said earlier, the farmer knew what the Crow rate was and could plan accordingly. It was simple, half a cent per tonne mile. What we have presented in this legislation is a formula for setting freight rates which would make anyyone's head swim. It is nothing but bureaucratic gobbledygook.

I do not believe that this Bill retains the principles of a statutory freight rate which is essential to the grain producers of western Canada. The freight rate structure set out in the Bill will allow for open-ended escalation without taking into account what the wheat farmers' profit position is or the value of the grain. By 1985-86, producers will be paying double the existing Crow rate. An additonal $160 million will be taken out of the prairie economy. We on this side of the House are aware of the delicate financial position many of our farmers are now in. Production costs have skyrocketed and farmers' net incomes have nose-dived. Wheat prices today are only a shade higher than they were nine years ago. In that period of time the rate of inflation increased by 135 per cent. If that rate applied to the price of wheat our farmers would be getting $11 a bushel instead of $4.63.

There is no protection for the farmers from escalation of the freight rate. By 1991-92, farmers will be paying five and one halft times the Crow rate, which means that more than an additional $1 billion will be drawn from western Canada. The Minister has stated his intention to bring in a safety net. The record of this Government indicates we need more than good intentions to depend on.

There are many more concerns that we have with this piece of legislation. The Bill excludes new crops and specialty crops. The Minister has suggeted there will be changes, but I do not see them yet.

There is no provision in this Bill to reduce rates if costs should happen to fall. The Government should not have to be reminded what happened in the field of energy. Everything was based on a projected oil price of $70 a barrel and no thought was given to the possibility that prices would drop.

The Bill is a costly bureaucratic mechanism, introduced at a time when agricultural prices are declining and production costs are on the increase. It will force further costs on farmers who are having a tough time shouldering the burden today. The Bill will hamper diversification and further processing of agricultural production in western Canada. It is far too generous to the railroads. It concentrates too much power in the hands of the Minister. It may erode the power of the Canadian Wheat Board. The concerns raised by this Bill go on and on.

• (1230)

We in the Progressive Conservative Party, Mr. Speaker, believe the Crowsnest Pass freight rate should remain in statute for the producers of Canada, but adequate compensation proportionate to the cost of moving grain should be provided to the railways. This Bill certainly does not reflect our position. We believe the distortion of the low freight rates in grain and oil seeds vis-à-vis processed products—

Mr. Blais: Author!

An Hon. Member: We all are the authors.

Mr. MacDougall: Pardon me, Mr. Speaker, I can see we have another Member from northern Ontario who is objecting to the freight rates. I will continue, Mr. Speaker.

We believe grain producers must have a statutory freight rate which preserves the benefits of the Crow and must be protected from open-ended escalation. There is no statutory protection for the farmer in this Bill. Producers should be guaranteed an efficient, cost-effective and reliable grain transportation system. There will be no railway performance guarantees for the first three years under this legislation. The railways will be given a free ride for three years.

There are many ways of improving efficiency and cost effectiveness without changing the Crow rate. As one of my colleagues pointed out, does our grain really have to be weighed six times and graded three times before it is finally exported? Many bottlenecks occur at the grain terminals rather than with the transportation system. Reduction of turnaround time at the terminals would greatly improve the system. Other steps could be taken to increase efficiency and cost effectiveness without tampering with the Crow rate.

We in the Progressive Conservative Party believe the Government of Canada and the railways have a continuing obligation to provide a speical low rate to assist our grain producers in competing with subsidized grain exporting nations. As a trading nation we must be competitive. Our farmers must be protected from the artificial and natural advantages of other grain exporting countries. Australia, Argentina and the United States all subsidize their grain producers. Grain export is a key component of our economy. If we are to remain in a competitive position a special low rate for the transportation of grain must be provided.

We recognize that the railways should receive fair and adequate compensation for the movement of grain in order to allow it to be done efficiently. This Bill, however, goes way beyond being fair and adequate in its compensation to the railways; it is overly generous. Under this Bill the railways will receive 100 per cent of their long-run variable costs, 20 per cent contribution to overhead and 20.5 per cent contribution to capital. On top of that, they will have a freight rate by 1990-91 that will be ten times what the Crow rate is today.

The concerns raised by this piece of legislation are many, Mr. Speaker. One of the greatest concerns to farmers is the timing involved in the introduction of this inadequate piece of

legislation. I spoke earlier about the economic difficulties farmers are now facing in western Canada and other parts of the country. I speak with farmers in my riding almost every day who are experiencing difficulties they never thought possible only a few short years ago.

Mr. Peter Elzinga (Pembina): Mr. Speaker, in participating in this debate it is interesting to note how often our friends opposite have introduced closure into this House of Commons. In this session alone closure has been brought in a total of 18 times. This Bill is the nineteenth victim of closure and I am delighted to see that Members opposite have reconsidered their position as it relates to this legislation.

It is also interesting to note the participation by the Minister of Agriculture (Mr. Whelan) on a Bill which is going very seriously to affect the agricultural industry in this country. Do you know what his participation in this debate has been, Mr. Speaker? It has been to bring in closure. He did not say one word about how this legislation was going to affect an industry he is responsible for. Not one word. Neither would he have said one word had the Government gone ahead with its closure motion.

We have had insufficient time to analyse all the implications of this legislation, Mr. Speaker, and we require that time. It is also interesting to note that the majority of participation by the Minister of Transport (Mr. Pepin) has been outside this chamber. He has gone to the Press Club to make major announcements relating to this legislation rather than doing it here in this Chamber. Another Minister who has direct responsibility for western Canada is the Minister of Employment and Immigration (Mr. Axworthy). Perhaps the Minister of Transport could indicate to us whether that Minister is going to express his views on the implications of this legislation for the region of the country he comes from.

I repeat what my colleague the Hon. Member for Vancouver South (Mr. Fraser) indicated in this House earlier as it relates to the importance of this legislation to all of Canada, and specifically western Canada. The Minister of Consumer and Corporate Affairs (Mr. Ouellet) indicated in the House on Friday, May 13, the importance of this legislation when he stated that this was the third major piece of legislation which has come before this Parliament after the patriation of the Canadian Constitution and our national energy policy.

This legislation, Mr. Speaker, requires time so that those within the agricultural community can have input. There are many provisions of this legislation which I will never understand because I am not as closely associated with western transportation concerns as my colleagues, the Hon. Member for Provencher (Mr. Epp) and the Hon. Member for Vegreville (Mr. Mazankowski). But let me just highlight a few of the items we are dissatisfied with.

The distortion of the low freight rates in grain and oil seeds vis-à-vis processed products should be removed and the natural advantage retained. Payment directly to the railways, which is in this Bill, will further distort the existing freight rate anomaly and mitigate against further diversification. The Act will now cost livestock producers $20 a tonne in extra costs to offset the subsidy to grain producers. It is fundamental that western Canada's agricultural base must be broadened and diversified to permit more processing in western Canada. According to the Minister's own figures, the distortion will result in the loss of an additional $1 billion in livestock production, and an additional $350 million worth of economic activity with respect to processing, packing plants and the feed mill industry in western Canada.

Mr. Pepin: All false.

Mr. Elzinga: Mr. Speaker, grain producers must have a statutory freight rate which preserves the benefits of the Crow and must be protected from open-ended escalation. What this Bill does is to ensure that producers will be paying double the existing Crow rate by 1985-86, which means that an additional $160 million will be taken out of the prairie economy. They will pay five and a half times by 1991-92, which means that more than an additional $1 billion will disappear from western Canada. In 1982, Mr. Speaker, farmers' net income plummeted by 35 per cent while energy costs throughout Canada have risen by 81 per cent since 1979.

There is no statutory protection for the farmer in this legislation. It has been transferred to the federal Government which will pay a frozen amount, $651 million annually, in perpetuity. The 31.1 million tonne cap will provide a further disincentive to increased grain transportation. Producers should be guaranteed an efficient, cost-effective and reliable grain transportation system, and under this legislation there will be no railway performance guarantees for the first three years. The Bill totally ignores other methods of providing efficiency and cost effectiveness to the rail and transport system.

• (1240)

The Government of Canada and the railways have a continuing obligation to provide a special low rate to assist producers competing with subsidized grain export nations. Let us review what other countries do for their grain producers. In Australia, under the Victoria State railway system, farmers pay less than 50 per cent of the average cost of moving grain. In 1982 in Australia, the diesel fuel tax and gasoline tax for all agricultural products was reduced by some 6 cents a litre. In Argentina, effective October 7, 1981 the National Grain Board provided free rail freight for grain from the nearest station available to the shipping port. In the European Economic Community wheat farmers receive a direct subsidy of some $2.53 a bushel. The United States pays an average subsidy of $13.81 U.S. a tonne for wheat and $6.84 a tonne for barley.

The fifth principle that we in this Chamber are advocating is that the railways should receive adequate and fair compensation for the movement of grain to provide the necessary capital for maintenance of plant and equipment. I indicated earlier that the 31.1 million tonne cap will provide a disincentive to increased grain production in Canada. The blended freight

rate and the prospect of variable rates will create a further disincentive.

A blended freight rate, a rate combining the new freight rate below the 31.1 million tonne limit with another freight rate above the 31.1 million tonne limit, is another example of the complexity of the rate itself which has been developed by the bureaucrats in the Government. As there is no clear consensus in western Canada concerning to whom or how the method of payment should be made, we in the Progressive Conservative Party are indicating that we will introduce an amendment to the legislation making the Crow benefit payable on an optional basis, either to the producer or to the railway. This would once again allow the greater opportunity of flexibility and freedom of choice.

Our spokesman on the legislation, the Hon. Member for Vegreville (Mr. Mazankowski), was allotted more than the ten minutes which we are allotted to participate in the debate. He elaborated on a number of the topics which I have touched upon. However, the Bill is essentially far too overgenerous to the railways of Canada because, by 1990, the railways will receive a 1,000 per cent increase in the freight rate as compared to today. There is no provision in the legislation that they are to reduce their rates in the event that their input costs should fall.

Let me close by saying that it is only fair to all individuals in Canada that the legislation have a fair hearing, not only from us as Parliamentarians, but also from the entire agricultural sector across Canada.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased in some ways to have a chance to say a few words in the Crow debate. In other ways, I am not so happy because the potential impact of the Crow does not bode well for the unity of this country. It also does not bode well for a great number of Canadians, not only farmers but also many others.

Mr. Pepin: You must mean the opposite, Jim.

Mr. Fulton: Before discussing the actual impact of the Crow, I would like to discuss the politics of it. I know the Minister of Transport (Mr. Pepin) quite well, and I think I can honestly say today that of all the Cabinet Ministers sitting on the front benches, I respect him the most. That is not difficult to say, with only three Liberals present in the Chamber for one of the most important debates that we have had in some 80 or more years in relation to the transportation of grain.

Let me deal first with the politics of it because the Minister of Transport knows full well how this has come to be over the last ten years. His predecessor, Mr. Lang, was defeated quite soundly by a colleague of mine for his philosophy of user-pay and so on. However, I know that the Minister of Transport has been under increasing pressure from certain commodity producers and movers, particularly in the raw resource sector, whether coal, pretroleum products or forestry products. Through a variety of ways and means of contacts which the Liberal Party has in western Canada, it has contacted a lot of flacks and hacks with various large corporations to try to drum up some support in British Columbia and in western Canada for the proposals which the Minister of Transport now has before the House.

We should be totally honest about it: the change which is being proposed here is because CN and CP have been saying to those raw resource and commodity movers, whether petroleum or coal, "Look, we cannot lower the rates to you. We cannot be more competitive because we have this Crow rate around our necks. We must be moving all this grain, be involved with all these hopper cars and all these other things." However, they have never bothered to be completely honest, saying that the real out of pocket expenses are about $380 million a year. They have always used an excuse, getting the producers off their backs and putting them on the back of the Minister of Transport. So he sits in his office and I am glad to see him here today.

However, I think the Minister, as my colleague from Regina has pointed out, has forgotten about the impact on the farmers who comprise a very important sector of Canada. In terms of the balance of trade, it has always been a very important group within Canadian society. The average age of farmers is now 59 years of age. Anyone who has taken the time to read the Global 2000 report knows that North America and the world in general will run into a major crunch in terms of the cost of moving grain and getting it to the starving hundreds of millions around the world in the coming years.

This is a crazy time to be bringing in a policy which would end the many branch lines across Canada, forcing many grain producers to rubber haul, passing many costs on to the regional districts, towns, villages and Provinces which would have to upgrade their road systems because of the massive increase in many areas in rubber hauling. I do not think the Minister of Transport or his Government is dealing fairly with farmers or with the House generally in not having done what Emmett Hall did a few years ago and what is obviously the kind of scientific approach which should be taken on an issue such as this one.

What will be the impact on branch lines? What will be the impact on small towns? What will be the future impact in terms of the cost? As we know, by 1991 $1 billion more will be taken out of the farmers' pockets. That means that they will not be buying tractors every three or four years but, rather, every five, six or seven years. They will not be buying as much fertilizer. The sum of $1 billion will be taken out of the western economy and put to other purposes.

The other matter which neither the Minister of Transport nor any Liberal Member wants to rise to speak about is that this is a great big handout, another big bailout of CP. Any why? Yesterday I was speaking with a few Liberals hacks who were saying, "Oh, CP's stock is widely held by Canadians; it has a pension plan and all these other things". It is as though helping CP somehow has something tangible to do with the Liberal Party or something. Good grief, we have already given it over $13 billion in recent years in direct subsidies and handouts, never receiving any equity.

I listened with interest to my friends to the right. The Hon. Member for Pembina (Mr. Elzinga), the President of the Conservative Party, told Canadians where they stand. Many observers are now saying that there is some kind of a struggle here for the hearts and minds of western Canadians between the NDP and the Tories on the Crow issue.

Mr. Lewis: You can't. It's all over.

Mr. Fulton: The Tories are conceding it. They know the NDP position is well known in western Canada. There is not a farmer around who does not know that we have a very philosophical approach to the Crow rate, as to why we stand for preservation of the Crow rate, why we said publicly that the out of pocket expenses which accrue to CN or to CP should be forthcoming in some way from the federal Government, but that they should not be making profits on sudsidies as the Bill guarantees. It guarantees profits to CP. The Minister of Transport is shaking his head.

Mr. Pepin: No.

Mr. Fulton: Perhaps he has not read some of the tantalizing details which CP wrote into his legislation while it was in his office.

The other thing which we must carefully consider is the approach which the Liberals have been taking that the NDP is trying to prevent people from getting jobs. We know that the railroads are showing their publicity films and trying to convince the workers and others that certain things will not happen if the Crow legislation does not go through.

• (1250)

Let me deal with my area for a moment, from Redpass through to Prince Rupert. There is $100 million being spent there this year on a ballast lift, new ties, heavier steels, 57 bridges and so on. That is certainly in direct relation to northeast coal and the movement of other commodities than grain.

I believe the Minister should talk to some of the Pools. Right now there is a 24-hour a day cement pour occurring in Prince Rupert on the grain elevator there. The 31.1 million tonne cap provided for in the Bill will have an impact there. It is difficult to analyse what that impact will be at this time but the reason for that cap, as my hon. friend the Hon. member for Regina West (Mr. Benjamin) pointed out yesterday, is that CN and CP are buying major railway lines in the United States where they will be moving grain, particularly from Saskatchewan, down into the U.S. for offshore movement. The Minister of Transport shrugs his shoulders. I would like to see him table any studies that he has about where the future movement of grain is likely to occur in terms of changes that will occur in the world. It has not been done.

This represents an injection of funds into CP without having looked at what the possible additional costs or impact will be to farmers or what the impact will be on Prince Rupert, Vancouver, Churchill, the Lakehead and other areas.

When Bills such as this are brought before the House I think it is important that there not be the kind of posturing such as we have seen from the Liberals. They do not put up any speakers. The minister of Agriculture (Mr. Whelan) introduced a notice of motion of closure after we had only a couple of minutes of debate. British Columbians and all Canadians should know exactly what the Minister of Transport and the Liberals are proposing and why the legislation is so bad for Manitobans and people from Saskatchewan, Alberta and British Columbia.

In 1983-84 there will be $564.5 million going to CP. In 1984-85 it will receive $593 million, in 1985-86 it will receive $622 million and from 1986 on it will receive $651 million. The Minister of Transport, the Prime Minister (Mr. Trudeau) and their hacks, whether they work for the private sector or directly for the Liberals, as they tour western Canada trying to drum up support, do not talk about the fact that a billion dollars is being taken away from the farmers. They do not mention that the rates the farmers will be paying by the year 2000 will be 12 times what they are paying right now.

It is also very important for Canadians to know what the distinct difference is between what the Liberals and the Tories are saying. The Liberals are saying: follow the line of the Quebec caucus, give the money to CP and make sure that the livestock producers in the East are happy; send the Prime Minister West, as my colleague for Athabasca (Mr. Shields) pointed out, to tell western livestock producers to stick it because they do not vote Liberal.

At the same time we see this kind of foxy process attack from the Tories in the House. They are not willing to say that they stand for the Crow or for giving a certain amount of out of pocket expenses to the rail lines but no profit above that, or at least equity for Canadians. They blur the issue. I have listened to their speeches and have talked to reporters who have covered their speeches. They are well aware of the fact that the Tories are split down the middle. They also know that the Liberals really do not know what the impact will be for Canada, our farmers or our ports in western Canada.

Of all the Ministers on that side of the House, I think the Minister of Transport has the responsibility to make some major changes in this legislation and not to take the attitude that since his Government has a majority it will jam it through. He should not take the attitude that the NDP and the Tories are causing his Party a lot of editorial grief out West which causes the mail to come in again. I think the Minister is one of the few on that side who can take the initiative to make those changes.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, in the seven minutes that I have to speak on this Bill, I will base my remarks primarily on the standpoint of urban western Canada. Simply stated, my argument is that this Bill is the wrong solution at the wrong time and for the wrong reasons. Why do I say that? Because it may well do for western diversification what the national energy policy did for our oil and gas industry.

According to the respected and honest Chris Mills of the Alberta cattle industry, the Prime Minister (Mr. Trudeau) is opposed to this measure. The Prime Minister indicated to the farmers in Jasper the other night that it was a bad measure, but since votes could not be guaranteed to the Liberal Party, it was going ahead. Indeed, to my knowledge no organization or person anywhere in Canada supports this Bill except for the Prime Minister and therefore, of course, his caucus.

It is the wrong time for this legislation because prairie farmers are now facing increased costs and dropping incomes. As others have pointed out, this Liberal measure is taking approximately $160 million out of prairie prairie pockets by 1985-86 and a billion dollars by 1991-92. Our towns and cities in western Canada will suffer. Not only will our people suffer but those in central Canada who make cars, furniture and other commodities will suffer because of this measure.

In the time remaining I would like to give some reasons why I think this measure is profoundly bad for Canada and particularly for the West. The Bill will accelerate the decline of the meat packing industry in western Canada. I am told that not too many years ago the meat packing industry was the largest employer of people in the City of Edmonton. The Gainers plant in my riding was closed a few years ago. The Burns plant in Edmonton closed in 1979, taking 700 jobs with it.

Elsewhere in western Canada closings included the Burns plant in Prince Albert in 1976 with 500 jobs lost; Canadian Dressed Meats in Medicine Hat in 1978 with 120 jobs lost; Swifts in Winnipeg in 1979 with 550 jobs lost; Burns in Regina in 1974 with 200 jobs lost. As well, Gainers in Lethbridge is now closed for an undetermined time with any number of jobs lost.

Furthermore, the Bill reduces the opportunities in western Canada for further diversification. Incidentally, unemployment in Edmonton is now above 12 per cent. Yet the forecast yesterday by the Conference Board of Canada said that lower gas prices and rising consumer confidence had boosted the general economic prospects of all Provinces except Alberta. The report also indicated that Alberta's prospects have dimmed considerably in response to energy market developments. The same report noted that Ontario and Quebec would benefit most from increased consumer demands. As a Canadian I wish the people of Ontario and Quebec nothing but prosperity. However, it will not go unnoticed that the big loser in this Bill is once again economic development in western Canada.

I will skip what the Minister of Consumer and Corporate Affairs (Mr. Ouellet) said about this Bill being one of the three most important measures introduced since this Government came to office. The National Energy Program, which he included among those three measures, has had approximately the same effect on western Canada as the bubonic plague. For a Minister to say that the National Energy Program was good for Canada as a whole or for western Canada is self-evident nonsense.

Bill C-155 freezes in concrete the existing distortion in low freight rates for grains and oil seeds against those for processed products. The Bill will cost livestock producers $20 a tonne in extra costs to effect the subsidy of grain producers. According to the Minister's own words, the distortion will result in a loss of an additional $1 billion in livestock production and an additional $350 million worth of economic activity with respect to processing, packing plants and the feed mill industry in western Canada.

Our producers should be guaranteed an efficient, cost effective and reliable grain transportation system. Anyone who studies economics in western Canada knows that the railways were given basically downtown western Canada. I do not think it is necessary to turn around and give them another very rich gift from the taxpayers of Canada.

I see you are getting ready to stand, Mr. Speaker, so on behalf of urban western Canada I would strongly object to this measure.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

OFFICIAL LANGUAGES

AGREEMENT TO MAKE MANITOBA OFFICIALLY BILINGUAL

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, I would like to comment on an agreement in principle of historical importance that has been reached by leaders of the Société franco-manitobaine and the Government of Manitoba with the Federal Government, with a view to making that province officially bilingual. The agreement includes a proposal for a constitutional amendment which would modify Section 23 of the Manitoba Act (1870) regarding the use of French and/or English in the proceedings and documents of the legislature and before the courts.

The House will remember that in 1979, the Supreme Court of Canada declared that a law passed in 1890, by which English was proclaimed the Official Language of this Province, was unconstitutional. The 1979 judgment therefore restored the officially bilingual status of Manitoba. Since this landmark judgment, negotiations have been taking place between the Franco-Manitoban community and the Provincial

Government with a view to finding an arrangement agreeable to both language communities.

Today, Canadians are both proud of and pleased with an agreement whose effect will be to make the Province of Manitoba officially bilingual. Basically, the agreement recognizes both English and French as official languages in Manitoba and states that it is binding on the Manitoba Legislature to print and publish its statutes, regulations and other official documents in both official languages.

As a Franco-Ontarian, I wish to conclude by congratulating Franco-Manitobans, and I also wish to reiterate my invitation to the Province of Ontario to follow Manitoba's example by generously offering the same constitutional guarantees to its official language minority.

* * *

[*English*]

EXTERNAL AFFAIRS

CYPRUS—CALL FOR REASSESSMENT OF CANADIAN POSITION

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, in December, 1982, when it came to a purely humanitarian vote at the United Nations Third Committee on Human Rights dealing with Cypriot missing persons, Canada abstained on the excuse that it participates in the peace-keeping forces in Cyprus despite the fact that the greater majority of other peace-keeping participants in Cyprus, such as Austria, Denmark, Finland, Sweden, and Ireland, voted in favour.

The Secretary of State for External Affairs (Mr. MacEachen) has reaffirmed, in a letter dated March 8, 1983, that Canada does indeed recognize only the administration headed by President Spyros Kyprianou as the sole legitimate authority for Cyprus, and does not recognize the self proclaimed Turkish federated state of Kibris which occupies almost 40 per cent of Cyprus seized by Turkey in 1974.

I believe, Madam Speaker, the time has come for Canada to stand on its own two feet, get off the fence and reassess its stand on the issue of Cyprus.

Canada's actions and voting pattern should clearly differentiate between the victim, Cyprus, and the aggressor, Turkey, in this dispute. Moreover, Canada should stop pussyfooting and exert strong pressures within NATO to convince Turkey to withdraw its occupation forces from Cyprus so that Greek and Turkish Cypriots can negotiate freely concerning their future rather than under the threat of a gun.

S.O. 21

CANADA POST CORPORATION

REMOVAL OF ASBESTOS FROM OTTAWA TERMINAL—RISKS TO HEALTH OF EMPLOYEES

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, next Thursday the long awaited removal of asbestos materials from throughout the main Ottawa post office terminal will begin. Work was to commence today, but in the face of union pressure and threats of employee job action, Canada Post retreated under fire and postponed action for one more week. The hazardous work of removal, with its consequent loosening and dispersal of cancer inducing asbestos fibres within the work environment, will continue for approximately one year and, despite the protests of postal workers and their unions, this work must take place while 1,100 to 1,200 employees stay on the job within the building.

Despite assurances from management, this insensitive action by Canada Post, operating within the inflexible restraints of Government policy, cannot help but pose additional and unnecessary risks to the health and life of hundreds of public employees.

About a year ago these employees were promised a new building, free of asbestos. This pledge was broken. This promise was then replaced by a commitment to relocate the bulk of the postal terminal activities to other buildings during the period of asbestos removal. Now this promise, too, has been scrapped. The employees and their union have simply been told that "business as usual is the bottom line", and that jerry built partitions, air pressure, and monitoring of hazard levels will be the only protective measures taken, a totally unacceptable response to such a dangerous risk to workers' lives and health.

I urge the Government to intervene and relocate the Post Office's operations during removal.

Madam Speaker: Order, please.

* * *

THE CONSTITUTION

ABSENCE OF CRITERIA FOR CREATING NEW PROVINCES

Mr. Bill Yurko (Edmonton East): Madam Speaker, I want to put forth for a second time a matter that I believe is urgent. Under the new Canadian Constitution new Provinces can only be formed and provincial boundaries can only be extended with the approval of seven Provinces having 50 per cent of the Canadian population. Any Province can accept or veto any changes to its boundaries under Section 43 so that the land base and resources of any particular Province can be protected. However, there exist no criteria for creating new Provinces or for changing the boundaries of any Province. Parliament should therefore appoint a Royal Commission or a joint federal-provincial committee at the earliest opportunity to recommend basic criteria for such changes.

Indeed, criteria should be established for the granting of provincial status to the Yukon; for the eventual granting of provincial or semi-provincial status to the Mackenzie region and the eastern Arctic region; for the possible establishment of new Provinces within the central region of Canada, such as northern Ontario and for the possible extension of provincial boundaries north of the sixtieth parallel into the northern territories. Perhaps even Vancouver Island may one day desire provincial status.

The creation of additional Provinces would enhance national unity and provide greater equity to the entrenched constitutional amending formula.

Madam Speaker: Order.

* * *

[*Translation*]

EMPLOYMENT

CONTRIBUTION OF ASBESTOS UNION WORKERS TO AID ECONOMY

Mr. Alain Tardif (Richmond-Wolfe): Madam Speaker, as a result of our 6 and 5 policy and the recent budget, we are no longer talking about recession but about economic recovery. I should therefore like to take this opportunity to draw the attention of the House to a quite extraordinary example which, I hope, will be followed and repeated. I am referring to the announcement made by the Hon. Minister of Consumer and Corporate Affairs (Mr. Ouellet) to the people of Asbestos on May 16 of this year, according to which more than 300 jobs will be created.

This particular case is a perfect example of co-operation among economic partners. We have here a $35 million project, in which our Government is to invest $3.5 million, that is, $1.4 million under Section 38 of the Unemployment Insurance Act and $2.2 million under the NEED Program. The Johns-Manville Company will be investing $30 million over a period of two years. The contribution of the Syndicat National de l'Amiante d'Asbestos will be approximately $2 million, in the form of a wage freeze, at the rate paid on May 15, 1983, until January 31, 1985. Furthermore, employees have agreed to give up the cost of living bonus provided by their collective agreement.

Unionized workers in the community of Asbestos made labour history in Canada in 1949. They have just made history again by taking an active part in our economic recovery. I wish to pay tribute to all those men and women who belong to the unions in question which are affiliated to the CSD.

Madam Speaker: Order!

[*English*]

AGRICULTURE

REDUCTION IN NUMBER OF FAMILY FARMS

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, a deeply rooted tradition in Canada agriculture is the family farm, proven so efficient and profitable both from social and economic points of view. Generation by generation, family farms have improved the quality of life in rural and urban Canada as they kept up the demand for small tractors, trucks, and manufactured goods. Yet the nationwide trend becomes evident from the data available. Farms tend to become fewer and bigger.

The size of the average Canadian farm rose from 279 acres in 1951 to 463 acres in 1971, and recently to more than 511 acres. The number of family farms dropped from over 336,000 in 1971 to 275,000 in 1981. This negative trend, if not averted, will result in a concentration of land in fewer hands, which invariably leads to government control over agriculture.

If the Liberal Government fails to honour our traditional heritage—family farms producing the bulk of our food supply—then we will one day repeat the tragic example of socialist countries with their centralized farming, importing of food and food lines.

This Parliament must bring forth a strategy to rectify this serious trend and keep our Canadian farmers on the land.

* * *

• (1410)

BILINGUALISM

VIEWS OF MEMBER FOR SCARBOROUGH EAST

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, Canadians should be proud at what appears to be evolving in Manitoba with that Province's apparent agreement to become officially bilingual. If we English-speaking Canadians want to keep this country together, we must accept the basic duality of Canada by giving equal treatment to our two founding languages throughout Canada. However, according to today's Ottawa *Citizen*, such is not the attitude of the Hon. Conservative Member for Scarborough East (Mr. Gilchrist). The Hon. Member is alleged to have said that "the British victory at the Plains of Abraham means that Canada should have one main language and Francophones outside Quebec should be treated virtually like any other minority".

The Hon. Member is also alleged to oppose recognizing French as one of the two official languages of work in the civil service. Undoubtedly the Hon. Member is entitled to his views, but that is not the official policy of the Progressive Conservative Party and this raises the question of how serious that Party is about its support of bilingualism.

The Hon. Member for Yukon (Mr. Nielsen) will be the official Leader of the Opposition of the Progressive Conservatives for a few more weeks, and these statements provide him with an opportunity to demonstrate the stuff of which he is made. Will he, like a distinguished predecessor, the Hon. Robert Stanfield, repudiate the Hon. Member, or will he remain silent? Canadians will be waiting to hear from him on this issue. I for one hope that all three official parties in this House will present a united front on this crucial issue. I invite him to speak up.

* * *

ENVIRONMENTAL AFFAIRS

MINISTER'S POLLUTION INSPECTION TOUR OF NIAGARA RIVER

Mr. Joe Reid (St. Catharines): Madam Speaker, the Minister of the Environment (Mr. Roberts) proposes to tour and inspect the great number of source pollutants along the Niagara River on or about June 6 of this year. This comes three years after the promise of the Prime Minister (Mr. Trudeau) to take some remedial action and after three years of badgering by Opposition Members, as well as by the Hon. Member for Niagara Falls (Mr. MacBain).

The extent of the pollution of the Niagara River is a matter of national concern. It affects the quality of drinking water for four million Canadians. Last February I urged the Minister to lift this environmental hazard from party politics and lead an all-party delegation on this tour. I want to be one of those able to greet and welcome the Minister to my home region. I want to be able to see with him the contaminating sources, and to hear the exchanges that take place thereat on why we continue to have this national disgrace.

If the Minister is truly concerned with getting the facts, with understanding the problem and taking positive action, he will put the health and well-being of those four million Canadians ahead of the fortunes of the Liberal Party, and make this an all-party matter of concern. To do otherwise will be irresponsible, and the actions of the Minister will continue to be suspect. Let him now show his good faith by acting in a forthright, non-partisan manner.

* * *

SPORTS

DENIAL OF NATIONAL HOCKEY LEAGUE FRANCHISE TO SASKATOON

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, yesterday the NHL owners rejected the transfer of the St. Louis Blues to Saskatoon. Saskatchewan is now the only Province west of the Maritimes with no professional hockey team, despite the fact that hockey greats like Gordie Howe and present-day stars like Bob Bourne, Brian Trottier and Clark Gillies come from Saskatchewan. A major reason is that Harold Ballard, the owner of the Toronto "make-believes", said no to Saskatchewan.

Some Hon. Members: Boo!

Mr. Nystrom: If the NHL wanted to transfer his so-called team to Saskatchewan, the people of Saskatchewan would say no.

Another reason is that the Conservative Premier of Saskatchewan made the St. Louis Blues his only megaproject in his "open-for-business" Government. It is very surprising that he failed. After all, the Conservative Government brought Saskatchewan the unemployment blues, the agricultural blues, the potash blues, the economic blues, and the bankruptcy blues. The only thing it could not bring us was the St. Louis Blues. I suggest, in conclusion, an exchange of two losing teams, the Blues to Saskatoon, and Devine and his Cabinet to St. Louis.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

CANADA DEVELOPMENT INVESTMENT CORPORATION—PROVISION OF FUNDS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have a question for the Minister of National Revenue, of which I have given him notice. What moneys, other than the $500,000 loan extended to the Canada Development Investment Corporation under the Financial Administration Act, have been given to that company?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, the Canada Development Investment Corporation has received certain sums of money as a result of transfers of shares to certain corporations, and especially to Eldorado Nuclear Limited.

[*English*]

AUTHORIZATION FOR ACQUIRING FUNDS FROM ELDORADO NUCLEAR LIMITED

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, what we have here is a situation where the Government cannot appropriate funds directly for CIDC because CIDC status has never been recognized by Parliament. Can the Minister confirm that in view of the desperation of CIDC to get its hands on funds which it cannot get directly from Parliament, it is trying to bleed various subsidiaries, it is charging management fees to Canadair and de Havilland, and has forced Eldorado Nuclear to buy back $10 million of its own shares, with the proceeds to go to the CIDC instead of the Consolidated Revenue Fund where they should have gone?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, the reasons the Hon. Member is attributing to the Canada Deposit Insurance Corporation, acting on behalf of the Canada Development Investment Corporation, for receiving revenue are not the right ones at all. First of all, as far as the legislation is concerned, I would like to point out to the Hon. Member that we shall be tabling the Bill later today, and we hope to have an opportunity to consider this legislation in Parliament as quickly as possible.

As far as the sums of money charged by the Corporation as management fees are concerned, I think it is common business practice and entirely appropriate in this case. As for the amounts paid by Eldorado Nuclear Limited to the Corporation it was not because of any desperate need of money on the part of the Corporation but because by the middle of this decade, Eldorado Nuclear Limited would have to pay very substantial dividends to the Canada Development Investment Corporation, and to prevent any undue financial burden on Eldorado, the Corporation agreed to a financial arrangement under which certain shares held by the Canada Development Investment Corporation in Eldorado Nuclear would be bought back.

[*English*]

Mr. Beatty: It must be new math, Madam Speaker? I have sure lost him.

APPLICATION OF FINANCIAL ADMINISTRATION ACT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Can the Minister confirm that in fact Eldorado paid that money directly to CIDC and CIDC intends to hang on to that money as opposed to giving it to the Consolidated Revenue Fund, where it should go? Will the Minister tell the House whether, before this was done, he or any other official asked for an opinion from the Department of Justice with regard to Section 11(1) of the Financial Administration Act, which would direct that that money not go the CIDC but directly to the Receiver General of Canada and into the Consolidated Revenue Fund of Canada?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I wish to confirm that the amount paid by Eldorado Nuclear Limited to the Canada Development Investment Corporation was for investment development. I have already indicated why payment took place, namely, to prevent any undue financial burden on Eldorado a few years from now, as a result of its commitments to the CDIC.

I also wish to remind the Hon. Member that this afternoon, he will realize when the Bill is read, that it contains provisions that Parliament will be asked to approve regarding the use of funds received by the Canada Development Investment Corporation from its affiliated corporations.

[*English*]

APPROPRIATIONS FOR CANADAIR AND DE HAVILLAND CORPORATIONS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I had intended to direct my question to the President of the Treasury Board. In his absence I will direct it to the Prime Minister.

Yesterday, when tabling the estimates, the President of the Treasury Board filed appropriations for Canadair for $240 million and $60 million for de Havilland Aircraft Corporation. Did the President of the Treasury Board or the Prime Minister have in his possession financial statements of these corporations indicating that the appropriation of $240 million in one case and $60 million in the other was sufficient to put these corporations back on an even keel, or is this just another infusion of cash for these corporations, like the cash infusion we gave these corporations last November, to keep them alive for another six months?

• (1420)

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): Madam Speaker, I will investigate whether the financial statements were available to the President of the Treasury Board, and report back to the Hon. Member. The funds that were designated for Canadair and de Havilland were to strengthen their equity bases.

Mr. Blenkarn: Madam Speaker, I hope that the Parliamentary Secretary has had an opportunity to look at these figures; otherwise I see no reason why he should be answering questions.

CORPORATIONS' FINANCIAL STATEMENTS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I again direct my question to the Prime Minister as he should be on top of these things. I would ask the Prime Minister if there are financial statements available for these corporations and, if not, how does the Government propose to ask Parliament to approve a total of $300 million without any real indication of where we are going with respect to these losers and how much more money we will have to pour into them? Where are we going?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): Madam Speaker, quite clearly the Government had the financial information that was necessary to make the decision to strengthen the equity base of Canadair and of de Havilland. It is important to recognize that this is an industry that Canada wants to keep, and an industry which has a high technology base.

SECURITY INTELLIGENCE SERVICE

MANDATE OF PROPOSED FORCE—DEFINITION OF RESPONSIBILITIES

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Solicitor General. The McDonald Commission did a lot of work over an extended period of time and pointed out that one of the problems with Canada's existing Security Service was that it had no clear mandate. Following up that analysis, the Commission took care to recommend rather precisely defined activities that could be put under surveillance. For instance, the McDonald Commission talked about "foreign interference" as an activity which, under certain circumstances, would warrant surveillance. Why has the Government disregarded this precision in wording, and why has it produced new and much broader wording that raises very serious questions about civil liberties? Very specifically in this context, what groups or individuals did the Government believe should come under surveillance that the McDonald Commission thought should be left in freedom?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, it is indeed a question of how precise a definition we as parliamentarians can come up with to guide the Security Service into the areas of improper foreign interference, domestic subversion and so on, and keep it out of the areas of legitimate dissent, protest, and advocacy. This has been a very difficult distinction to draw. I agree in many ways with the McDonald Commission's analysis about where the line should be drawn, and I believe that the definition that we have come up with is a definition that will stand up under scrutiny of the committee to indicate that, indeed, anyone in the country who wants to engage in dissent, advocacy and protest will not for that reason become a target of the Security Service.

Mr. Broadbent: Madam Speaker, the Minister has provided no reassurances at all.

INVESTIGATION OF FOREIGN INFLUENCED ACTIVITIES

Hon. Edward Broadbent (Oshawa): Madam Speaker, the phrase used by the McDonald Commission was "foreign interference". The phrase substituted by the Government for that was "foreign influence", a fundamental distinction that could surely be made by anyone who believed in the free distribution of ideas between countries. I would ask the Minister very precisely why the Government substituted the phrase "foreign influence" for the more precise phrase "foreign interference" that the McDonald Commission used, a phrase that obviously demonstrated much more sensitivity to the maintenance of traditional civil liberties and freedom of the flow of information between countries?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I think that the expression "foreign influenced activities" is more specific than the expression "foreign interference", an expression which could have a number of interpretations that in my view "foreign influenced activities" clarifies.

Mr. Broadbent: Madam Speaker, I suggest that the Minister read the McDonald Commission report again because it went on to spell out in some detail why that particular phrase was used and the kind of meaning that was attached to it.

EXERCISE OF PARLIAMENTARY CONTROL

Hon. Edward Broadbent (Oshawa): Madam Speaker, I would like to go to another area entirely. There were many who were concerned that the activities of these security forces be subject to proper scrutiny, and particularly, in a parliamentary democracy, subject to parliamentary control and not simply subject to the control of the Government of the day. In this context the McDonald Commission recommended the establishment of a committee of experts, including representatives of all Parties in the House, surely an essential requirement in a democracy, I would argue. Why has the Government abandoned this very sensible recommendation, one that would ensure that Parliament would exercise control over this body rather than leaving control in the hands of the Government, a Government which in the past has gotten us into so much trouble when it comes to civil liberties?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I do not believe that it is at all accurate to say that this responsibility of oversight has been left to Government. Indeed, this responsibility of oversight has been assigned to an external review body. The difficulty I had with the McDonald Commission's recommendations were that so many machineries of oversight were recommended, each of which would be supported by its own bureaucracy, that there would indeed be a very heavy bureaucratic weight on the effective operation of the agency. I believe that there can be effective external review by the machinery which is proposed, and I think I can demonstrate that to the House when the time comes to look in depth at these proposals.

Finally, so far as parliamentary review is concerned, I think parliamentary review is created by this Bill to an extent far greater than we know it now, because the external review committee will submit an annual report to a committee of Parliament. There will be the opportunity to examine the report, call witnesses, look at other documents—

Mr. Broadbent: Very different from what McDonald recommended.

Mr. Kaplan: Indeed, if I heard the Hon. Member correctly, it is different from the recommendations of the McDonald Commission. It is less bureaucratic. I think it is equally effective and I think that it will give Parliament, together with every other opportunity there is to question the Minister and examine the Estimates of the Security Service which will be part of the Estimates of the RCMP, more than an adequate opportunity for parliamentary review and a far greater opportunity for parliamentary review than there is under the present arrangements.

Oral Questions

AIR CANADA

APPEARANCE OF OFFICIALS AT COMMITTEE MEETING

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I direct my question to the Prime Minister. In view of today's notice of a Transport Committee meeting this afternoon, "regarding the appearance of Air Canada on Tuesday, May 24 . . . ", has the Prime Minister or any of his Ministers given instructions that Government Members on the Committee should stonewall the appearance of Air Canada officials and its Chairman?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker.

REQUEST THAT CHAIRMAN TAKE LEAVE OF ABSENCE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my supplementary question is also directed to the Prime Minister. Since we now understand that the police investigating the Chairman of Air Canada and his friends must obtain evidence in the Caribbean and in Europe, with no finality of conclusion, and since the Prime Minister had enough interest in the appointment of his friend to take a helicopter to his farm to invite him to be Chairman, does the Prime Minister not now think that, for the sake of Air Canada and its reputation, he should at least pick up the phone and ask the Chairman to stand down and take a leave of absence pending completion of the criminal investigation?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the gentlemen opposite could hold their applause. The facts are completely wrong and they come from an ignorant and prejudiced mind.

Some Hon. Members: Hear, hear!

* * *

NATIONAL PAROLE BOARD

ABSENCE OF GATING AUTHORITY

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is directed to the Solicitor General. Yesterday, Donald Oag flew from Edmonton to Toronto effectively as a free man as a direct consequence of the Supreme Court of Canada's recent decision on gating. Does the Minister have any comments to make beyond saying that Oag, Wayne Sparling, Patrick Truscott, Patrick Noonan, William Smith, Scott Hyggen and other highly dangerous convicts will be watched once outside? More important, will he tell us why a viable but fair gating procedure was not brought before the House a good long time ago?

• (1430)

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, the individuals the Hon. Member named are indeed released from penitentiary but they are under mandatory supervision. This means that they have an obligation to report regularly to their parole supervisor. I am not satisfied with that; I would prefer to have the authority to see them continue to serve their time behind bars until the end of their sentences, but the decision of the court is as the Hon. Member said.

I have brought legislation forward and it is being presented to the Senate. It will re-establish the gating authority of the National Parole Board. I would ask the co-operation and assistance of all Hon. Members to get this sensible and needed legislation implemented into law.

Mr. Kilgour: Madam Speaker, as we say in the West, from the standpoint of public safety the Minister does not know whether he is on foot or on horseback.

REQUEST FOR LEGISLATION

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, the Minister knows perfectly well that next week the Legal Committee of the Senate will, in all likelihood, rule that his gating amendments to Bill S-32 are improper. Why has he not brought a fair but adequate gating procedure before this democratically elected body?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, in reviewing the proposals when I submitted them to Cabinet the Government made the decision that they would move more expeditiously if they were introduced in the Senate because of the relative work loads of the two Houses. I cannot say whether that decision was right or wrong in the event, because it is impossible to guess whether that legislation would have been treated in this House the way the Opposition has treated all the other legislation presented by the Government. I am glad to know that the Hon. Member supports gating legislation. I hope when that legislation comes to us, all of us will take steps to see it implemented as quickly as possible.

* * *

[*Translation*]

EXTERNAL AFFAIRS

REQUEST THAT CANADA INVITE SYRIA TO REMOVE TROOPS FROM LEBANON

Mrs. Céline Hervieux-Payette (Montreal-Mercier): My question is directed to the Right Hon. Prime Minister.

Following the agreement concluded by Lebanon and Israel, which reads as follows, and I quote:

[*English*]

"The parties agree and undertake—to respect the sovereignty, political independence and territorial integrity of each

other, and the parties confirm that the state of war between Lebanon and Israel has terminated and no longer exists—"

[*Translation*]

Does the Prime Minister intend to emphasize the need for making a lasting peace in that part of the world by inviting Syria to withdraw its troops from Lebanon and to sign the agreement?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I agree that it would be much better if Syria were to adopt the position recommended by the Hon. Member. I do not know whether the Department of External Affairs intends to transmit this suggestion to the Syrians. The negotiations that took place were very complex, and I do not know to what extent or at what point Syria was involved. It is therefore difficult for me to suggest that things might have been different if the negotiations had been conducted in a different manner. I really have no idea. The negotiations, as far as I know, were conducted without Canada being informed, and I believe that the solution proposed by the Hon. Member would of course be an excellent one. However, I do not know how Canada could persuade Syria to adopt this position.

* * *

[*English*]

FOREIGN INVESTMENT REVIEW AGENCY

APPROVAL OF APPLICATIONS—GOVERNMENT POLICY

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Prime Minister. Last fall the Prime Minister appointed a new Minister in charge of the Foreign Investment Review Agency. In the first seven months of his mandate the new Minister has made sure that FIRA approved more than 95 per cent of the applications that came before it. Keeping in mind that FIRA screens less than 10 per cent of foreign expansion in the first place, can the Prime Minister explain why the Government has lost all interest in ensuring that foreign investment in this country offers some significant benefit to Canadians? This is the highest approval rate in the history of FIRA.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it may be a higher rate, but my recollection is that the approval rate over the last ten years has varied between 85 per cent and 95 per cent, or perhaps 90 per cent and 95 per cent. I do not see any change. Perhaps it is because foreign investors now know that Canadians are demanding with much more stringency that they bring benefit to Canada when they propose a foreign investment scheme. The lawyers who represent them have probably learned from our experience of the last ten years that there is no point applying for foreign investment approval if you are not going to be able to demonstrate that it will bring a definite benefit to Canadians.

Mr. Nystrom: Madam Speaker, I think the real reason is that the Government has changed the threshold rate, has changed the definition of small business, and has streamlined the Agency.

ELECTION CAMPAIGN PROMISE

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I should like to ask the Prime Minister whether it is his intention to implement a campaign promise made in 1980 that he would strengthen FIRA to make sure it had the ability to screen all expansion of foreign investment instead of only take-overs and new investment. He made that promise again in the Throne Speech in 1980. The Prime Minister made that promise. Is it his intention to keep that promise to the Canadian people?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, we did move from a situation where we were only screening take-overs to now, new investment by existing companies. I think that is definite progress.

* * *

PUBLIC SERVICE

DEPARTMENT OF EMPLOYMENT AND IMMIGRATION—ADDITIONAL PERSON YEARS

Miss Pat Carney (Vancouver Centre): Madam Speaker, in the absence of the Minister of Finance, who has been in the House during Question Period for only one-third of the sitting days since he introduced his budget, my question is addressed to the Minister of Employment and Immigration.

One of his Department managers has been forced to advise his staff to stop reading books, magazines, and newspapers during work hours and to work a full day for a full day's pay. Further, the manager suggests that when employees do not have work to do, they go to their supervisor and request work.

In view of the obvious under-employment in his own Department, how can the Minister justify the addition of 1,500 person years to his Department in both the Main and Supplementary Estimates, or is this his idea of work sharing?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, first of all I should like to point out that the Hon. Minister of Finance has been representing this country abroad at a number of very important international finance meetings. I think it is a little unfortunate that the Hon. Member opposite would take that kind of cheap shot when we are trying to ensure that the best interests of the country are being protected and represented in international forums throughout the world. I think his activities are certainly far more productive than the activities of the front bench opposite who are saying nothing about anything.

As far as the question is concerned, I think it is a derogatory question. I happen to know that the public servants in my Department, faced with a substantially increased load on the unemployment insurance system and the job-creation system, have been performing a remarkable service and providing a

service to the public. It does no one any good for a member of the Opposition to try to run them down.

Miss Carney: Madam Speaker, the Minister's answer indicates that he is the expert on saying nothing about nothing.

STATISTICS CANADA—EMPLOYEES' OBSERVANCE OF WORK HOURS

Miss Pat Carney (Vancouver Centre): I have a supplementary question for the Minister of Supply and Services. The management of Statistics Canada is also concerned about the observance of the hours of work, specifically whether employees are employed for a seven and a half hour day and a 37.5 hour week. A StatsCan survey of the Department's employees shows that 15 per cent to 20 per cent of them are goofing off before the day's work is done.

Since there are 2 million Canadians unemployed, many of them highly qualified, has the Minister considered firing the employees who are goofing off and replacing them from the ranks of the unemployed?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, contrary to what the Hon. Member is saying, as a result of the budget that was introduced by the Minister of Finance, my Department, with no or very few additional person years, through the procurement process will be able to increase our level of procurement and thereby create jobs.

If the hon. lady needs some experience of the level of activity in my Department, I invite her to come over and see how hard the people in the Department of Supply and Services work. The most effective and most professional workers in the Public Service of Canada are to be found within DSS.

* * *

CHARTER OF RIGHTS

APPLICATION TO ALL CANADIANS

Mr. Ron Stewart (Simcoe South): Madam Speaker, my question is directed to the Prime Minister. The Government is the author of the so-called Charter of Rights. I should like to ask the Prime Minister whether he believes in equal rights for all Canadians?

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, we even put it in the Canadian Charter of Rights and Freedoms.

[*English*]

• (1440)

BILINGUALISM

PETRO-CANADA—USE OF UNILINGUAL SIGNS IN QUEBEC

Mr. Ron Stewart (Simcoe South): Madam Speaker, I have a very simple question to direct to the Prime Minister. The Government is advertising that Petro-Canada is ours and it belongs to all Canadians. That being the case, Mr. Prime Minister, will you instruct your officials in Petro-Canada to stop installing unilingual signs on its gas outlet stations in the Province of Quebec and install bilingual signs because, if Petro-Canada is ours, it is paid for by all Canadian taxpayers, 75 per cent of whom are English-speaking and who should have some rights?

[*Translation*]

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I discussed the problem of bilingual signs two months ago with the President of Petro-Canada, and I said then that I wanted services in Quebec to be offered in both official languages, the same as everywhere else in Canada.

* * *

[*English*]

CORPORATE AFFAIRS

REFUSAL OF NHL FRANCHISE FOR SASKATOON—REQUEST FOR INVESTIGATION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Yesterday the Board of Governors of the National Hockey League rejected an application for the transfer of the St. Louis Blues professional hockey team from St. Louis to Saskatoon, Saskatchewan, which is an outrageous decision. The people of Saskatchewan and across Canada supported this transfer, except for the New Democratic Party which has been against it, as has been confirmed by the Hon. Member for Yorkton-Melville. Has the Minister's Department looked into the possibility of an investigation under the Combines Investigation Act to see whether or not the possibility of prosecution exists under the freedom of trade provisions of that Act, particularly Section 32 of the Act?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I would like to say that this matter is under review by officials in my Department at the present time.

Mr. Hnatyshyn: I appreciate that very much, and the people of Saskatchewan will appreciate the interest of the Minister in this matter. Indeed, the Minister of State for Fitness and Amateur Sport has supported the application for transfer.

UNITED STATES ANTI-TRUST LEGISLATION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I would like to ask the Minister if he will not also consider contacting the officials of the United States Government to determine whether or not this action on the part of the Board of Governors of the National Hockey League is a breach of the U.S. anti-trust legislation.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I can assure the Hon. Member that the Director of Combines Investigations will do everything in his power and will pursue the matter to the limits of the law.

* * *

[*Translation*]

OFFICIAL LANGUAGES

AGREEMENT TO RENDER MANITOBA OFFICIALLY BILINGUAL—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, my question is directed to the Minister of Justice and concerns the agreement in principle between the Federal Government and the Government of Manitoba regarding a constitutional amendment that would modify the Manitoba Act (1870) with respect to the use of French or English in the proceedings and documents of the legislature and before the courts. Could the Minister confirm, and give further details about, the agreement concluded by the Franco-Manitoban community, the Government of Manitoba and the Federal Government, for the purpose of finding an arrangement that would be agreeable to both official language communities living in Manitoba? Could the Minister also inform the House whether the Province of Ontario, which has one half million Franco-Ontarians, has indicated that after Quebec, New Brunswick and Manitoba, it too would be prepared to extend generously the same constitutional guarantees to its official language minority?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I am both pleased and proud to confirm that an agreement has been reached between the Government of Canada and the Government of Manitoba, with the collaboration of the Société franco-manitobaine. The two Governments have already ratified the agreement, and we are now waiting for the approval of the Société franco-manitobaine.

Madam Speaker, I am sorry I cannot reveal all the details of the agreement today, but I can assure the House that the agreement will clarify the full equality of both official languages in Manitoba. As for the position of the Government of Ontario, I certainly do hope, with my hon. friend, that Ontario will now be willing to follow Manitoba's example.

[*English*]

ADMINISTRATION OF JUSTICE

VICTIMS OF VIOLENCE ORGANIZATION—REQUEST FOR ASSISTANCE

Mr. Scott Fennell (Ontario): Madam Speaker, my question is directed to the Minister of Justice. In view of the additional numbers of dangerous people on the street, I requested the Minister earlier to give some consideration to the organization called "Victims of Violence". Would he reconsider that request to provide some assistance to that organization which is helping families who have been hurt by criminals?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, there are few subjects which preoccupy me more than the question of victims of violence, as my recent statements have indicated. In fact the second National Conference on the Law to be held here next week will concentrate in part on that very subject. My hon. friend, however, is asking me about a grant for a particular organization. It is certainly one of the organizations whose work is welcomed in this field. However, with respect to some form of endorsement of the work of that organization in particular, we obviously must be dependent on the total resources which are available. This is a subject which is taking a large part of the attention of the federal Government and, indeed, of some of the provincial Governments, in this field. I can assure my hon. friend that it is not being neglected.

DESIGNATION AS CHARITABLE INSTITUTION

Mr. Scott Fennell (Ontario): Madam Speaker, I have a supplementary question directed to the Minister of National Revenue. This organization, "Victims of Violence", has been trying for a year and a half to get a charitable donation number. Would the Minister follow this up and do something about it so that these people could raise funds in order to send out newsletters and provide an important service?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, we have already had several opportunities in this House to discuss the matter of charitable contribution numbers. First of all, this is a very complex matter since it concerns the indirect use of public funds. Moreover, a large number of requests have been made for such numbers. However, I can assure the Hon. Member that we shall make every effort to pay particular attention to this request.

* * *

[*English*]

INCOME TAX

CERTIFICATION OF SUPPORT PAYMENTS SENT TO PARENTS IN CHINA

Mr. Dan Heap (Spadina): Madam Speaker, as the Minister knows, many Canadians from Third World countries such as

China, have claimed income tax exemptions, according to the law before 1982, for money sent to their aged parents back home. They are now being reassessed for 1981 with the demand that they prove that their parents have no means of support, or pay the exempted amount for 1981.

The Minister also knows that it is very difficult, if not impossible, to get documentation from places like China which would be satisfactory to Revenue Canada, and that even many who have obtained documents from China, duly certified and translated, have been turned down by Revenue Canada. In view of the fact that some of his officials have undertaken to review some of these cases, will the Minister direct his officials to hold off from any enforcement action for the collection of these moneys? Will he also give consideration to accepting a statutory declaration in cases where it is impossible to get documentation from overseas?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, before making such a commitment to the Hon. Member and the House, I would have to examine the provisions of the Act voted by Parliament to determine whether the Minister has this discretion. However, I can assure him that since he and other Members have already expressed their concerns on this matter, I shall pay particular attention to his representations.

* * *

[*English*]

HUMAN RIGHTS

CHILE—PLIGHT OF PEOPLE SEIZED BY POLICE

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, in the absence of the Secretary of State for External Affairs I will direct my question to the Minister of State for External Relations. In light of the recommendations of the parliamentary committee on Canada's relations with Latin America, will the Government of Canada protest, in the strongest possible terms, the recent seizure by the Chilean police of 1,000 people in pre-dawn raids, and the subsequent incarceration of many of them? Will the Government also bring pressure on the Pinochet Government, with which the Canadian Government has close trade and investment links, to give out a complete list of those detained, in order to make sure they will come before competent courts, or be released? Will the Government also urge that they not be tortured while in prison?

[*Translation*]

Hon. Charles Lapointe (Minister of State (External Relations)): Madam Speaker, the Government is especially concerned about the recent developments in Chile and the apparent resurgence of human rights violations in that country.

As recently as yesterday, our embassy in Santiago was instructed to make representations to the Chilean Government expressing our great concern about the situation.

As the Hon. Member knows, the report of Amnesty International was published yesterday. We received a copy that same day, but I am in no position to comment on it at the moment.

* * *

• (1450)

[*English*]

NATIONAL DEFENCE

AIRCRAFT OVERHAUL—ALLOCATION OF WORK

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Minister of National Defence. His Department's Boeing 707s are due for overhaul early in 1984. Has the Minister made any decision on where those planes will be overhauled? Is he keeping in mind that the largest lay-off of Air Canada machinists is going to take place in Winnipeg, and will he give top priority to Winnipeg for the 707 overhaul?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, it is true that the Boeing 707 fleet of the Department of National Defence is due for an overhaul, but I do not have any information today as to when. I do not think it should be before two years time in any case. The planes are still in good shape, but the overhaul is on the priority list and we will see when and where they will be done. I do not know at this stage if it will be under public tender or through negotiations with the contractor.

STARTING DATE

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I would like to remind the Minister that the expertise is in Winnipeg because they have overhauled these 707s before. In light of the fact these machinists are going to be laid off this September, will the Minister check and provide me with an answer on whether the overhaul could start ahead of time, say sometime this Fall, to avoid these lay-offs in Winnipeg?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, the efficiency and competence of the machinists in Winnipeg are well known. It is a good shop, and I will supply the Hon. Member with some detail of when, how, and what procedure we will follow when the overhaul comes.

INCOME TAX

CASHING OF REFUND CHEQUES—DIFFICULTIES EXPERIENCED BY RECIPIENTS

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of National Revenue who will know that a number of income tax refund cheques are now in the mail. Does he know that in fact recipients are having a great deal of difficulty cashing those refund cheques if they do not have an account in the bank where they present the cheques to be cashed? Does he realize this is the policy of most banks across the country because of the number of cheques stolen in the mail? Does the Minister know how many cheques are stolen in the mail, in other words, not received by the proper recipients, and why is the Minister not directing his Department to send the refund cheques by registered mail?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, the problem the Hon. Member has raised is not peculiar to Government cheques alone, for anything which is sent through the mail may be stolen, just as any parcel which is delivered by other courrier services.

As to the number of income tax refund cheques which may be stolen in the mail, I must confess that I have no idea. Perhaps the question ought to be adressed to the Department of Supply and Services whose responsibility it is to print the cheques and mail them.

I believe that the practice of financial institutions is to ask for a deposit. Would it be possible to make it more flexible? I think that the Minister of Finance would be glad to convey the Hon. Member's concerns to the Inspector General of Banks.

[*English*]

REQUEST THAT CHEQUES BE SENT BY REGISTERED MAIL

Mr. Jack Shields (Athabasca): Madam Speaker, the point I am trying to make to the Minister is that financial institutions across the country, indeed businessmen generally, are very leery of cashing income tax refund cheques because they know there is an epidemic of theft of these cheques from the mail. Why does the Minister not make it a policy of his Department that refund cheques go out by registered mail, recognizing that there is an added cost but also recognizing that the Government has had that money in its possession for upwards of three months and has drawn interest on those funds?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): On many occasions, Madam Speaker, we have heard in the House the Hon. Member who has just asked a question express concern over Government expenditures. On one hand, I am convinced that he is aware of the fact that the benefit derived from sending income tax refund cheques by registered mail would be definitely offset by the additional expenses incurred by the Government. On the other hand, I am not sure that financial institutions would be prepared to show more flexibility when cashing those cheques. Still, I will gladly look into the pros and cons of the Hon. Member's suggestion.

* * *

[*English*]

SECURITY INTELLIGENCE SERVICE

DEFINITION BY SUPREME COURT OF CANADA

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is directed to the Solicitor General who is finally getting some good advice because he is sitting there talking to my colleague from Durham-Northumberland. Earlier in question Period the Solicitor General said that his definition of the Security Service would stand scrutiny by the committee. Will it withstand that scrutiny in the same way his policy of gating withstood the scrutiny of the Supreme Court of Canada?

Hon. Bob Kaplan (Solicitor General of Canada): Better!

* * *

RAILWAYS

ALLOCATION OF ORDERS FOR NEW ROLLING STOCK

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is for the Minister of Transport and has to do with yesterday's awarding of the hopper car and coal car contracts, wherely the industry in Hamilton came out on the distinctly short end of the stick. National Steel Car traditionally gets 40 per cent of the new grain car manufacturing business and it is now down to 35 per cent. It was bypassed altogether on the coal car contract.

Why did the Minister allocate these contracts under the special recovery program, when this was being discussed last Fall, and it was known that the CN yards in Transcona, Montreal and Moncton had, as it were, the inside track? Was National Steel Car considered at all in so far as getting a piece of that coal car contract was concerned?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, National Coal Car got quite a piece of it. As a matter of fact, it got an order for 483 hopper cars, 35 per cent of the order. We followed the usual practice in this matter, a practice which has been used four or five times in the past ten years. The criterion is simply that the one with the best price gets 40 per cent; the one with the second best price gets 35 per cent; the one with the third best price gets 25 per cent. In the past the Hamilton company came up generally with the best price and it would get the 40 per cent. This time Marine Industries in Sorel was lower. As a matter of fact, Sorel bid at a lower level than it had bid the last time around and that is why it won first prize.

Mr. Scott (Hamilton-Wentworth): Madam Speaker, with the involvement of Canadian National some of us in Hamilton

have to wonder if perhaps the Minister responsible for Hamilton does not have the political clout that the Minister from Manitoba has, or that the Members from Montreal or Moncton have.

REPAIR WORK

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, since there are several hundreds if not thousands of cars sitting on the tracks, which need refurbishing right now, did the Minister not consider letting the CN yards handle that kind of work and not get into competition with the private sector such as National Steel Car which has the capacity to produce the new coal cars? I am now referring specifically to the coal car contract. Could that not have been considered, and could it still not be under consideration by the Minister?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, it was indeed studied as a possibility but we thought the way I indicated was a better way. As a matter of fact my hon. friend is probably not totally informed about the Transcona facility. Transcona has been in the business of building all kinds of cars in the past. It has all the facilities and it has 400 employees to keep at work. That is why a Solomon's judgment was made on the way we divided the coal cars and hopper car orders, and the way the hopper car order was divided between the three traditional suppliers.

* * *

PETITION

MR. TAYLOR—REQUEST FOR PASSAGE OF BILL C-671

Madam Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Bow River (Mr. Taylor) on Wednesday, May 18, 1983, meets the requirements of the Standing Orders as to form.

* * *

• (1500)

PRIVILEGE

MR. NYSTROM—STATEMENT OF MR. HNATYSHYN

Mr. Lorne Nystrom (Yorkton-Melville): Madame Speaker, I raise a question of privilege arising out of a statement made in the House today by the Hon. Member for Saskatoon West (Mr. Hnatyshyn). If Your Honour check the blues, I am sure you will agree with me that he either intentionally misled the House or he was suffering from momentary amnesia, because he said that our Party was against the St. Louis Blues, as confirmed by my statement in the House—

Madam Speaker: Order. I do not know by what stretch of the imagination the Hon. Member could construe this as being a question of privilege.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Lewis: Madam Speaker, this being Thursday, I wonder if I might ask the Government House Leader what his intentions are for business for the rest of this week and for as much of next as possible.

[*Translation*]

Mr. Pinard: Madam Speaker, tomorrow is an allotted day. The House will not sit on Monday. Next Tuesday, Bill C-155 on grain transportation. Wednesday is set aside for private Members' business. On Thursday, depending on the way the debate goes, I hope we will complete the second reading debate on Bill C-155. If we do, we will resume the second reading debate on Bill C-151 to provide the Government with supplementary borrowing authority. To sum up, the House will not sit on Monday, Bill C-155 on Tuesday, private Members' business on Wednesday, and Bill C-155 or Bill C-151 on Thursday, priority being given to Bill C-155.

* * *

[*English*]

POINT OF ORDER

MR. HNATYSHYN—APPLICATION OF EIGHT-HOUR TIME LIMIT ON DEBATE

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I would like to raise a legitimate point of order, unlike that of the Hon. Member for Yorkton-Melville (Mr. Nystrom).

Mr. Smith: It will be the first.

Mr. Hnatyshyn: This point of order relates to instances which arose last Monday during the course of debate in which I was invited by the Assistant Deputy Speaker—

Madam Speaker: A point of order which arose last Monday should have been raised last Monday.

Some Hon. Members: Sit down.

Madam Speaker: If the Hon. Member does not have any other point of order, I cannot hear him.

Mr. Hnatyshyn: Madam Speaker, the point was that the Acting Speaker, the Hon. Member for Lachine (Mr. Blaker), asked me to come back after checking *Hansard*. This is the first opportunity I have had to come forward with respect to rulings of the Chair which were diametrically opposed. I think I am entitled to raise this matter, as it is important.

Mr. Nielsen: Go ahead.

Mr. Hnatyshyn: Madam Speaker, on Monday morning when the—

Madam Speaker: I am sorry, but would the Hon. Member wait for just a second? Since I was not in the House, I want to be informed as to what is exactly happening.

I will now recognize the Hon. Member for Saskatoon West.

Mr. Hnatyshyn: Madam Speaker, I appreciate that very much. This is a very serious matter which deals with the interpretation of the new temporary rules which we are now experiencing during the course of this year.

On Monday morning, when the Deputy Speaker was in the chair, a number of points of order were raised concerning the eight-hour rule on second reading stage. In particular, I raised the issue as to whether the clock began to run again once a second reading amendment was placed on the Table. In this case the amendment was that of my colleague, the Hon. Member for Regina West (Mr. Benjamin), with respect to the six-month hoist motion on Bill C-155. The Deputy Speaker reserved his decision on that particular issue.

At that point the Hon. Member for Bow River (Mr. Taylor) raised the issue as to whether points of order should be taken out of the eight-hour period. May I quote from the *Hansard* blues because I think the matter is important. The Hon. Member for Bow River said:

> I just want to make one comment. On Friday there was a point of order which lasted for 22 minutes. We have now been on a point of order which has taken approximately 20 minutes. Surely this point of order should not come off of the eight hours.

Mr. Deputy Speaker, the Hon. Member for Ottawa West (Mr. Francis), then said:

> The Hon. Member's point is well taken. If there are no further interventions concerning the point of order that has been raised, the Chair will reserve a decision on the matter. The Chair will recognize the Hon. Member for Esquimalt-Saanich (Mr. Munro).

The Hon. Member for Esquimalt-Saanich (Mr. Munro) rose and said:

> Mr. Speaker, I join with the Hon. Member for Bow River (Mr. Taylor) and urge the Chair to make sure that the eight hour period for debate, whether on second reading or on the amendment, does not include interruptions, for good purposes, to deal with matters—

He was interrupted by the Deputy Speaker, who said:

> Order. The matter has been settled. The Chair is not counting the 20-minute intervention against the eight hours.

Then he went on to say:

> The Hon. Member is recognized for debate.

The point I am making is that it was clear that at that point the Deputy Speaker had made a final ruling with respect to whether or not legitimate points of order which were received by the Chair would be included in the calculation of the eight hours which the new rules specify are the time within which speeches can be made for a 20-minute limit.

The debate then continued, Madam Speaker. The Hon. Member for Esquimalt-Saanich spoke. At the conclusion of his remarks, the Deputy Chairman of Committees then came back into the Chair. The Deputy Chairman, at the conclusion of the Hon. Member's remarks, made a number of rulings. His final rulings appear to be in clear conflict with the one made by the Deputy Speaker on the point raised by the Hon. Member for Bow River. More particularly, the Deputy Chairman said at that point:

> I want to inform Hon. Members that I am aware of the wording of the Deputy Speaker who was in the Chair at that time. It may be that Hon. Members will want to check *Hansard* very carefully in that regard.

I assure Your Honour that I have read this into the record so that there will be no question as to what was said. The Deputy Chairman continued:

> The quote that my memory tells me is accurate is that the Chair informs the Hon. Member for Esquimalt-Saanich, I believe it was, that "the point is well taken". In any event, my understanding is that no final ruling has been made and I will proceed on that basis.
>
> In the tradition of the House, where the debate or speech of an Hon. Member has been interrupted by points of order, the Chair at its own discretion has allowed the Hon. Member additional time; sometimes the exact amount that was accorded the point of order, or at other times the Chair makes a judgment as to what seems to be fair in the circumstances. However, it is conmpletely the tradition of the House that points or order, while they may not be taken from the debate time of an individual Member, are very definitely taken from the total allotted debate time on a motion. There is no question about that.

I suggest to Your Honour, and I do not think there is any question, that the records show that the ruling on the issue had already and categorically been made by the Deputy Speaker. It is, of course, a fundamental point, for if the second ruling became the precedent, it would be conceivable for the House to lose the entire eight-hour debating time because points of order had been raised on the other side of the House.

I suggest that the Acting Speaker was under a misrepresentation as to what the Deputy Speaker had previously ruled. In Beauchesne, Citation 119, reference is made to the situation where previous rulings have been made and a Speaker makes a ruling given under misrepresentation. It states:

> Speakers' rulings, once given, belong to the House which, under S.O. 12, must accept them without appeal or debate. They become precedents and form part of the rules of procedure. The Speaker is not vested with the power to alter them of his own accord. If they have been given under misrepresentation, the House itself, and not the Speaker, should take the initial steps to avoid the consequences or implications. Such actions would not be considered as an appeal against a decision of the Speaker. *Journals*, March 28, 1916, p. 201.
>
> (2) The Speaker's rulings, whether given in public or in private, constitute precedents by which subsequent Speakers, Members, and officers are guided. Such precedents are collected and in course of time may be formulated as principles or rules of practice. It is largely by this method that the modern practice of the House of Commons has been developed.

Madam Speaker, the point is simply this. It is inconceivable to me that the Deputy Speaker's ruling was anything but correct. I thought it was appropriate. I cannot understand how legitimate points of order or matters of disorder in the House could possibly be considered in any way as being part of the debate or the consideration of any stage under the old Standing Orders, or, indeed, under the provisional rules under which we are now operating. My point is that while we are dealing, in the case of Bill C-155, with a highly emotional and extremely important piece of legislation, in this particular case it becomes rather important that the fullest opportunity be given to Hon. Members to participate in the debate. Any suggestion of curtailment of the right of Members to debate is a serious infringement upon the privileges and rights of Members of Parliament.

• (1510)

I am suggesting that his order does not constitute the subject matter of any debate. It is, in fact, quite separate. It is a matter of the procedure and operation of the House of Commons.

I suggest and humbly submit to Your Honour that the ruling of the subordinate officer of the Chair, the Deputy Chairman, who is subordinate to the Deputy Speaker, was out of place and inappropriate and should not be taken to bind us with respect to a ruling under which we in the House should be obligated to consider the business of our country.

Mr. Doug Lewis (Simcoe North): Madam Speaker, I have three specific points I would like to raise in addition to the remarks made by my colleague. My colleague covered the circumstances and I would ask the Chair to consider three further items in its ruling.

The first is that a point of order does not speak to the substance of the matter under debate. A point of order is merely a procedural instrument so that the debate can run along smoothly. Citation 238 of Beauchesne notes that points of order should not be viewed as usual phases of procedure and should not be raised on matters which could be disposed of by moving amendments.

The second point I would make to the Chair is that the question of how to count the time at second reading was not covered by the Special Committee on Standing Orders and Procedure. However, it did in fact specify that it felt there should be eight hours of debate. In other words, there should be eight hours during which the House considers the matter under debate. I submit to the Chair that for that reason one should not take into account points of order which flow out of the debate and which, I submit, do not pertain to the actual question under consideration by the House.

The last item I would point out to the Chair is this. Citation 235 of Beauchesne states:

> Even the provisions in Standing Orders that action must be taken 'forthwith' or 'forthwith without debate' with respect to certain proceedings do not bar a Member from raising a point of order when a serious irregularity occurs.

Finally, I suggest to the Chair that the House has set very carefully under the Standing Orders what happens between two o'clock and three o'clock Monday through Thursday and between 11 o'clock and 12 o'clock on Friday. During that set time covered by the Standing Orders, a point of order or question of privilege is not allowed to interfere with the time that the House has decided under the Standing Orders should be set aside for statements under Standing Order 21 and Question Period. If you take the remarks of my colleague and the points I have raised under consideration, I submit that one should find that the eight hours of debate should be eight hours.

I would also point out that, to the best of my knowledge, this is the first time since we have been operating under the new Standing Orders that we have had a substantial point of order since the beginning of the eight hours. For that reasons we have delayed arguing this point. We wanted to delay until Madam Speaker was in the Chair. I would ask that you find that points of order and questions of privilege that occurred during that eight hours should not be included as part of the eight hours of debate.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I enter this exchange only because I am concerned that a ruling which stated that points of order were to be considered as part of the allotted time for debate might in fact cause a great hardship. I can appreciate that points of order are used illegitimately and that there are times when a matter is raised under the guise of a point of order when it is in fact not a point of order. It is simply an opportunity to raise a particular point which a Member may or may not recognize is not quite in keeping with the strict terms of a point of order.

However, I submit that the Speaker has the discretion to determine whether a matter is a legitimate point of order. If it is a legitimate point of order, then that time should not be taken from the hours allocated for consideration under the Standing Orders. For example, if a Member were to raise a point of order in order to draw to the Speaker's attention that there was not a quorum present in the House of Commons, it took 20 minutes for that to be ascertained and at that time a quorum was then to be determined, the time taken would be legitimate because there was a violation of the Standing Orders. It would be unfair to lose that time from the debate, yet it is the responsibility of every Member to make sure that the Standing Orders are obeyed. Therefore there is a dilemma. The Hon. Member is doing the job that is required of him under the Standing Orders when he draws the attention of the Chair to the fact that there is no quorum, but at the same time he is jeopardizing the opportunity of his colleagues to take part in the debate because of the loss of time.

I submit that a ruling which allowed the Chair to have discretion and determine whether time can be reimbursed on a legitimate point of order or that it simply be seen as lost time on an illegitimate point of order would be satisfactory to a majority of Members.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I was in the House when the incident which has just been referred to occurred. I do not believe that the suggestion that somehow the Deputy Speaker and the Acting Speaker are on different wavelengths is at all logical. If you would look at what the Deputy Speaker said on page 25479 of *Hansard*, after the Hon. Member for Bow River (Mr. Taylor) raised the point of order, the Deputy Speaker said:

> The Chair will reserve a decision on the matter.

On the following page 25480, the Deputy Speaker said:

> The matter has been settled. The Chair is not counting the 20-minute intervention against the eight hours.

If you refer to the comments made by the Acting Speaker on page 25483 of *Hansard*, you will see that he said:

> In the tradition of the House, where the debate or speech of an Hon. Member has been interrupted by points of order, the Chair at its own discretion has allowed the Hon. Member additional time; sometimes the exact amount that was

accorded the point of order, or at other times the Chair makes a judgment as to what seems to be fair in the circumstances.

I am suggesting that the Deputy Speaker exercised that discretion and said that he was not, under all the circumstances, going to deduct that 20 minutes from the allocation of what constituted the eight hours. However, the fact that he exercised his discretion in that way in that particular instance does not mean that what the Acting Speaker went on to say is incorrect. I would submit that he was correct. He went on to say:

However, it is completely the tradition of the House that points of order, while they may not be taken from the debate time of an individual Member, are very definitely taken from the total allotted debate time on a motion. There is no question about that.

I submit that what the Acting Speaker said was correct. I would also submit that what the Deputy Speaker did was not at variance with that. He chose to exercise his discretion in a particular way, but the fact that he exercised his discretion in that way does not mean that the tradition of the House is changed.

Were we to have an approach where we could avoid having time allocated in calculating the amount of time spent on a debate by raising countless points of order, that would leave us open to gross abuses of the time of the House. I think it would inevitably lead to lengthy filibusters.

I suggest that there is no difference between what the Acting Speaker and the Deputy Speaker said and I support the position of the Acting Speaker. Nothing that was said by the Deputy Speaker really contravenes that.

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, as the person who was seeking the floor when this particular ruling was given, it was declared to me:

The Chair is not counting the 20-minute intervention against the eight hours.

That was not against my time but against the eight hours. That was stated at page 25480 of *Hansard*. My concern is that this is the first occasion we have had to consider the meaning of that eight hours. This is really the first opportunity.

• (1520)

It is conceivable that legitimate points of order might be raised for eight successive hours that ought to be devoted to debating an issue. If the ruling which seems to be hovering over our heads at the moment, namely that points of order should be included in the eight hours, comes to fruition then we would find there is no debate whatever on the motion before us.

I would remind you, Madam Speaker, that there is a slight variance in the amount of time consumed during that eight hours on Bill C-155. The Table has indicated to me that 63 minutes were used for points of order. Another timing done independently indicates that 66 minutes were used. In other words, for the consideration of this particular Bill, a very important Bill—which is also true of any Bill we consider, and I think this is a good time to resolve the matter—one full hour at least has been removed from debating time. That means six speakers have had their debating time cut in two. Six speakers have lost one half of the time they might have otherwise had to elaborate matters—

Mr. Chénier: You are wasting time.

Mr. Munro (Esquimalt-Saanich): I do not consider that an intervention of that sort is legitimate. I am not wasting time. We are considering a very important matter, namely the determination of what constitutes eight hours of debate.

My hon. colleague from Saskatoon West (Mr. Hnatyshyn) has made a number of points, as has the Hon. Member for Hamilton Mountain (Mr. Deans). All of these matters are germane to the issue before us. If we are going to have to live with this eight-hour business and 20-minute speeches followed by the ten-minute period for questions or comments, I think we should resolve this issue now because we have another six months to live with it. I think we should know now exactly what goes into those eight hours.

I will just remind you also, Madam Speaker, that when the Acting Speaker (Mr. Blaker) came to make a ruling on the matter he differentiated very, very neatly between three issues that were before us. One was the determination of whether the eight hours was on the main motion only or on the main motion plus the amendment. The second was whether the ten-minute intervention for questions and comments would be included in the eight hours. Third was the inclusion or the non-inclusion of points of order in those eight hours of debate.

Finally, there is something that has me confused. I do not know how to interpret it and I bring it to your attention. It was mentioned briefly but indirectly by the Hon. Member for Saskatoon West.

The Acting Speaker said, as shown in the left-hand column on page 25483 of *Hansard:*

My ruling is always open to question.

It was my understanding, and we have been told so in very certain terms, that the Speaker's ruling is not open to question. The Acting Speaker has suggested—perhaps because he is the Acting Speaker—that his ruling is always open to question. I did not understand that at all. I think that matter ought to be taken into account. Possibly what he intended was that he was not really quite sure about this matter of points or order being included in the eight hours. Therefore, he felt that he should not make a definitive ruling on this occasion.

Mr. Les Benjamin (Regina West): Madam Speaker, on this same point of order and the approximately one hour that has been referred to taken up with points of order during second reading debate, may I suggest, with all respect, that the points of order raised had to do with the application of Standing Order 35. They were not aimed at either the content or the debate on the Bill before the House. They have to do only with the interpretation and application of Standing Order 35, particularly Standing Order 35(2)(b) having to do with how the eight-hour period is arrived at by the Chair.

Point of Order—Mr. Hnatyshyn

The Chair ruled on earlier points of order, which I accept. The Hon. Member for Bow River (Mr. Taylor) raised the point about not counting proper and legitimate points of order in the eight hours, and I support that position on the ground that when the points of order were raised having to do with the interpretation of the rule that applies to second reading, that time should not be counted against the eight hours taken out on second reading.

On the matter of frivolous points of order mentioned by the Parliamentary Secretary, it is there that the discretion of the Chair should enter, I submit, because Hon. Members could get up on points of order and object to the clothes that some Hon. Member is wearing, or that the clocks were inaccurate, or a host of other things. It would be patently obvious that Members were trying to take up the time of the House. That is where the discretion of the Chair enters. Obviously, the Speaker should then say to the Clerk at the table that the time taken up by those kinds of frivolous points of order should be counted in the eight hours for debate. That eliminates Hon. Members who might be tempted to get on to frivolous points of order.

When a point of order is raised having to do with the interpretation of the rule that applies to the length of the debate at second reading, surely that is a legitimate concern of the Chair and the House regarding the rules and should not be counted against the time taken up for debate.

Similarly with the point made by my hon. friend from Hamilton Mountain (Mr. Deans) in the matter of a quorum, surely 20 minutes or 25 minutes of discussion which has to do with the decorum, the order, the attendance in this House and nothing to do with an item under debate should not count in the eight hours allotted for 20-minute speeches.

I hope, Madam Speaker, you will rule that the discretion of the Chair will apply rigorously to frivolous points of order and that they should count in the eight hours for debate, but that proper points of order raised having to do with conduct, order and attendance in this House, all having to do with the rules of this House, should not be counted in the eight hours for debate on 20-minute speeches.

Madam Speaker: I just want to tell Hon. Members that we have a situation here where a ruling has already been made, but as far as I can see the ruling has been made on particular circumstances. What Members are asking me now and arguing is that the Chair should consider the broader matter of the application of those eight hours for debate. I am prepared to consider that and to rule on it later.

I think all of the arguments have been given because the last Members rising have given me the same arguments as those who spoke in the first instance. If Members agree, we will find a way out of the problem that the ruling has been made and still there is some doubt as to the application of those eight hours. We will find some way of discussing this among ourselves, and I am sure that we will find a satisfactory solution.

• (1530)

Hon. Marcel Lambert (Edmonton West): Madam Speaker, with the greatest of respect, as one of those who was involved in this sort of thing many years ago—

Mr. Deans: Two weeks.

Mr. Lambert: —that ruling may I say, as I indicated to the Table Officers at the time, was made with indecent haste, and I say that advisedly. In that case, I would agree with the submissions made by the Hon. Member for Regina West (Mr. Benjamin) that it is always incumbent upon the Chair to determine that which is frivolous and not applicable. Points of order raised by the Opposition should not necessarily be considered frivolous. I have known, and I think you have too, Madam Speaker, and I say this with the greatest of respect, that there are points raised by Government supporters, particularly Parliamentary Secretaries who are in there as hatchet men, that are often frivolous and that there are—

Madam Speaker: Order, please. Will the Hon. Member please speak to the point so that the Chair can use some of the arguments in order to reflect upon this problem. There is no point in explaining to the House that there are frivolous points of order. That is obvious to anyone who has sat in on one day of debate in the House. If the Hon. Member has new arguments to offer, the Chair will welcome them.

Mr. Lambert: Madam Speaker, it is incumbent upon Members also to reinforce certain opinions from time to time. It is not necessarily so that once an argument has been stated, to repeat it is frivolous. May I submit that in this particular instance the Chair is the final arbiter and in that particular case, unaccustomed as you may be, I am supporting you in this particular case, and may I say with the greatest of respect that I claim the right to say so.

* * *

BUSINESS OF THE HOUSE

Mr. Skelly: Madam Speaker, I rise on a point of order. In the movement of the affairs of the afternoon, the House Leader for the Conservative Party raised a point concerning House business. The Hon. Member for Saskatoon West (Mr. Hnatyshyn) then rose on a point of order. I stood at the same time to ask a question about House business. I wonder if I might carry on with that.

I direct this question to the House Leader. The other day we discussed an important point concerning legislation coming before this House which affects absentee voting for individuals who are not in their own polls. As there are tens of thousands of Canadians who are disenfranchised, is it the intention of the Government to bring forward reasonably soon something to provide an absentee balloting opportunity under the Canada Elections Act in order to comply with the requirements to have that before the second sitting of this House?

Mr. Pinard: Madam Speaker, I presume the Hon. Member means the second session and not the second sitting.

Mr. Skelly: Yes.

Mr. Pinard: The Hon. Member knows that under the existing statute, the Chief Electoral Officer has to make a report to the House at the beginning of the second session of each Parliament. I suppose when that time comes his report will deal with the important matter raised by the Hon. Member. Then we will see what we will do.

Mr. Skelly: Madam Speaker, the House Leader knows how very important that is in order to comply with the requirement of the Constitution which ensures that every Canadian has the right to vote. The Chief Electoral Officer has indicated he has not been getting that much information when many Members of Parliament have expressed a concern. Is the House Leader prepared to call this matter to his attention and to ask him to report on it?

Mr. Pinard: Madam Speaker, even though this is not properly House business, I will be glad to bring to the attention of the Chief Electoral Officer the questions asked today by the Hon. Member.

* * *

POINT OF ORDER

MR. BENJAMIN—INADEQUATE SUPPLY OF COPIES OF BILL C-155

Mr. Les Benjamin (Regina West): Madam Speaker, I rise on a point of order. Yesterday I raised a point with you, Madam Speaker, about the inability to get additional copies of Bill C-155. I was wondering whether you have been able to look into that matter since I am still limited to ten copies and I have over 50 requests for copies.

Madam Speaker: We now have additional copies, so the Hon. Member should be able to get them in the usual place.

ROUTINE PROCEEDINGS

[*Translation*]

JUSTICE AND LEGAL AFFAIRS

PRESENTATION OF EIGHTH REPORT OF STANDING COMMITTEE

Mr. Claude-André Lachance (Rosemont): Madam Speaker, I have the honour of tabling the Eighth Report of the Standing Committee on Justice and Legal Affairs.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

[*English*]

PETITIONS

MR. KORCHINSKI—NUCLEAR ARMS RACE

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, I have the honour to present a petition signed by 38 members of All Saints Anglican Church in Melfort in the Province of Saskatchewan who are concerned that the increasing danger of a nuclear war and the building of ever-more destructive weapons, if used, would threaten the very survival of human life on this earth. These people pray and call upon this Honourable House to urge the Government to renounce all present and future involvement in a nuclear arms race and turn every effort to the attainment of peace, giving positive leadership through Canada's ambassador for disarmament in the United Nations.

RETENTION OF CROWSNEST PASS RATE

Mr. Les Benjamin (Regina West): Madam Speaker, I have the honour and duty to present a petition to the House from 40 residents of Canada, Portage la Prairie, Lowe Farm, Balmoral, Winnipeg, Morris and Woodside, Manitoba, in which they exercise their right to present a grievance that western farmers paid $131 million to move export grain under the Crow rate in 1982. This grain in turn contributed $6.3 billion to our balance of trade. The undersigned believe it is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times Crow. The undersigned petitioners humbly pray and call upon Parliament to maintain the present statutory grain rate.

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I have a petition from 39 or 40 residents of the Morse Saskatchewan district. Most of them are farmers, a number are business people, housewives and labourers in that area who are petitioning the Parliament of Canada to maintain the Crow rate because of the disruption that may occur to their communities because of the proposal that is before the House at this time.

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, it is my honour and duty to present to this House a petition signed by 46 residents of Lloydminster, the Alberta and Saskatchewan area in places such as Vermilion, Vegreville and Calgary. These petitioners bring before Parliament their grievance and humbly call upon Parliament to maintain the present statutory Crow grain rate.

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, it is my duty and my honour to present a petition on behalf of some 35 to 40 residents of my Province in towns like Cadillac, Admiral, Shaunavon, Valmarie and places like that. These are local farmers who are petitioning to keep the statutory Crow rate as is. Theyd do not want to see any change in the Crow rate whatsoever. They are concerned that if there is a change, it will drive a lot of these small and ordinary-size farmers off

the land. Because of that, it is a great pleasure for me to present this petition on their behalf.

Mr. Simon de Jong (Regina East): Madam Speaker, I have a petition of some 36 names of people from my Province of Saskatchewan representing such towns as North Battleford, Rosthern, Adams, Biggar, Medstead, Cut Knife, etc. It is my pleasure, indeed my duty, Madam Speaker, to present this petition to you.

• (1540)

The petitioners are concerned by the change in the Crow rate. They are concerned, Madam Speaker, that the proposals before us would indeed have a tremendously harmful effect upon the Saskatchewan agricultural community, and I wish to present their petition to you.

Mr. Bob Ogle (Saskatoon East): Madam Speaker, it is my honour and privilege to present to you a petition from the people of Saskatoon, Biggar and Vanscoy who are concerned about the Bill now before the House of Commons that will take away the Crow rate. They ask that the House and the Government of Canada see fit that this Bill is not brought into effect but rather that the statutory Crow rate continue, so I place this petition before you, Madam Speaker, and hope that it will be respected.

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I have a petition from some 35 or 40 Canadians from towns such as Gull Lake, Webb and Tompkins in the Province of Saskatchewan who have pointed out to the House, through their ancient right of petition, that western Canadian farmers have paid some $131 million to export grain during the fiscal year 1981-82, that this grain in turn contributed some $6.3 billion to the balance of trade, and that this is a fair contribution by western farmers to the Canadian economy. They therefore petition the House that there be no change in the Crow rate so that justice can be done.

Mr. Dan Heap (Spadina): Madam Speaker, I have the honour to present a petition from some 20 Canadian citizens, mostly residing in Herbert.

Some Hon. Members: Oh, oh!

Mr. Heap: These citizens feel that the Crow rate is a fair rate and that they have paid their fair share of transportation costs and their fair contribution to overseas trade. They therefore ask Parliament to see to it that the Crow rate is not increased, and as in duty bound, they humbly pray.

Mr. Jim Fulton (Skeena): Madam Speaker, I hear a lot of noise coming from the Liberals and the Tories. I suppose that is because in terms of the Crow rate, their constituents do not know where they stand. But I have the honour to present a petition, Madam Speaker, from a number of Canadians. They say that the western Canadian farmers have paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year and this grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned Canadians believe that this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times Crow, which means no change. They therefore humbly pray that you take whatever steps you can, Madam Speaker, to ensure that the Crow rate does not change.

Mr. Laverne Lewycky (Dauphin-Swan River): Madam Speaker, I have a petition from the riding of Dauphin-Swan River, and the undersigned petitioners indicate that the Crow rate is an important benefit to western Canada and one of the earliest incentives granted to the settlers. They want the Crow rate retained. I would like to point out, especially to the Hon. Members opposite, that the Crow rate is considered in my riding to be just as sacred as is the ability to speak French in Canada to the constituents of my hon. friends from Quebec. So I have the duty and the honour to present this petition to the House of Commons, and we trust that when it is examined, it will be found that it is signed by people from Gilbert Plains and Grandview.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, it is my honour and duty to present to the House this afternoon a petition signed by some 33 individuals from the southwest corner of Saskatchewan, the communities of Cadillac, Admiral and Scotsguard, who, at the same time as they appreciate the need to upgrade the rail transportation system in Canada, do not want the full weight and cost of upgrading that system to be borne on the backs of the grain producers in their area. They therefore humbly pray and call upon Parliament to maintain the present statutory grain rate, otherwise known as the Crow rate, and although they do appreciate the other concerns that exist over grain transportation, they do want the Crow rate to be maintained. I do present their petition this afternoon, Madam Speaker.

Mr. Rod Murphy (Churchill): Madam Speaker, I present a petition signed by residents of The Pas, Manitoba, people who live in a community which is on the line going to the Port of Churchill. They also express their concern with regard to the proposed changes to the Crow rate. They indicate in their petition that they would like to see the present Crow rate maintained, they would like to see the Government invest money in the railways of Canada, and they would also like to see the Government take a public equity in CP and ensure that there is no variable rate which will hurt and probably kill the Port of Churchill.

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I am pleased to present a petition on behalf of a large number of residents of Pelly, Saskatchewan, and Arran, Saskatchewan, and they state that the western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. That grain in turn contributed over $6 billion to the balance of trade, and the undersigned believe that the farmers have made a fair contribution to the Canadian economy. They humbly pray, Madam Speaker, that this petition will be heard and there will be no change in the Crow rate.

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I have another petition. This petition is from some 33 ordinary Canadians such as Helen Beech, Leonard Lovestone—

Madam Speaker: Order. The Hon. Member is not allowed to cite the names on the petition. Let him just tell the House briefly what the petition is all about. That is all that is allowed.

Mr. Keeper: I will keep the petition anonymous, Madam Speaker. It is from some 33 ordinary Canadians from western communities who have exercised their ancient right of petition in the House in order to present a grievance, and their grievance is that the Government is moving in an arbitrary fashion to remove an ancient and historic right, a right which they feel is central to the Confederation bargain that brought this country together, and they wish that the House would impress upon the Government the need for fair treatment and that they be allowed to earn their livelihood in a just and fair manner—

Madam Speaker: Order, please. I could see that the Hon. Member was ad libbing. Hon. Members are allowed to read only the title of the petition, and it seemed as if the Hon. Member was going far beyond the title. I would just like to remind Hon. Members that in presenting a petition, they are allowed to read only the title.

Mr. Keeper: The Canadians to whom I made reference petition the House with regard to a grievance that deals with the statutory Crow rate, and they wish that the Government would treat their economic affairs justly.

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I present a petition that is signed by 36 people. The subject matter of this petition is based on the fact that the western Canadian farmers paid $131 million to move export grain under the Crow rate in the year 1981-82 and that this grain in turn has contributed some $6.3 billion to the balance of trade. The undersigned believe that this is the farmers' fair contribution to the Canadian economy and that the western farmers will pay only one times Crow, in other words no change.

These petitioners humbly pray and humbly call upon the Parliament of Canada to maintain as it is the present statutory rate, which is, of course, the Crow rate. I am very pleased to present this petition on behalf of these people from small towns throughout the Province of Saskatchewan, including many from my own riding.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I am not rising on a supplementary, I am rising to pretend—present—

Some Hon. Members: Pretend is the right word.

Mr. Blaikie: I am rising to present a separate and independent petition on behalf of 30 or 40 residents of Saskatchewan from the communities of Consul, Fox Valley, Maple Creek and Sceptre. These Canadians want to exercise their right to present a grievance and humbly point out that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain in turn contributed $6.3 billion to the balance of trade. They believe that this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times Crow, or no change.

• (1550)

The petitioners humbly pray and call upon Parliament to maintain the present statutory Crow rate, and as in duty bound your petitioners ever pray, Madam Speaker.

Hon. Edward Broadbent (Oshawa): Madam Speaker, while I fully intend to follow your admonition and simply read this petition, I cannot forgo the opportunity of saying that I wish the Leaders of the other Parties, even those without them right now, would join with us on these petitions.

The petition of the undersigned residents of Canada who now exercise the right to present a grievance humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain in turn contributed $6.3 billion to the balance of trade—I say to my Conservative friends to my right. The undersigned believe that this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times Crow, which means no change.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate, and as in duty bound your petitioners will ever pray.

Mr. Thacker: Madam Speaker, I have a point of order. I am pleased to see that the Leader of the NDP has finally realized that the West is alive, in contradistinction to that Party's position on the Constitution, the right to property and the National Energy Program.

Madam Speaker: That, of course, is not a point of order.

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I have a petition from the people of the town of Harris, Saskatchewan, the town that has had a railroad service since 1908. This petition is addressed to the Hon. House of Commons in Parliament assembled and says that the residents of Harris do now exercise their right to present a grievance, and they humbly sheweth that western grain farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year and that this grain in turn contributed $6.3 billion to the balance of trade. The undersigned believe that it is the farmers' fair contribution to the economy, and that western farmers will pay one times Crow, which means no change. It goes on:

> Wherefore we, the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate as in duty bound your petitioners will ever pray.

I am happy to present this petition to the House of Commons.

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, as a mountain boy from the woods products industry of B.C. I am particularly proud to present a petition on behalf of a number of signers from both Saskatchewan and Ontario who humbly pray and call upon Parliament to maintain the present statutory grain Crow rate and object to the Government's attempts to whipsaw and divide and rule as between farmers and industrial workers in Canada.

Mr. Laverne Lewycky (Dauphin-Swan River): Madam Speaker, it gives me great delight to be able to present this petition. Upon examination you will notice it is mostly from the Hutterite colony. Those of us who live out West appreciate the fantastic contribution to agriculture that they have made. They address the petition to the Hon. House of Commons in Parliament assembled. They exercise their right to petition, a right which, of course, dates back to the times even before the Crow rate. They show that the western Canadian farmers have contributed some $6.3 billion to the balance of trade. It is their wish that the western farmer retain the Crow rate as it presently is.

I am delighted to be able to present this particular petition.

Mr. Les Benjamin (Regina West): Madam Speaker, I have another petition that I received from 63 residents in Kamsack, Verigin, Churchbridge and Togo requesting to exercise their right to present a grievance and asking that the Parliament of Canada agree that they shall continue to pay one times the Crow and that Parliament maintain the present statutory grain rates, and as in duty bound these petitioners will ever pray.

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I wish to present a petition on behalf of a number of residents of this great country who petition the House with regard to the Crow rate. They point out that farmers paid $131 million to move export grain during the crop year 1981-82. This grain contributed some $6.3 billion to the balance of trade. These farmers therefore feel that they have made a fair contribution to the Canadian economy and that the Crow rate should not be changed.

Mr. Dan Heap (Spadina): Madam Speaker, it is my pleasure to present a petition from a number of Canadian citizens mainly from Ernfold and Chaplin in Saskatchewan. This petition asks that Parliament give consideration to the fact that Canadian farmers have paid their fair share of the transportation costs not only last year but ever since the Crow rate was established. They are contributing heavily, mainly over $6 billion, to the balance of trade in the past year. They believe that is a fair contribution and that they should pay no more than one times Crow rate.

Therefore, Madam Speaker, your petitioners, acting in the tradition which I believe goes back to the Magna Carta, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate, and as in duty bound your petitioners will every pray.

Mr. Rod Murphy (Churchill): Madam Speaker, I also have a petition signed by residents of communities along the rail line to Churchill. In their petition they humbly pray that the Government retain the statutory Crowsnest rate and ensure upgrading and improvement of services in all regions of Canada, including areas ignored by the Pepin-Gilson report.

They also ask that the Government of Canada, through Parliament, make public equity investment in the railways as proposed by the New Democratic Party caucus.

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I have a petition from some 41 residents of the area around Weyburn in southern Saskatchewan who petition the House of Commons to take note of the great contribution that agriculture and farmers have made to the balance of trade in this country. They say that the farmers' fair contribution is being well recognized in the Crow rate. They petition the House and the Parliament of Canada to maintain the present statutory grain rate.

Mr. Simon de Jong (Regina East): Madam Speaker, I have just recently received a petition that I have been requested to present to you from some 33 or 36 petitioners from such places in Saskatchewan as Cut Knife, Maymont, Biggar, North Battleford and Battleford itself, Glenbush and Rabbit Lake.

The petitioners point out to you and to the Parliament of Canada the inequities in the proposals that would change the Crow rate. They point out that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year; that this grain in turn contributed some $6.3 billion in the balance of trade; that they believe this is the farmers' fair contribution to the Canadian economy; that western farmers will pay one times Crow, meaning no change. Your petitioners humbly pray and call upon Parliament to maintain the present statutory grain Crow rate, and as in duty bound your petitioners will ever pray.

Mr. Jim Fulton (Skeena): Madam Speaker, I have the honour to place before the House today a petition primarily from residents of Gravelbourg, but not just farmers; this includes doctors, businessmen, contractors and a variety of other people who signed the petition. It is addressed to the Honourable House of Commons in Parliament assembled and says that the petitioners are residents of Canada and have the right to present a grievance. Western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain in turn contributed $6.3 billion to the balance of trade. The undersigned believe that this is the farmers' fair contribution to the Canadian economy and that western farmers should pay one times Crow, Madam Speaker, which means no change. Wherefore, the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate, and as in duty bound your petitioners will ever pray.

• (1600)

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I have a petition from the Town of Biggar, Saskatchewan, with the Village of Duperow, a Town which has been built—

Mr. Hnatyshyn: New York is big, but this is bigger.

Mr. Ogle: Right on. It is a town which has been built over the years on both grain transportation—

Madam Speaker: Order, order. Will the Hon. Member simply read the petition.

Mr. Ogle: The people of Biggar, Saskatchewan, Madam Speaker, to the Honourable House of Commons in Parliament assembled. The petition of the citizens of Canada now exercise their right to present a grievance and humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. And this grain in turn contributed $6.3 billion to the balance of trade. The undersigned believe this is the farmers' fair contribution to the Canadian economy and that western farmers will pay no more. Wherefore, the undersigned, our petitioners, humbly pray and call upon Parliament to maintain the present statutory Crow rate, and as in duty bound your petitioners will ever pray. I am happy to present this to the House of Commons.

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, it is my pleasure to present on behalf of a number of citizens of Swift Current, Saskatchewan, a petition to the House of Commons in which the petitioners exercise an ancient right to present a grievance, that being that western Canadian farmers have paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year, and that this grain in turn contributed $6.3 billion to the balance of trade in Canada. The farmers of these communities feel that this is a fair contribution to the Canadian economy and that western Canadian farmers should pay no more than the existing Crow rate. They have submitted this petition in accordance with their ancient right to do so.

Mr. Les Benjamin (Regina West): Madam Speaker, again I have received a petition from residents of Canada, some 38 of whom are from Southey, Raymore, Keliher, Leross and Lestock, Saskatchewan—

Madam Speaker: Order, please. Simply read the petition, please.

Mr. Benjamin: —and wish to exercise their right to present a grievance. They are willing to pay one times the Crow rate, and they believe this to be the farmers' fair contribution to the Canadian economy. Your petitioners humbly pray and call upon Parliament to maintain the present statutory grain rate, and as in duty bound your petitioners will ever pray.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, it is my duty and honour this afternoon to present a petition from residents of Kamsack, Verigin and Preeceville, Saskatchewan, in regard to the high rate of farm bankruptcies, 130 per cent up this year over the same period last year, and their wish to maintain the present statutory Crow rate. Western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain in turn contributed some $6.3 billion to the balance of trade. The undersigned believe that this is the farmers' fair share of contribution to the Canadian economy, and the western farmers will pay one times Crow, which is no change. Your petitioners humbly pray and call upon Parliament to maintain the present statutory Crow rate.

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, it is my honour and duty to present on behalf of 43 members of the community of New Norway in Alberta a petition in which they exercise their right to present a grievance. Western Canadian farmers have contributed massively to the economy of the country. They feel that that is a fair contribution. They are willing to pay one times Crow. Therefore, your petitioners humbly pray and call upon Parliament to maintain the present statutory Crow rate, and as in duty bound your petitioners will ever pray.

Mr. Laverne Lewycky (Dauphin-Swan River): Madam Speaker, I have a petition from another Hutterite colony. I underline again the fantastic contribution that this group of people have made to agriculture in western Canada. This colony addresses itself to the Honourable, the House of Commons in Parliament assembled. The petition of the undersigned residents of Canada, who now exercise their right to exercise a grievance, humbly show that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the crop year 1981-82. They feel that this contribution of $6.3 billion to the balance of trade is their fair contribution to the economy of Canada. Wherefore, the undersigned, your petitioners, humbly pray and call upon the Parliament to maintain the present statutory Crow rate.

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I have a petition with several names on it from Pelly Saskatchewan and Kamsack, Saskatchewan. It is my honour to present to the House of Commons in Parliament assembled the petition of the undersigned residents of Canada, who now exercise their right to present a grievance, stating that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain in turn contributed $6.3 billion to the balance of trade. The undersigned believe that this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times Crow, that is, no change. Wherefore, the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate, and as in duty bound your petitioners will ever pray.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I have the honour to present a petition on behalf of 33 residents of the Towns of Schuler and Craik in southeast Saskatchewan. The petition of the undersigned residents of Canada, who now exercise their right to present a grievance, humbly sheweth

that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain in turn contributed $6.3 billion to the balance of trade. The undersigned believe this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times the Crow, that is, no change. Wherefore, the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate, and as in duty bound your petitioners will ever pray.

Madam Speaker: I hope Hon. Members will excuse me. I am quite ill and I would like to leave the chair. The Deputy Speaker will take the chair.

Mr. Chrétien: It's enough to make anybody sick.

Mr. Rod Murphy (Churchill): Mr. Speaker, I have a petition—

Some Hon. Members: Oh, oh!

An Hon. Member: How can you even talk about democracy?

An Hon. Member: This is democracy.

Mr. Deputy Speaker: Order. Order.

Mr. Murphy: Mr. Speaker, I am sure that the people from the various communities in Saskatchewan who signed this petition will be impressed by the fact that the Government Members would not let them present the petition.

Mr. Deputy Speaker: I ask Hon. Members to conform to the rules of the House. The Hon. Member may present the petition.

Mr. Murphy: Mr. Speaker, I have a petition signed by various residents in different communities in Saskatchewan. As you know, many people in Saskatchewan ship their grain on the rail line to Churchill at the Crow rate. In their petition they beseech the House of Commons to maintain the present statutory grain rate. They believe that they contribute a lot to the Canadian economy. They pay their fair share for the cost of shipping grain in this country and they help the economy of this nation. They ask that the House of Commons not change the Crow rate.

• (1610)

[*Translation*]

Mr. Lorne Nystrom (Yorkton-Melville): I have the honour to present a very important petition which concerns the Crowsnest Pass rate. It was signed by 37 or 38 people from my home province, Saskatchewan.

[*English*]

It is a petition, Mr. Speaker, which concerns itself with variable rates and the importance of not abandoning the rail lines so important to serving the people of Saskatchewan and their shipments of grain. It concerns things like the Port of Churchill which is so important to farmers in my part of Saskatchewan. The petition comes from many different towns, and what is noteworthy here is that all but three of these farmers are members of the Saskatchewan Wheat Pool. They are very active grass roots members—

Mr. Deputy Speaker: Will the Hon. Member please state the petition and not describe the characteristics of the petitioners.

Mr. Nystrom: The petition says that the undersigned farmers of Canada are very, very concerned about variable rates. They are very concerned about the abandonment of rail lines, and that the Crow rate not change. They petition the Parliament of Canada to keep the Crow rate, that there be no change. They say that the farmers have already paid over $100 million to move export grain to market and this grain in turn has contributed some $6.3 billion to Canada's balance of trade. Because of that, they have asked me to present the petition, and I am honoured to do so.

Mr. Simon de Jong (Regina East): Mr. Speaker, I also have a petition to present to the House. It has some 36 signatures. The petitioners wish to point out to the House of Commons in Parliament assembled that they are all residents of Canada. In fact, most of them are from North Battleford, some indeed from Saskatoon, and from Battleford itself.

Mr. Peterson: Anguish is the Member from there.

Mr. Anguish: We traded petitions.

Mr. Peterson: You should not trade petitions.

Mr. Anguish: They were sent to him.

Mr. Deputy Speaker: The Hon. Member for Regina East (Mr. de Jong) has the floor.

Mr. de Jong: Thank you, Mr. Speaker. If we could have some order in the House.

Mr. Peterson: A point of order, Mr. Speaker.

Mr. Deputy Speaker: The Chair will hear the point of order at the end of the Hon Member's presentation.

Mr. de Jong: Thank you, Mr. Speaker. The petitioners say that western Canadian farmers paid $131 million to move export grain under the Crow rate in the 1981-82 crop year, and that this grain in turn contributed some $6.3 billion to the balance of trade. The petitioners believe this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times Crow, meaning no change. Wherefore, Mr. Speaker, the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain rate, meaning the Crow, and as in duty bound your petitioners will ever pray.

Mr. Peterson: Mr. Speaker, I humbly submit to you that it is an abuse of the process of this House when not only one

Member but many Members stand up and present at least three petitions each, all on the same subject. Second, Mr. Speaker, it is obvious from the content that the Member presenting the petition is not even the Member of Parliament serving those people.

Mr. Deans: Oh, sit down!

Mr. Deputy Speaker: Hon. Members of Parliament, according to our Standing Orders and procedures, have the right to present petitions.

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the honour and duty to present a petition properly and duly signed by 37 residents of Canada, submitted to me to present to the Parliament of Canada, in which they exercise their ancient right, going back to 1066, to present a grievance. Their grievance is that they wish the Parliament of Canada to recognize that grain producers have paid a fair contribution to the Canadian economy, that western farmers should continue to pay one times the statutory Crow rate. The petitioners humbly pray and call upon Parliament to maintain the present statutory grain rate, and as in duty bound your petitioners, Mr. Speaker, will ever pray.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I have the honour and duty to present to the House of Commons a petition concerning the Crow rate from citizens of Saskatoon. They address themselves to Parliament assembled and point out that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in 1981-82. This grain in turn contributed $6.3 billion to the balance of trade. They believe this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times Crow, which is no change. Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate as in duty bound your petitioners will ever pray.

I am happy to present this to you, Mr. Speaker.

Mr. Neil Young (Beaches): Mr. Speaker, I, too, have the honour and privilege of presenting a petition signed by a number of Canadian citizens—

Mr. Smith: How many from the Beaches?

Mr. Young: —to present a grievance humbly showing that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain in turn contributed $6.3 billion to the balance of trade. The undersigned believe this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times the Crow rate, which is no change. Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate, and as in duty bound your petitioners will ever pray.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I too am proud to stand in the House and—

Some Hon. Members: Oh, oh!

Mr. Waddell: Members are laughing, but I say I am proud to exercise a right of ordinary people which goes back to the time of Sir Thomas More, the great Chancellor of England.

Mr. Deputy Speaker: The Hon. Member is not invited to make a speech on the history of petitions, simply to state his petition.

Mr. Waddell: I will not say any more about that. But I will say that I have a petition signed by 19 people from places like Young, Saskatchewan, Manitoba Beach, Saskatchewan, and other places, and Ottawa as well. The petitioners humbly say that western Canadian farmers paid $131 million to move export grain under the Crow rate in the 1981-82 crop year. This grain in turn contributed $6.3 billion to the Canadian balance of trade. The undersigned believe this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times the Crow rate, that is, no change. Wherefore the undersigned petitioners humbly pray and call upon Parliament to maintain the present statutory grain or Crow rate. I present this petition.

[*Translation*]

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I wish to present a petition signed by Canadians who are concerned about the Crowsnest Pass rate. These people live in a Hutterite colony—

[*English*]

In their petition they state that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain in turn contributed some $6.3 billion to the balance of trade, and they feel this is a fair contribution to the Canadian economy from themselves as farmers. Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory Crow rate. In duty bound, your petitioners will ever pray.

• (1620)

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I also stand today in the House of Commons to present a petition signed by a number of Canadians, people of the Province of Saskatchewan, in the communities of Wadena, Kelvington and Rose Valley area, and members of the Saskatchewan Wheat Pool. They petition the House of Commons in Parliament assembled. The petition of the undersigned residents of Canada who now exercise their right to present a grievance humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe that this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times Crow, that is no change.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate and, as in duty bound, your petitioners will ever pray.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have the honour to present a petition from citizens of Canada representing small towns in Saskatchewan, Rockglen, Killdeer and Gravelbourg. The petition of the undersigned residents of Canada who now exercise their right to present a grievance humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe that this is the farmer's fair contribution to the Canadian economy and that western farmers will pay one times the Crow, that is, no change.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate. As in duty bound, your petitioners will ever pray.

Mr. Dan Heap (Spadina): Mr. Speaker, as Member for Spadina, but having regard for the needs of the whole of Canada, I have a petition from a number of residents of Canada who are now exercising their right to present this grievance. The petition humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned also believe that this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times the Crow rate with no change.

Therefore, the undersigned, that is, your petitioners, Mr. Speaker, humbly pray and call upon this Parliament to maintain the present statutory grain, that is the Crow rate and, as in duty bound, your petitioners will ever pray.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present a petition on behalf of 45 farmers from the Lloydminster area of Alberta and Saskatchewan, a group of farmers who feel that they contributed nothing to inflation in Canada. These petitioners, the undersigned residents of Canada, who now exercise the right to present a grievance, humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe that this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times the Crow, that is, no change.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate. As in duty bound, your petitioners will ever pray.

Mr. Neil Young (Beaches): Mr. Speaker, again it is my pleasure and a privilege to present a petition on behalf of 34 Canadian farmers who state the following in their petition. The petition of the undersigned residents of Canada who now exercise their right to present a grievance humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times the Crow.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain rate. As in duty bound, your petitioners will ever pray, since those farmers do not believe that they are responsible for inflation in this country.

Mr. Simon de Jong (Regina East): Mr. Speaker, I also wish to introduce a petition at this time, as is my privilege and, indeed, my duty. It is a petition from some 36 Canadians, mainly from around North Battleford, though including people from Cut Knife, the Battlefords, Saskatoon, Lashburn, et cetera. The petitioners wish to humbly petition the House of Commons, which is assembled here, to exercise their right to present a grievance. The grievance is that our western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the crop year of 1981-82. This grain, in turn, contributed some $6.3 billion to the balance of trade. Indeed, the undersigned believe that this is the farmers' fair contribution to the Canadian economy. Mr. Speaker, I might say that I also believe this—

Mr. Baker (Nepean-Carleton): Good for you.

Mr. de Jong: Western farmers are willing to pay one times the Crow, meaning, again, that there will be no change.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain rate, meaning the Crow rate. As in duty bound, your petitioners will ever pray.

Mr. Speaker, if I am allowed, I also wish to point out that most of them are farmers and members of the—

Mr. Deputy Speaker: The Hon. Member is not to describe his petitioners. He may simply present his petitions.

Mr. de Jong: I am sorry, Mr. Speaker.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am sure Your Honour and most Hon. Members of the House are aware that farmers and Canadian taxpayers are putting hundreds of millions of dollars into upgrading of the rail lines and development of a major grain facility in Prince Rupert, in my riding. Farmers from across Canada and constituents in my riding are petitioning the House. In this case, most of the names on the petition I will be tabling are those of members of the Saskatchewan Wheat Pool. They present the following petition for your consideration, Mr. Speaker, and for the consideration of the Minister of Transport (Mr. Pepin).

To the House of Commons in Parliament assembled, the petition of the undersigned residents of Canada, who now exercise their right to present a grievance, humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop

year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe this is the farmers' fair contribution to the Canadian economy and that the western farmers will pay one times Crow, which means no change. They are certainly not, as some Hon. Members would suggest, members of the flat earth society. These are all members of the Saskatchewan Wheat Pool, and farmers.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate, which I am sure the Minister of Transport will soon come to realize.

Mr. Les Benjamin (Regina West): Mr. Speaker, I have another petition with which I have been presented, and which I feel honoured and duty bound to present, from 37 farmers, members of the Saskatchewan Wheat Pool from Fosston, Canora, Buchanan and Springside, Saskatchewan, in which they, as undersigned residents of Canada, exercise their right to present a grievance because they believe that they, as farmers, have made a fair contribution to the Canadian economy and that they are willing to pay one times the Crow rate.

Wherefore these undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain rate. As in duty bound, your petitioners will ever pray.

• (1630)

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have the honour to present a petition from the citizens of Rockglen, Saskatchewan. Most of these people are farmers but they also represent a cross section of the community.

The petition of the undersigned residents of Canada who now exercise their right to present a grievance humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade, and that the undersigned believe that this is the farmers' fair contribution to the Canadian economy, and that western farmers will pay one times Crow, that is, no change.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory Crow rate, and as in duty bound, your petitioners will ever pray.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I too have a petition which I am pleased to present from retired farmers and homemakers from the area of Watrous, Saskatchewan; Viscount, Saskatchewan; Raymore, Saskatchewan and other areas.

These farmers deeply resent the fact that a Government with no representation in their area should try to change a historic bargain of Confederation. They also humbly show in their petition that they paid $131 million to move export grain under the Crow rate in the 1981-82 crop year. The grain contributed $6.3 billion to the balance of payment of Canada which is important for the whole country.

They also believe that this is the farmers' fair contribution to the Canadian economy and that they should not be further penalized. They also believe that the western farmer should pay one times Crow, that is, no change. Wherefore all the 24 undersigned humbly pray and call upon this Parliament to maintain the present statutory Crow rate.

I would like to table this petition.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, it is my honour and duty this afternoon to present a petition which has come about as a result of the proposed Pepin plan which became Bill C-155 in the House of Commons. The petitioners who sent this petition to me present to the honourable House of Commons in Parliament assembled. The petition of the undersigned residents of Saskatchewan, who now exercise their right to present a grievance, humbly sheweth that the western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade, and the undersigned believe that this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times Crow which is, in effect, no change.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain rate, more commonly referred to as the Crow rate. As in duty bound, your petitioners ever pray.

[*Translation*]

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I wish to present a petition signed by Canadians which concerns the Crowsnest Pass rate. These people are members of a colony in Spring Creek—

[*English*]

To the Hon. House of Commons in Parliament assembled the petition of the undersigned residents of Canada who now exercise their right to present a grievance humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe that this is the farmers' fair contribution to the Canadian economy, and that western farmers will pay one times Crow, in other words, no change.

Wherefore, the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory Crow rate. As in duty bound, your petitioners will ever pray.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I also have the unique pleasure of presenting to the House of Commons a petition signed by numerous individuals from the thriving metropolis of Gravelbourg and Limerick, Saskatchewan. These individuals wish to petition the House to show that western Canadian farmers have paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed in the order of $6.3 billion to the Canadian economy to enhance and improve our

balance of trade which created employment for all Canadians and strengthen the economy generally.

The undersigned believe that these farmers have made a fair contribution, contrary to the Government's proposal, to the Canadian economy. Those western farmers will pay in a voluntary and forthright manner one times Crow, which is essentially no change.

Wherefore the undersigned petitioners humbly pray and call upon Parliament to maintain the present statutory Crow rate. As in duty bound, your petitioners ever pray. The petition is dated Tuesday, March 17, 1983.

Mr. Deputy Speaker: Will the Hon. Members in the fourth and fifth rows he seated. We are dealing with the third row. The Hon. Member for Selkirk-Interlake (Mr. Sargeant).

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I am honoured and duty bound to present to the House of Commons a petition signed by residents of the Province of Saskatchewan and the communities of Fosston, Lintlaw and Clair, among others, all Members of the Saskatchewan Wheat Pool and all farmers.

Your petitioners share the sentiments expressed in an editorial in yesterday's *Toronto Star* which called on Ottawa to back off. The petitioners feel that the federal Government has no right to impose such fundamental social and economic changes on a region of Canada without the approval of the provincial Governments most directly affected.

The petitioners, or the undersigned, are residents of Canada who now exercise their right to present a grievance. The petition humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade of Canada. The undersigned believe that this is the farmers' fair contribution to the Canadian economy. These farmers state that they will pay one times Crow, that is, no change to the present rate.

Wherefore the undersigned, your petitioners, humbly pray and call upon this Parliament to maintain the present statutory Crow rate. As in duty bound, your petitioners will ever pray.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I have a petition on the Crow rate which has been sent to me by the Members of the Lutheran Church in Langham, Saskatchewan, which happens to be the first Lutheran Church in Saskatchewan.

To the Honourable House of Commons in Parliament assembled the petition of the undersigned residents of Canada who now exercise their right to present a grievance humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe that this is the farmers' fair contribution to the Canadian economy, and that western farmers will pay one times Crow, which means no change.

Wherefore, the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory Crow rate. As in duty bound, your petitioners will ever pray. The petition is duly signed by members of the Lutheran Church in Langham, Saskatchewan.

• (1640)

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): I rise to present a petition, Mr. Speaker.

Some Hon. Members: Hear, hear!

An Hon. Member: Come on over, Jim.

Mr. Peterson: This petition reads that the undersigned citizens of Canada humbly pray the NDP hijack of Parliament will cease in order that we can get on with the business of renovating Canada's western rail system. Western producers need and deserve a new rail system which will enable them to get their products to market, the construction of which will create thousands of jobs for Canada's unemployed.

Some Hon. Members: Hear, hear!

Mr. Deans: Speak more slowly, Jim.

Mr. Rod Murphy (Churchill): Mr. Speaker, my petition is signed by farmers who understand and who have had to live and work with the Crow rate for many, many years. During the long winter they have had a chance to sign petitions to present to the House of Commons. In their petition these farmers who are concerned about the Crow rate talk about the $131 million which they paid to export grain under the Crow freight rate in the 1981-1982 crop year. This grain in turn has contributed $6.3 billion to the balance of trade. It is understood and felt by these farmers that that is their fair contribution to the Canadian economy. These farmers also believe they should be paying the Crow rate in the future and that there should be no change. These farmers, not Members of Parliament, not Liberal Members of Parliament humbly pray and call upon Parliament to maintain and present the present statutory grain or the Crow rate, and as duty bound, your petitioners will ever pray.

Mr. Deputy Speaker: I would ask Hon. Members to refrain from editorial comments. I ask that they simply state their petitions.

The Hon. Member for Beaches (Mr. Young).

Mr. Neil Young (Beaches): Mr. Speaker, I have a petition signed by 11 Canadian farmers who are petitioning Parliament assembled, and the petition prays that the petition of the undersigned residents of Canada who now exercise the right to present a grievance humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn,

contributed $6.3 billion to the balance of trade. The undersigned believe this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times the Crow, which means no change and, wherefore, the undersigned petitioners humbly pray and call upon Parliament to maintain the present statutory grain rate, which is the Crow rate, and as duty bound your petitioners will ever pray.

Mr. Deputy Speaker: The Chair is recognizing Members in the second row to my left. I would ask other Members to be seated.

An Hon. Member: When do we get our turn?

Some Hon. Members: Oh, oh!

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have the honour to present a petition on behalf of Canadian citizens in Cut Knife, Battleford and Landis and a number of other Saskatchewan towns. These residents of Canada now exercise their right to present a grievance which humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-1982 crop year. This grain in turn contributed $6.3 billion to the balance of trade. These petitioners believe this is the farmers' fair contribution to the Canadian economy and that the western farmers will pay one times the Crow, which is to say, Mr. Speaker, no change. Wherefore these petitioners humbly pray and call upon Parliament to maintain the present statutory grain Crow rate, and as duty bound these petitioners will ever pray. This petition was signed on Tuesday, May 17, 1983.

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to join with my other colleagues in presenting a petition to you this afternoon that has been presented to me by Canadians from in and around the city and town of North Battleford, Saskatchewan. These petitioners are petitioning the House of Commons assembled here to present their grievances to the House. These petitioners humbly sheweth or is it showeth?

Mr. Blaikie: If the shoeth fitteth, weareth.

Mr. Deputy Speaker: The Hon. Member can do his best. I am sure *Hansard* will do its job.

Some Hon. Members: Hear, hear!

Mr. de Jong: The petition humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-1982 crop year. It is estimated that in the following decade the amount will come close to $1 billion, meaning that close to $600 for every man, woman and child will be paid to the railroads. This will mean less money spent in Saskatchewan, a decrease in jobs and sales in many of the communities from which many of these petitioners come. That is why these petitioners are so concerned. They are not only farmers but salesmen, shopkeepers and housewives, etc.

Mr. Deputy Speaker: The Hon. Member needs to state only the petition.

Mr. de Jong: This export grain in turn contributed some $6.3 billion to the balance of trade and to the benefit of all Canada. These petitioners believe this is the farmers' fair contribution to the Canadian economy. Indeed, as I mentioned before, Mr. Speaker, so do I. Western farmers at present pay one times Crow, and that is what they are willing to pay, which means no change. Wherefore, these petitioners humbly pray and call upon Parliament to maintain the present statutory grain rate, meaning the Crow rate, and as duty bound these petitioners will ever pray. This petition was dated Tuesday, May 17, 1983.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Before calling on Hon. Members in the first row on my left the Chair would like to announce questions to be raised tonight during the adjournment debate.

It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Carleton-Charlotte (Mr. McCain)—Agriculture—New Brunswick potato industry. (b) Request for ministerial action; the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie)—National Defence—Aircraft—Allocation of work—Starting date; and the Hon. Member for Mégantic-Compton-Stanstead (Mr. Tessier)—Canada Council—Alleged scandal at Sherbrooke, P.Q.

The Chair felt that, with consent, that was the appropriate moment at which to introduce a slightly different note.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

RETENTION OF CROWSNEST PASS RATE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I also have the honour to present a petition on behalf of a number of residents, some from Saskatchewan and some from the Province of Ontario, including Timothy Woods, to the Honourable House of Commons in Parliament assembled. These petitioners, residents of Canada, now exercise their right to present a grievance. It humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow rate in

the 1981-1982 crop year. This grain in turn contributed $6.3 billion to the balance of trade. The petitioners believe this is the farmers' fair contribution to the Canadian economy and that western farmers are prepared to pay one times the Crow rate which, in essence, is no change?

These petitioners humbly pray and call upon Parliament to maintain the present statutory grain rate, that being the Crow freight rate. And as duty bound these petitioners will ever pray. They hope the Minister of Transport (Mr. Pepin) will, for a change, listen to them.

Mr. Les Benjamin (Regina West): Mr. Speaker, I have another petition signed by 37 citizens, 30 of whom are members of the Wheat Pool from Saltcoats, Canora, Buchanan, Invermay, Melville and Kelvington. These petitioners exercise their right to present a grievance pointing out the amount of freight they paid to move export grain under the Crow rate. This grain in turn contributed $6.3 billion to the balance of trade to the benefit of all of Canada. They, the undersigned, believe this is their fair contribution to the Canadian economy. Therefore, the undersigned petitioners humbly pray and call upon Parliament and the Minister of Transport (Mr. Pepin) to maintain the present statutory grain rate for grain producers and, as in duty bound, your petitioners will ever pray.

• (1650)

[*Translation*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to present a petition.

The petition of the undersigned residents of Canada who now exercise their ancient and unchallenged rights to present a grievance, with the assurance that your Honourable House will provide a remedy.

Humbly sheweth that:

Whereas western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year.

That this contributed $6.3 billion to the balance of trade of Canada.

Whereas the undersigned believe that this is the farmers' fair contribution to the Canadian economy.

And whereas western farmers will pay one time Crow.

Wherefore the undersigned humbly call upon Parliament to maintain the present statutory grain Crow rate.

And as in duty bound your petitioners will ever pray.

This petition, Mr. Speaker, is signed by 37 Canadian citizens.

[*English*]

Mr. Deputy Speaker: The Hon. Member for Cowichan-Malahat-The Islands. The other rows can be seated for the moment.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, as a Member from British Columbia and as one who was born on a grain farm in Saskatchewan, I have great pleasure in presenting the following petition. The petition of the undersigned residents of Canada, who now exercise their right to present a grievance, humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain in turn contributed $6.3 billion to the balance of trade. The undersigned believe that this is the farmers' fair contribution to the economy and that western farmers will pay one times Crow, that is, there will be no change in these statutory rates. Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate and, as in duty bound, your petitioners will ever pray.

Mr. Dan Heap (Spadina): Mr. Speaker. I have the honour to present a petition from residents of Canada in towns such as Hallonquist, Neidpath, Hodgeville and Swift Current to the west of Spadina, and Ottawa, to the east of Spadina. This petition of the undersigned residents who now exercise their right to present a grievance humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain in turn contributed $6.3 billion to the balance of trade for Canada. The undersigned believe that this is the farmers' fair contribution to the Canadian economy. Furthermore, they will pay no more than one times the Crow rate, that is, no change from the present rate. Wherefore, the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain, that is the Crow rate and, as in duty bound, your petitioners will ever pray. This petition was signed on Tuesday, May 17, 1983.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have the honour to present a petition from residents of Langham and other places in Saskatchewan. I will exercise my right to present it in Canada's other official language, because I think I can speak more quickly in that language.

[*Translation*]

To the Honourable the House of Commons of Canada, in Parliament assembled:

The petition of the undersigned residents of Canada—

[*English*]

Mr. Blais: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: Normally I would hear it at the end of the petition and not the beginning.

Mr. Waddell: I rise on a point of order.

Mr. Blais: I have a point of order, Mr. Speaker.

Mr. Deputy Speaker: After the Hon. Member's petition, I will recognize the Minister.

[*Translation*]

Mr. Waddell: I hope the Minister is not going to interrupt while I present a petition in the other official language of Canada.

To the Honourable the House of Commons of Canada, in Parliament assembled.

The petition of the undersigned residents of Canada who now exercise their ancient and unchallenged rights to present a grievance, with the assurance that your honourable House will provide a remedy,

Humbly sheweth that:

Whereas western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year.

That this contributed $6.3 billion to the balance of trade of Canada.

Whereas the undersigned believe that this is the farmers' fair contribution to the Canadian economy.

And whereas western farmers will pay one time Crow.

Wherefore the undersigned humbly call upon Parliament to maintain the present statutory grain Crow rate.

And as in duty bound your petitioners will ever pray.

[*English*]

Mr. Blais: Mr. Speaker, the point of order I am making is that it is evident from the behaviour of the Members of the New Democratic Party that they are systematically utilizing one of the rules or orders in the Standing Orders in order to prevent our reaching Orders of the Day. The point is that the abuse of the rules constitutes a disorder.

An Hon. Member: You are perceptive.

Mr. Blais: The hon. gentleman across the way says I am very perceptive in identifying the ploy that they are using.

One of the functions of the Chair, as you will recognize, Mr. Speaker, is to maintain order in this place in order to permit the House to function in an orderly fashion. Any abuse of the rules or Standing Orders of this House constitutes disorder and ought to be recognized as such by the Speaker and ought to be dealt with as such by Mr. Speaker asking the hon. gentlemen who are engaging in that disorder to cease and desist.

My point is that the Standing Orders of this House are supposed to foster the debate among Members and ought not to be abused. It can be seen from the presence here of all members of the New Democratic Party, which has not happened before so late in the day, that that is their intention.

In addition, they have made public statements to the effect that they will use any measure they have at their disposal in order to stop this House from debating a Bill. Bills are made to be debated in this House and then put to a vote. Obviously the gentlemen of the NDP do not want that to happen. In effect, they are acting against the basic principles of parliamentary democracy. They are doing that with the full knowledge of what their intentions are. Mr. Speaker, for you to permit that to be carried out in effect permits disorderly conduct in the House.

• (1700)

[*Translation*]

Mr. Speaker, I shall speak to the House in the other official language. It is unfortunate that the reactionary Members of the New Democratic Party—I mean reactionary in the broadest sense of the word—and as conservative a lot as we have ever met up with, should be using dilatory tactics in order to obstruct the proceedings of this House. They call themselves the New Democratic Party, but they are using anti-democratic tactics to prevent this House from starting proceedings that are essential to the national interest. The correct approach is to analyze the measures that are presented and provide the Canadian people with arguments that could persuade it to oblige us to vote against this Bill or at least to refrain from tabling the Bill in the House. They are doing something else entirely. They are trying to use a measure that is provided for in the Standing Orders in order to obstruct debate on the matter before the House.

Mr. Speaker, our conclusion must be that this bunch of rowdies I see before me, and I hope the term is parliamentary, that these rowdies have failed to recognize the essence of parliamentary democracy, which is to provide a forum for open, frank and comprehensive debate among intelligent Members of Parliament. It is obvious that intelligence is not with us this afternoon.

[*English*]

Mr. Deputy Speaker: The Standing Order of the House is clear. Standing Order 71 subsection (1) reads:

71.(1) A petition to the House may be presented by a Member at any time during the sitting of the House by filing the same with the Clerk of the House.

It goes on in subsection (2):

(2) Any Member desiring to present a petition in his or her place in the House must do so during Routine Proceedings and before Introduction of Bills.

Subsection (3) reads:

(3) On the presentation of a petition no debate on or in relation to the same shall be allowed.

The Chair has tried within the limits of the Standing Order to enforce the Standing Order. Some Hon. Members have attempted to debate and they have introduced extraneous matter, which is contrary to the Standing Order. The Chair has a much more serious concern, however. The Chair has received what is alleged to be a petition containing a written statement but containing no names or signatures. The Chair's recollection of the subject matter of the petitions that have been read is reasonably accurate, although sometimes confused, but the fact is that this was a petition that obviously came from the side of the House which is on my left and not from the side of the House which is on my right. It becomes

difficult for the Chair if Hon. Members do not present legitimate petitions when the Chair recognizes them. Hon. Members of the House are responsible for their own actions. The Chair is a servant of the House.

On the point raised by the Minister of Supply and Services (Mr. Blais), the only observation the Chair can make is that there is a committee of the House charged with reviewing the procedures and practices of Standing Orders. That Committee will have to address itself to the question of whether or not there are abuses of the Standing Orders, but under the circumstances, the Chair can do nothing else but enforce the orders such as they are in the best possible way that the Chair can. It is not easy.

Mr. Deans: I rise on a point of order, Mr. Speaker. I appreciate very much the comments you have made and I also appreciate that you have done extremely well in making sure that Members stayed within the confines of what is allowable in the presentation of petitions. I wonder if I might ask, Sir, on a point of order, whether you might be able to inform us if you are able to ascertain where the petition you mentioned that is in blank form came from and whether it is signed on the back. I want to assure you, Mr. Speaker, that I personally looked at every petition that has been presented this afternoon and every petition was signed.

Mr. Deputy Speaker: With all due respect to the Hon. Member, a petition that was not signed came from the Party which he represents. It was presented to the Table.

Some Hon. Members: Who, who?

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present a petition on behalf of 117 citizens of the community of Riverhurst, Saskatchewan, a community which recognizes the difference between changing the Crow rate and building up the railways, addressed to the Hon. House of Commons in Parliament assembled. The petition of the undersigned residents of Canada, who do now exercise their right to present a grievance, humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-1982 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe that this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times Crow, that is, no change.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate and, as in duty bound, your petitioners will ever pray. I present this petition, Mr. Speaker, on behalf of the residents of Riverhurst.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have a petition to present on behalf of 42 residents of the area southeast of Regina, the Sedley-Francis-Kronau area. In a petition to the House of Commons in Parliament assembled, the undersigned residents of Canada, who now exercise their right to present a grievance, humbly show that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times Crow, that is, no change.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory Crow grain rate and, as in duty bound, your petitioners will ever pray.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on a point of order. Having had the opportunity to review the question you raised with regard to the blank petition, I believe that we are all in agreement that the piece of paper that you had before you was a French translation of the petition which is being presented and was not intended to go to the Table at all but rather was intended to go to *Hansard* by way of a page. The actual petition itself was filed appropriately and properly with the Table.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, there was a petition sent to me by some people from southwestern Saskatchewan, Admiral, Cadillac and the surrounding communities, people who are concerned about what they see as their Confederation bargain with regard to the Crow rate. They have asked me to present to the Honourable House of Commons in Parliament assembled the petition of the undersigned residents of Canada who now exercise their right to present a grievance which humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed some $6.3 billion to the balance of trade. The undersigned believe that this is the farmers' fair contribution to the Canadian economy and that they do not want any change in the statutory Crow rate as has been proposed by the Pepin plan. Western farmers will pay one times Crow, which would mean no change to the present statutory rate.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory rate, otherwise known as the Crow rate and, in duty bound, your petitioners ever pray.

Mr. Blais: Mr. Speaker, I rise on a fresh point of order relating to the petition which has just been presented. Again I point out to you, Mr. speaker, that the tactic that is being employed by the NDP, if it were to be followed, could completely immobilize any of the workings of the House. You know as well as I do that on any individual issue on a Bill that we may be dealing with at any given time, we can mount any number of petitions from any region of the country that supports an opposing point of view. Indeed, that is why we have Members of the Opposition.

• (1710)

Mr. Deputy Speaker: The Hon. Minister of Supply and Services (Mr. Blais) has made the point for the second time.

The Chair is interpreting the Standing Orders of the House and is attempting to deal with this as evenhandedly as possible in the circumstances. Whether or not the Standing Orders have to be reviewed in the appropriate manner at the appropriate time and place is a matter which the Chair cannot decide at this stage. The Hon. Member for Winnipeg-St. James (Mr. Keeper).

[*Translation*]

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, to the Honourable the House of Commons of Canada, in Parliament assembled:

It is my duty, on behalf of the undersigned residents of Canada, to present this petition to this House of Commons.

Whereas these Canadians in Western Canada paid $131 million to move grain under the Crow freight rate in the 1981-82 crop year, this grain in return has contributed $6.3 billion to the balance of trade.

And whereas the undersigned believe that this is a fair contribution to the Canadian economy, and whereas western farmers are prepared to pay the present rate for moving their grain, that is why the undersigned, your petitioners, call upon Parliament to maintain the present statutory grain Crow rate.

And as in duty bound your petitioners will ever pray.

[*English*]

Mr. Deputy Speaker: The Hon. Member for Essex-Kent (Mr. Daudlin) on a point of order.

Mr. Daudlin: Mr. Speaker, it appears from the presentations that are being made by my hon. friends, on the other side that all the petitions are headed by the exact, same, identical preamble. If you were to examine the petitions and so find, Mr. Speaker, I wonder whether you might also find that we have before us today not a number of petitions but one petition, as anticipated by the rules of the House, being presented by a number of Members. I wonder whether, in order to allow the House to deal with this issue promptly and efficiently, the Chair might not invite Hon. Members on the other side to present their petition as what it really is, that is, one petition, and then allow us to get on with the issue.

Mr. Deputy Speaker: The Hon. Member has made his suggestion. The Standing Order is quite clear. It says that Hon. Members have the right to present petitions. They are examined by the Clerk as to form and a report is made to the House on whether or not the petitions are in form.

In the recollection of the Chair, on many occasions in this House petitions with identical wording have been presented by Hon. Members at different times, on different occasions. In this case the Chair recognizes the Hon. Member for Dauphin-Swan River (Mr. Lewycky).

[*Translation*]

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I have the honour of presenting a petition to the Honourable the House of Commons of Canada, in Parliament assembled.

The petition of the undersigned residents of Canada who now exercise their ancient and unchallenged rights to present a grievance, with the assurance that your honourable House will provide a remedy.

Humbly sheweth that:

Whereas western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year.

That this contributed $6.3 billion to the balance of trade of Canada.

Whereas the undersigned believe that this is the farmers' fair contribution to the Canadian economy.

And whereas western farmers will pay one time Crow.

Wherefore the undersigned humbly call upon Parliament to maintain the present statutory grain Crow rate.

And as in duty bound your petitioners will ever pray.

[*English*]

Mr. Blais: Mr. Speaker, this is a fresh point of order upon the last petition which has just been presented. This is additional evidence that there is a systematic tactic being employed by the NDP to prevent us from reaching the Orders of the Day and dealing with the Bill which ought to be debated by this House. It is some sort of—

Mr. Deputy Speaker: Order, please. The Hon. Minister has been recognized three times. In the judgment of the Chair he appears to be making the same point of order. The Hon. Member for Saskatoon West (Mr. Hnatyshyn).

Mr. Hnatyshyn: Mr. Speaker, my point of order is that there is a tradition in this House that we do not challenge the Speakers' rulings. A Minister of the Crown, who has been in this House a long, long time, should know better.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. The Chair recognizes the Hon. Member for Nanaimo-Alberni (Mr. Miller).

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, it is my duty and pleasure to present on behalf of 27 residents of Coronach, Saskatchewan, many of whom are farmers and are concerned about their livelihood, a petition addressed to the Hon. House of Commons. It humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade, and the undersigned believe this is the farmers' fair contribution to the economy and that western farmers will pay one times the Crow rate.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain rate, and as in duty bound your petitioners will ever pray.

Mr. Blais: Mr. Speaker, I have a point of order. It is based upon the additional petition which has just been read. I suggest that members fo the NDP are indicating by their behaviour their adoption of a systematic tactic whereby they are preventing us from reaching the Orders of the Day and dealing with the Bill which ought to be debated on this day, as announced by the Government House Leader.

Mr. Deputy Speaker: I believe the Hon. Minister has now been recognized four times on the the same point. The Hon. Member for Churchill (Mr. Murphy).

Mr. Rod Murphy (Churchill): Mr. Speaker, I suppose the Hon. Member opposite would be happy if I switched petitions—

Mr. Deputy Speaker: Would the Hon. Member deal with his petition, please.

Mr. Murphy: I just want to oblige the House. I have a petition signed by the residents of three different Provinces expressing their opinions on the Crow rate. In their petition to the Hon. House of Commons in Parliament assembled the undersigned residents of Canada exercise their traditional and long-standing right in suggesting that the western Canadian farmers have paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, has contributed over $6.3 billion to the balance of trade in this country. The undersigned in the three different Provinces believe that this is the farmers' fair contribution to the Canadian economy and that western farmers should pay one times the Crow, no change. Therefore, the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate and, as in duty bound, your petitioners will ever pray. The petition is dated this month, Mr. Speaker.

Mr. Blais: Mr. Speaker, I rise on a fresh point of order based upon the additional petition which has just been presented. The point is that every time there is a new petition it strengthens the argument I have been making. It is a predetermined tactic.

• (1720)

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I have a petition from citizens of Langham, Asquith, Vandura and the City of Saskatoon, from Saskatoon east, and particularly from Saskatoon west. The undersigned residents of Canada exercise their right to present a grievance. It humbly sheweth that western Canadian farmers paid $131 million to move export grain under the crow freight rate in the 1981-82 crop year. This, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times the Crow, which means they wish no change in the Crow rate.

Wherefore, the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate and, as in duty bound, your petitioners will ever pray.

Mr. Blais: A point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Selkirk-Interlake (Mr. Sargeant).

Mr. Blais: A point of order, Mr. Speaker. Point of order.

Mr. Deputy Speaker: I have recognized the Minister of Supply and Services (Mr. Blais) five times on the same point of order. It is not the intention of the Chair to recognize him again.

Some Hon. Members: Hear, hear!

Mr. Blais: Point of order, Mr. Speaker. Point of order, Mr. Speaker. Point of order, Mr. Speaker.

Some Hon. Members: Out! Out!

Mr. Deputy Speaker: The Hon. Minister of Supply and Services.

Mr. Blais: Mr. Speaker, with all due respect, Sir, the question is that I have risen after the petitions have been brought to your attention. The petitions are being brought to your attention on a repetitive basis. They are coming forward basically as the same petition signed by—allegedly signed by—different people.

All I am saying, Mr. Speaker, is that I want you to recognize me so that I can put to you the point of order relating to the abuse of the process which is being employed by the New Democratic Party in order to frustrate the workings of this House. I maintain, Mr. Speaker, that with each one of those petitions, there is additional evidence of the predetermined intent of the NDP to interfere with the due process of this House and the deliberations of this House.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The Hon. Member for Selkirk-Interlake.

Mr. Orlikow: A point of order, Mr. Speaker.

Mr. Deputy Speaker: Before recognizing the Hon. Member for Winnipeg North (Mr. Orlikow), the Chair is appealing to the House at this point. The alleged points of order are not really points of order—

Mr. Smith: They are more legitimate than those petitions.

Mr. Deputy Speaker: The Chair at this stage is doing its best to enforce the Standing Orders of the House of Commons. If Hon. Members have legitimate points of order, that is one

thing, but points of order which are simply repetitive and making a point which was made before, I believe with all due respect—

An Hon. Member: How about the petitions?

Mr. Smith: They are simply the same petition word for word and presented on the same day.

Mr. Deputy Speaker: The Chair is in a difficult position. The Chair asks Hon. Members to reflect on the dignity of the House and to maintain the decorum which is appropriate in the circumstances, difficult though it may be. The Hon. Member for Selkirk-Interlake.

Mr. Orlikow: Point of order, Mr. Speaker.

Mr. Deputy Speaker: The Chair will recognize the Hon. Member for Winnipeg North and seriously requests the Hon. Member, if he does not have a legitimate point of order, not to attempt to take the time of the House. However, I will recognize him.

Mr. Orlikow: Mr. Speaker, my point will be very brief. The Minister, in raising his alleged point of order, said—and I am sure that *Hansard* will show this—that the signatures which are being presented in these petitions were "alleged" signatures.

Mr. Smith: One was not even signed.

Mr. Orlikow: I suggest, Mr. Speaker, to the Hon. Minister that he is impugning the honesty of Members of Parliament, and I take—

Mr. Deputy Speaker: The Hon. Member is not making a point of order. The Hon. Minister of Supply and Services has indicated that he is going to rise after every petition. The Chair is not in a position to rewrite the rules under such circumstances. I cannot help but feel that there may well be some merit to the contention of the Hon. Minister of Supply and Services, but the facts are that the Chair is a servant of the House and the Chair must observe the Standing Orders of the House.

Some Hon. Members: Hear, hear!

Mr. Deans: And so should the Government.

Mr. Deputy Speaker: In the circumstances, the Chair recognizes the Hon. Member for Selkirk-Interlake.

[*Translation*]

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I wish to present a petition on behalf of 43 citizens of Saskatchewan.

The petition of the undersigned residents of Canada who now exercise their ancient and unchallenged rights to present a grievance, with the assurance that your honourable House will provide a remedy.

Humbly sheweth that:

Whereas western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year.

That this contributed $6.3 billion to the balance of trade of Canada.

Whereas the undersigned believe that this is the farmers' fair contribution to the Canadian economy.

And whereas western farmers will pay one time Crow.

Wherefore the undersigned humbly call upon Parliament to maintain the present statutory grain Crow rate.

And as in duty bound your petitioners will ever pray.

[*English*]

Mr. Robert Bockstael (St. Boniface): Mr. Speaker, I wish to quote from Erskine May Parliamentary Practice, Fifteenth Edition, under "Presentation of Petitions to the Commons". It reads:

—a Member may present a petition, at any time during the sitting of the House, by placing it in the petition bag kept at the back of the Speaker's chair.

Some Hon. Members: Hear, hear!

Mr. Bockstael: Mr. Speaker, since all Members of Parliament want to put the House of Commons to work and accomplish their duties, I have acquired a bag used for Royal Mail which I suggest you hang behind your chair and invite—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Some Hon. Members: Out! out! out!

Mr. Deputy Speaker: Order. Order, please. The Hon. Member's intervention has the aspect of novelty, which is a little welcome. Nevertheless, a display is not permitted in the House. We are following the procedure spelled out in the Standing Orders. The Hon. Member for New Westminster-Coquitlam (Miss Jewett).

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I aslo would like to present a petition on behalf of 38 working farmers and retired farmers who live in Willow Bunch, Saskatchewan, which is south of Swift Current. This is a petition duly signed by the 38 working and retired farmers to whom I just referred who say to this Honourable House of Commons in Parliament assembled that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. They want particularly to emphasize that this grain, in turn, contributed $6.3 billion to the balance of trade. These farmers, the 38 who have signed the petition, believe that this is a fair contribution from the farmers of western Canada to the Canadian economy and that farmers should continue to pay one times the Crow, which is to say, no change, and humbly pray and call upon this Parliament to maintain the present statutory Crow rate.

• (1730)

Mr. Neil Young (Beaches): Mr. Speaker, I present to the Honourable House of Commons in Parliament assembled the petition of the undersigned residents of Canada, who now exercise their right to present a grievance which humbly sheweth that western Canadian farmers paid $130 million to export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times the Crow. The undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory rate, which of course is the Crow rate. As in duty bound your petitioners ever pray.

[*Translation*]

Mr. Bill Blaikie (Winnipeg-Birds Hill): I wish to present a petition to the Honourable the House of Commons of Canada, in Parliament assembled.

The petition of the undersigned residents of Canada who now exercise their ancient and unchallenged rights to present a grievance, with the assurance that your honourable House will provide a remedy.

Humbly sheweth that:

Whereas western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year.

That this contributed $6.3 billion to the balance of trade of Canada.

Whereas the undersigned believe that this is the farmers' fair contribution to the Canadian economy.

And whereas western farmers will pay only one time Crow.

Wherefore the undersigned humbly call upon Parliament to maintain the present statutory grain Crow rate.

And as in duty bound your petitioners will ever pray.

Thank you, Mr. Speaker.

[*English*]

Mr. Deputy Speaker: The Minister of Supply and Services (Mr. Blais) on a point of order.

Mr. Blais: Mr. Speaker, I simply want to draw your attention to Citation 120 of Beauchesne's Fifth Edition on page 39. It says:

> Foremost among his many responsibilities, the Speaker has the duty to maintain an orderly conduct of debate by repressing disorder when it arises—

As a result of the last petition presented, Mr. Speaker, I again indicate that in effect the sum total of all the petitions presented today constitute a disorder. I call to your attention Citation 123(5) of Beauchesne's Fifth Edition which says that the Speaker:

> —calls to order any Member who is being irrelevant or repetitious in debate.

The fact is, Mr. Speaker, that there is indeed in this instance a large amount of systematic repetition in order to create disorder. It is true that you are the servant of this House and you have to maintain decorum, but decorum is not identical to order. There could indeed be very great decorum while there is disorder. In this instance the disorder stems from the fact that the NDP Members, as the Tories did during the constitutional debate with their questions of privilege and the ringing of the bells episode, are interfering with the proper deliberations in this House, the debating process for which this House was constituted, by the systematic abuse of a Standing Order of this House. They are bringing this House into disrepute, as did the ringing of the bells and the questions of privilege put by the Tories during the constitutional debate. There is a limit to what this House can suffer in the way of abuse of its process and Standing Orders.

Mr. Deans: Mr. Speaker, I want to say that I find this attack on you to be unconscionable. I have noted with interest the care you have taken to make sure that each of the petitions was in fact in proper form and that the Member presenting the petition kept within the rules. When any Member strayed outside those rules, you, Sir, very quickly rose and brought him back to order.

I want to say that I resent the Minister of Supply and Services (Mr. Blais) attacking you in this way. I can see no justification for his calling into question the actions of the Speaker in this regard. The Speaker has made it quite clear that what is being done is within the rules of Parliament, and just because the Minister does not like it does not make it wrong!

Mr. Deputy Speaker: The Chair is looking at the clock and it has listened attentively to the argument and will take the matter under consideration. At this stage the Chair will call upon the Hon. Member for Regina East (Mr. de Jong).

Mr. Simon de Jong (Regina East): Mr. Speaker, I also wish to present this petition to you. I have examined it and I believe it to be in proper order and properly signed. This petition addresses itself to the concerns that Canadian citizens have regarding the Crow rate and the cost to western Canadian farmers for the movement of grain. These people are concerned with the effect the proposed resolution will have on their livelihood. They are concerned that this institution will pass legislation which will destroy many farmers. In their petition they state that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed some $6.3 billion to the balance of trade and therefore to the benefit of the whole country.

The undersigned petitioners believe that this is the farmers' fair contribution to the Canadian economy and that western farmers are in fact willing to pay one times the Crow, or in essence no change. Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory rate, meaning the Crow rate, and as in duty

bound your petitioners would ever pray. This petition has been signed on Tuesday, May 17, 1983.

Mr. Jim Fulton (Skeena): Mr. Speaker, I, too, have a petition to table from 33 Canadians, most of whom are farmers, and about half of whom are members of the Saskatchewan Wheat Pool. The impact of Bill C-155 may reduce the incomes of farmers in British Columbia by 30 per cent or more and take billions away from farmers on the Prairies. The 31.1 million tonne cap and Crow rate change are widely opposed and may damage the future of the Ridley Island grain development in Prince Rupert.

To the Honourable House of Commons and all its Members in Parliament assembled the petition of the undersigned residents of Canada, particularly of Saskatchewan, who now exercise their right to present a grievance, humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe this is the farmers' fair contribution to the Canadian economy. Western farmers will pay one times the Crow, which means no change.

Wherefore, the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain or Crow rate and, as in duty bound, your petitioners will ever pray. Those petitioners are from Maymont, Gravelbourg, and Guybourg, Saskatchewan.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would like to present a petition to the House on behalf of quite a number, about 70 I think, citizens of Canada, living in Saskatchewan and Ontario. Many of them are farmers, some are not, who present this petition. To the House of Commons and Parliament assembled, the petition of the undersigned residents of Canada—and I emphasize that for the Minister of Supply and Services (Mr. Blais)—who now exercise their right to present a grievance, humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. That is a lot. That is really a lot. The undersigned believe that this is the farmers' fair—

• (1740)

Mr. Deputy Speaker: The Hon. Member will confine his remarks to the petition, please.

Mr. Deans: I am sorry. I was just commenting to my colleague, who is sitting beside me. The undersigned believe that this is the farmers' fair contribution to the Canadian economy, and that western farmers will pay their share.

Wherefore, the undersigned, your petitioners, humbly pray and call upon Parliament and, in particular, the Minister of Transport (Mr. Pepin), who rarely listens, to maintain the present statutory grain Crow rate. As in duty bound, your petitioners will ever pray.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present a petition signed by 37 residents from Yorkton; Melville and Canora, Saskatchewan. Some of them are farmers, some are teachers, carpenters and so on.

To the Honourable House of Commons in Parliament assembled, the petition of the undersigned residents of Canada, who now exercise their right to present a grievance, humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe that this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times the Crow, which means no change.

Wherefore, the undersigned, your petitioners humbly pray and call upon Parliament to maintain the present statutory grain Crow rate. As in duty bound, your petitioners will ever pray.

Mr. Les Benjamin (Regina West): Mr. Speaker, I again have a—

[*Translation*]

Mr. Gimaïel: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The Hon. Member for Lac-Saint-Jean (Mr. Gimaïel) on a point of order.

Mr. Gimaïel: Mr. Speaker, I would simply like the Chair to be given the opportunity of ascertaining whether those who signed the petition, were at that time duly informed of the use to which it would be put in this House, namely to paralyse the workings of the House, or whether they were simply told that their views would be put before the House of Commons. Because if indeed the people who signed those petitions intended to paralyse the workings of the House, Mr. Speaker, I am prevented as a member of this House from performing the duties, for which I have been elected. This is my point of order. I would therefore like the Chair to ascertain from the people who signed the petitions whether they were informed that by signing those petitions, they would hinder my work as a Member of Parliament.

Mr. Deputy Speaker: Under our Standing Orders, obviously, the Clerk of the House will be dealing with the signatures on the petitions, because it is his duty under such Standing Orders to report later to the House. As Deputy Speaker, I am not in a position to now verify the signatures. The Clerk will look after that later on.

Mr. Gimaïel: Mr. Speaker, on the same point of order. Am I to understand that you are assuring me that the Clerk of the House will check with some of the people who signed the petitions whether they had been informed beforehand that their signatures would be used to deprive me of my right to speak in this House? I would like to know, Mr. Speaker, if you

are giving me the assurance that this will be verified with those people.

Mr. Deputy Speaker: Under our rules, I am under no obligation to verify the signatures myself. Neither is the Clerk. But again, under our Standing Orders, any Member has the right to check the signatures himself if he so desires.

[*English*]

Mr. Thacker: Point of order!

Mr. Smith: Point of order!

Mr. Deputy Speaker: I will recognize the Hon. Member for Lethbridge-Foothills on a point of order.

Mr. Thacker: Mr. Speaker, the Hon. Member for Lac-Saint-Jean should not be upset with the NDP strategy, because he is the Hon. Member who said that the Liberal Party would adapt to anything and would be communistic if necessary.

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: The Hon. Member is not making a point of order.

[*Translation*]

Mr. Gimaïel: Mr. Speaker, I ask that the petitions be referred to the Committee on Privileges and Elections for verification, because those petitions are interfering with my right to speak. I ask that they be—

[*English*]

Mr. Smith: Mr. Speaker, I rise on a point of order. I have been listening with interest to the wording of the petitions that we have heard from Hon. Members of the New Democratic Party. It seems to me that there has been identical wording in perhaps the last couple of dozen. What I would suggest, Mr. Speaker, if you will hear me out—

Mr. Munro (Esquimalt-Saanich): You've listened very carefully.

Miss Jewett: It's the same problem.

Mr. Smith: —that, as such, they are repetitions. I would refer Your Honour to Bourinot, page—

Some Hon. Members: Bourinot?

Mr. Deputy Speaker: This point was made earlier this afternoon. The Chair can recall a number of occasions when petitions on capital punishment were presented in the House with exactly the same wording. There are many instances, in the experience of the Chair, in which wording of petitions has followed exactly the same form, for instance, on right to life, on capital punishment, on a series of issues. There are even precedents of Hon. Members presenting in an afternoon more than one petition at one time. The point has been made by others in the course of this afternoon's debate. The Chair cannot find that a point of order is involved.

Mr. Smith: Mr. Speaker, perhaps if a pertinent reference from Bourinot had been heard at that point, the petitions would not have been heard. I would urge Your Honour to at least hear out the citation from Bourinot which I believe is on the point.

Mr. Deans: No.

Mr. Deputy Speaker: There has been a point of order raised upon which the Chair has reserved judgment. The Chair has not ruled on a point of order which has been raised. At this stage the Chair intends, between now and six o'clock, to hear the rest of the Hon. Members who are seeking to be recognized on petitions.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: If the Parliamentary Secretary has something new to contribute, the Chair would like to hear it. However, if he has nothing new to contribute, I would ask him not to make a false point of order.

Miss Jewett: Sit down. Have some respect for the Chair.

Mr. Smith: It is very difficult to contribute something new when Your Honour has not even allowed me to make my contribution.

Some Hon. Members: Shame!

Mr. Deans: When you've got a weak case, attack the Speaker!

Mr. Smith: Mr. Speaker, I would refer you to page 235 of Bourinot. It states:

> Petitions containing lengthy extracts from other documents or publications or having such extracts printed in separate forms and annexed to petitions are irregular.

I would submit that these are really copies of the original petition, which really constitute lengthy extracts from another document.

Some Hon. Members: No.

Mr. Smith: Accordingly, they are irregular, and irregular petitions cannot be received. I think that is a valid point of order.

An Hon. Member: That's a serious accusation.

Mr. Deputy Speaker: The Parliamentary Secretary knows the provisions of the Standing Order. The Clerk of Petitions will make a report to the House as to form, as to whether the petitions are in form or not in form. That is a Standing Order of the House, and presumably the normal provisions will operate in the Standing Order.

I will recognize the Hon. Member for Regina West.

Mr. Benjamin: Mr. Speaker, I—

[*Translation*]

Mr. Gimaïel: On a point of order, Mr. Speaker, one last time for a few minutes.

[*English*]

Mr. Deputy Speaker: The Chair has recognized the Hon. Member for Lac-Saint-Jean twice. I can understand his frustration, but I assure him that his frustration is only equalled by that of the Chair.

[*Translation*]

I recognize the Hon. Member for Lac-Saint-Jean (Mr. Gimaïel) for the last time.

Mr. Gimaïel: Mr. Speaker, I am taking one more minute to make you understand clearly what I want. I want the petitions deferred to the Committee on Privileges and Elections for a verification of their authenticity. I would ask for a ruling, Mr. Speaker, because—

Mr. Deputy Speaker: Standing Order 71 states very clearly what is to be done with the petitions tabled in the House. As Deputy Speaker of the House, I have no authority, I cannot change the Standing Orders of the House.

• (1750)

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the honour and duty to present a single paged petition with the bona fide signatures of 37 residents of Canada from the communities of Gilbert Plains, Manitoba; Canora, Saskatchewan, and Endeavour, Saskatchewan, and Basswood, Manitoba, 34 of whom are members of the Saskatchewan and Manitoba Wheat Pools. It is a separate, single paged petition with the same preamble. Addressed to the Parliament assembled, the petition of the undersigned residents of Canada, who now exercise their right to present a grievance, humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned petitioners believe that this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times the Crow rate.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament and Government and certain Members thereof to maintain the present statutory grain rate. As in duty bound, your petitioners will ever pray.

[*Translation*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in accordance with Standing Orders, I should like to present a petition on behalf of the undersigned from many towns of Saskatchewan and Manitoba, a petition signed by 32 people.

The petition of the undersigned residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide a remedy—

Mr. Speaker, it is difficult to speak with—

[*English*]

Mr. Deputy Speaker: Order. The Hon. Member for Yorkton-Melville (Mr. Nystrom).

[*Translation*]

Mr. Nystrom: Thank you, Mr. Speaker, for your cooperation.

The 32 citizens of Canada I just mentioned:

Humbly sheweth that:

In view of the fact that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year;

Secondly, Mr. Speaker,

In view of the fact that this grain in turn contributed $6.3 billion to the Canadian balance of trade;

Thirdly,

In view of the fact that the undersigned believe that this is the farmers' fair contribution to the Canadian economy;

And in view of the fact that western farmers will pay one time Crow;

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate.

And as in duty bound your petitioners will ever pray.

Mr. Speaker, this is a very important petition for us in the Province of Saskatchewan and everywhere in Canada.

[*English*]

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have the honour and duty to present a petition in essentially the same words as those read by some of my colleagues. This petition is from the citizens of Canada, especially from the Province of Saskatchewan and the communities of Cornach, Fife Lake, Assiniboia and Rockglen.

To the Honourable House of Commons in Parliament assembled, the petition of the undersigned residents of Canada, who now exercise their right to present a grievance, humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe that this is the farmers' contribution to the Canadian economy, and that western farmers will pay one times the Crow rate, that is, there will be no change.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain rate, or the Crow. As in duty bound, your petitioners will ever pray. Thank you, Mr. Speaker.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I rise to present a petition on behalf of the residents from Manitoba and Saskatchewan. The petition has been duly signed. I have authorized the petition with my signature. I am sure that you will find this petition in order. The petitioners state that the Crow rate is non-negotiable. The petition humbly sheweth that Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed over $6.3 billion to the balance of trade in Canada.

The undersigned believe that this is the farmers' contribution to the Canadian economy and that the western farmers agreed to pay one times the Crow, in other words, no change.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain rate, or Crow rate. As in duty bound, your petitioners will every pray.

[*Translation*]

Mr. Dan Heap (Spadina): Mr. Speaker, I rise to present a petition to the Honourable the House of Commons of Canada, in Parliament assembled.

The petition of the undersigned residents of Canada who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that you honourable House will therefore provide a remedy.

Humbly sheweth that:

Western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year.

This grain in turn contributed $6.3 billion to the balance of trade.

That the undersigned believe that this is the farmers' fair contribution to the Canadian economy.

And that western farmers will pay one time Crow.

Wherefore, the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain Crow rate

And as in duty bound your petitioners will ever pray.

[*English*]

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I have a petition from the undersigned residents of Canada from the towns of Simmie, Scotsguard, Shaunavon and Wymark. If it were necessary to prove the authenticity of the petition I could read the names of each individual. I can see that it is not necessary, Mr. Speaker. These citizens of Canada now exercise their right to present a grievance that humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe that this is the farmers' contribution to the Canadian economy and that western farmers will pay one times the Crow, that is, no change.

Wherefore the undersigned your petitioners, humbly pray and call upon Parliament to maintain the statutory grain rate, that is the Crow rate. As in duty bound, your petitioners will ever pray. This dated Tuesday, May 17, 1983. These petitioners have no objection to the Government's introducing good Unemployment Insurance legislation.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AGRICULTURE—NEW BRUNSWICK POTATO INDUSTRY. (B) REQUEST FOR MINISTERIAL ACTION

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, on two occasions I have addressed questions to the Minister of Agriculture (Mr. Whelan) pertaining to the economic calamity which is descending upon the potato industry of New Brunswick.

Mr. Berger: You turkey.

Mr. McCain: I do not think I have ever extended such uncalled for discourtesy to a fellow Member and I bemoan the fact that anyone would display such poor manners as the departing Member just did.

Mr. Taylor: He is a Liberal.

Mr. McCain: There is an element of respect demanded. I shall not raise a question of privilege or a point of order, but I wanted to draw this to your attention, Mr. Speaker.

Mr. Deputy Speaker: The Chair was not aware of what happened. I was distracted for a moment. The Hon. Member may wish to continue.

Mr. McCain: Thank you, Mr. Speaker.

The problem of the potato industry is virtually of a catastrophic nature. On May 6, 1983 I drew this to the attention of the Minister of Agriculture in questions listed on page 25226 of *Hansard*. The Minister responded in a rather oblique sort of way. At that point in time I tried to point out to the Minister that if there was no response with respect to the means at his disposal for assistance to this industry it would be too late. He has offered diverging sort of answers, delaying responses and nothing has happened.

However, I want to address one of the requests that I made of him, namely, that the Government should allow the agencies

which make loans to farmers for storable crops some leniency with respect to collection. As the policy has been administered, the potato agency, New Brunswick in this instance, is responsible for collection. If it does not collect, it has to pay whatever the farmer does not pay back on the loan for storable crops. This would not be a very difficult thing to do. It is something the Minister could have done forthwith had he chosen, but he did not choose to follow that route. The farmers in this circumstance may be faced with the necessity of the agency hiring a collection agency to get the money from the farmers who do not have money enough to plant crops, let alone pay back loans. This is something with which the Minister could have dealt forthwith but did not. I do not think this is very good consideration in view of the circumstances which exist.

I repeated my question a little later, on May 13, 1983. The Minister chose to diverge from the subject matter of my question. This was particularly true on May 6 when the Minister said the New Brunswick people should have a potato marketing board as that would resolve all their problems. The Minister said every Province but P.E.I. was ready to go into some kind of an agreement. I join P.E.I. in not being willing to advise the potato industry of New Brunswick to enter into any marketing board structure as long as the Minister of Agriculture of Canada does not lay upon the table a specific arrangement whereby price and production can be controlled. In that case it becomes a socialist state which I do not like anyway. Until an agreement is tabled in this House for Members to examine I think the Province of P.E.I. has followed exactly the right route, and New Brunswick farmers would be very ill advised to fall into a trap.

Time does not permit me to expand on the trap into which they could fall but they could find themselves in a situation without a market, having lost their export market, due to control of other Provinces over our affairs, or the affairs of P.E.I. It is not an easy resolution to simply say "let us put up a marketing agency" without asking what the abilities of the agency as a marketing board in New Brunswick or as an eastern Canadian potato marketing structure would be. We have to know who stays in business. That is a divergence from the necessity which exists in New Brunswick today.

The Minister has at his disposal four avenues through which he could have proceeded. He has apparently refused to follow any of these. At this moment in time farmers are sitting idle in their homes, looking at their machinery and their fields, unable to plant crops because of the delay of the Minister of Agriculture in acting within his scope of jurisdiction and within the judicial opportunity he has to interpret the regulations. He will not say that he will defer the repayment of storage loans. He will not say he will support the provincial farm loan agency in providing any assistance it might extend to the farmers. He will not say there will be a price stabilization program to help those who have marketed as little as 20 per cent of their crop at very depressed prices.

• (1805)

This is a catastrophe, a disaster. It is not normal circumstance. The industry does not want handouts per se. However, when we have a problem of disastrous proportions the Minister should act on an emergency basis. Has he yet met with the New Brunswick Minister to discuss this?

The Minister could announce a price stabilization program which would enhance the credit of the farmers when they go to the bank so they can put in their crops. He will in no way make a statement on price stabilization. This is a discretionary capability which he has. He could do what he said he had done and has not done, namely, put Farm Credit Corporation lending officers in those areas where the potatoes are planted to approve loans forthwith on a bridge financing basis. None of these things have been done, and the planting season is upon us. I told the Minister last week, and I repeat, a week from now is too late, we need it today. The next question is will the Minister address the problem in the response which he will have dictated to somebody who will now answer me?

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, although no specific allocation of the funds under the Special Farm Financial Assistance Program of the Farm Credit Corporation has been made to potato producers, there is a conscious effort being made in the Maritime Provinces to handle these applications with urgency. To date the Farm Credit Corporation has been able to handle the demand without difficulty.

The Farm Credit Corporation has always been sensitive to the needs of farmers in sectors facing special problems, and potato producers are no exception. If the farmer is presently a borrower, the corporation can carry the account in arrears or can re-amortize the loan to help see the individual through this difficult period.

An essential part of the Farm Credit Corporation's mandate is its advisory services, to which all farmers have access. The corporation's credit advisors are trained in financial manangement and can help farmers work out various alternatives for their businesses.

In 1982-83, over $4 million was approved in the Atlantic Provinces for some 46 farmers who required help under the Special Farm Financial Assistance Program. Another ten loans have been approved since April 1. This is in addition to $10 million in regular loan approvals for 1982-83 and $1.6 million so far this year.

Under the Advance Payments for Crops Act, $6,801,500 has been advanced to potato producers in the Province of New Brunswick this year. These advances are considered current until July 31, 1983. The legislation for this Act does not allow forgiveness of the advanced for any reason. All advances must be repaid. However, the legislation does allow an extension of the repayment period for good cause. In this event, each producer would have to enter into a repayment agreement.

There are other possible solutions which we are currently investigating to determine the net impact on the producer. Normally the advance payments are to be repaid as the

potatoes are sold. However, due to current circumstances, we are not applying any pressure for repayments until this issue is resolved.

• (1810)

NATIONAL DEFENCE—AIRCRAFT—ALLOCATION OF WORK—STARTING DATE

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, today I questioned the Minister of National Defence (Mr. Lamontagne) regarding future layoffs of 420 Air Canada employees, and specifically the 150 Winnipeg Air Canada maintenance workers who are to be laid off in September. I am suggesting another alternative to the unemployment of Air Canada maintenance workers in Winnipeg.

In early 1984 it will be necessary for the Armed Forces 707s to be overhauled. Winnipeg has provided this service in the past and with their excellent facilities and skilled workpersons who are eager for the employment opportunity I believe that the upcoming contract should be awarded to Winnipeg. Not only is Winnipeg a logical choice, but this would provide a solution to the problem of layoffs as well as lessen the hardship on the over-burdened Unemployment Insurance purse.

As this overhaul contract is scheduled for early 1984, I am further suggesting that the date be advanced to September of 1983, the time Air Canada expects to lay off its employees. I understand that the 707s are experiencing nose landing gear problems, Mr. Speaker, so it would be advisable to bring them in for overhaul earlier. I would ask that the Minister of National Defence consider my proposition with a view to taking immediate action.

I would also like to stress that under no circumstances should this contract be awarded to the Montreal area as is feared in Winnipeg. As it is, too many contracts have been awarded to Montreal and Quebec, only to find that as a result of these deals additional loads are placed on the backs of the taxpayers.

Take as an example our infamous Canadian white elephant, Mirabel Airport. As it stands now, and that is about all it does, it is costing Canadian taxpayers $1 million a week. Another example is Canadair, something that I have warned the Government about since 1976. We now see that this Crown corporation will be laying off 570 people by mid-July and it will cost Canadians $2.3 billion to bail the corporation out. In 1976 I made clear my concern about Canadair and the $50 million loan guaranteed by the Government. Canadair would have to sell 500 aircraft in order to recover from its disaster course. Now Canadair is looking for $2.3 billion, and to break even it will probably have to sell thousands of aircraft. The next obstacle for consideration is to determine whether or not there is a market for these aircraft.

The west was also overlooked when Quebec was chosen to receive 48 per cent of the new fighter aircraft spinoffs. Another example of the same situation is the aerospace training centre. In August of 1981, it was recommended by a task force study that Winnipeg be the site for this centre. However, due to the fact that the Quebec caucus of the Liberal Party and its Chairmen stated that the centre would be built in Montreal or not at all, the chances for Winnipeg receiving the centre quickly diminished, even though it had been determined that Winnipeg was indeed the superior location.

It is time that the Liberal Government stopped writing off the West and started looking at the vast amount of skilled ability the West has to offer. I need not remind the House that every Canadian bears the weight of unemployment which only creates low morale and high taxes.

It has been proven that the Winnipeg Air Canada maintenance workers are exceptional candidates for the 707 overhaul work, and I would strongly recommend that very serious consideration be given to the awarding of this contract to Winnipeg in September of 1983. The Winnipeg Air Canada maintenance workers, my Progressive Conservative colleagues and I will welcome an encouraging reply from the Liberal Government.

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the specific question that the Hon. Member asked the Minister of National Defence (Mr. Lamontagne) this afternoon concerned the possibility of accelerating the time frame in which the DND 707 fleet would be overhauled and to do this by offering the contract to the Air Canada facility in Winnipeg to avert the layoff of 120 machinists.

After listening to his preamble and comments this evening I question very much the credibility of the statements he has made. I am particularly upset by the statement he made concerning the efficiency of the fleet at the present time. He referred in an off-hand way to some problem dealing with the landing mechanism of these planes. I think that is an irresponsible statement. What he is doing is using scare tactics that may cause concern to those people who are using that fleet now, and that is unfair to the very mechanics and machinists he is trying to keep employed.

• (1815)

I question his credibility in talking about regional disunity and favouritism. We do not need that at this time. He has already asked these questions on two previous occasions and seems to expect the adjournment debate to involve two other departments, namely Transport and Labour, on the subject of jobs for mechanics.

We are well aware of the quality of workmanship available for overhaul in the machine shop in Winnipeg. We have no quarrel with the quality of work carried out by the machinists, but it is not our intention to get into issues that involve two other departments.

With respect to the specific DND requirement to overhaul 707s, this work has been done in Winnipeg in the past. The Department has been satisfied with the quality of the work. However, the planes are not scheduled to require overhaul until some time in 1984. If the planes do not require the overhaul the Department is not in a position to request an accelerated program. To consider such an overhaul would not only be destructive to the good functioning of the Canadian

Armed Forces where it would no doubt disrupt operations, but would also be wasteful in terms of money which is always in short supply.

I reiterate, the inference that there are mechanical faults in the fleet at the present time is false, incorrect and completely misleading.

[*Translation*]

CANADA COUNCIL—ALLEGED SCANDAL AT SHERBROOKE, QUEBEC

Mr. Claude Tessier (Mégantic-Compton-Stanstead): Mr. Speaker, I rise in order to follow up on the question I put on May 5, 1983, to the Minister of Communications, who is responsible for the Canada Council. Actually, within the framework of the Oral Question period I did not have the opportunity to put my question clearly and completely, for it would have had to be preceded by a long preamble in order to be easily understood. Since questions from the government side must be shorter than those coming from the Opposition benches, that is, without any preamble, my question was not complete and hence, the answer was also incomplete and most unsatisfactory. That is why I must put it again today, and in doing so, I hope the matter will be deferred to the Standing Committee on Communications and Culture and that officials of the Canada Council will be called on by the Committee to explain publicly the decision to subsidize to the tune of $9,500 or $12,500—I would like to know the exact amount—the Art/Action performance produced by Darcheu, a so-called artistic performance produced from April 29 to May 1, 1983, by the Association d'artistes contemporains de l'Estrie.

Does that mean that we should add another $3,000 to set fire to irons in Montreal, with the same kind of gawking onlookers as were seen last weekend?

In Sherbrooke, the so-called Art/Action performance consisted of two artistic events, that is, artistic only for the so-called initiated, while normal and ordinary people would rather consider these eccentricities as being committed by crazy people or else drug addicts completely reckless and "freaked-out" or "permanently high", as such artists might say. Should I even try to argue as to whether this was really art? I do not think so. I will simply say that a first demonstration consisted of setting on fire a car in which live rats had been placed, while costumed people were gesticulating all around, the whole thing being watched by a handful of spectators who were not even entertained, except for the so-called initiated.

• (1820)

The second consisted in distributing to members of the audience small bags containing wood and paper shreds stuck between two planks and then cut with a chainsaw. If, at least, this was art for the initiated, well and good! But what is even worse and not good enough is that those events were subsidized by the Canada Council.

Mr. Speaker, I must admit that it is very difficult for the Minister of Communications (Mr. Fox) to tell the Canada Council anything because he would be accused either of not understanding a thing about art, as others have been before, or even worse, of interfering for purely political reasons. It is much too easy to deny the Minister the right to intervene, and the Canada Council must be warned that if it spends public funds, it must be held accountable according to the standards approved by so-called normal Canadian taxpayers, both when they pay and when they see what they have paid for.

Mr. Speaker, in my opinion and that of many others, the action performances in Sherbrooke and even in Montreal are a waste of public money, and there can be no justifiable reason for us, as elected representatives of the people, to tolerate such waste. If such insanity must be treated, the Minister of Health should be asked to take care of it, but the Minister of Communications should not be asked to promote such things and even less to finance them. This is not art or even a sickness, but shameful goings-on that the Government should ban and prevent. It even has the duty to protect the people against this type of manipulation. Consequently, because normal and right-thinking people need to be reassured about the Minister's ability to act under such circumstances, the Minister must be accountable for the use of this subsidy, otherwise he must publicly denounce the Canada Council, or at least take this opportunity to warn the Canada Council that such autrageous waste of money might jeopardize the allocation of funds by the House and the Government. As members of the House, it is inconceivable that we should agree to be party to such waste. Mr. Speaker, I have with me a letter which Mr. Timothy Porteous, the Director of Canada Council, addressed to the Minister of Communications and which reads in part:

"That the artists involved in the Sherbrooke incident are supposed to be people of experience. That his only qualm is that they violated a municipal by-law which makes it illegal to start a fire without a proper permit, and that the release of live rats before the fire would be a significant point and would indicate the participants' opposition to the use of animals in laboratories."

It becomes therefore extremely difficult to separate the four-legged rats from the two-legged variety.

Mr. Speaker, the Canada Council is clearly trying to find an excuse, but I think we should urge the Minister to have the Canada Council appear before the Committee on Culture and Communications in order to account for this subsidy which was granted to this group in the Eastern Townships.

[*English*]

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Mr. Speaker, at the request of the Hon. Member for Mégantic-Compton-Stanstead (Mr. Tessier) I

have several comments to make on this subject in addition to those I made on May 5. I can assure the Hon. Member that the Minister of Communications (Mr. Fox) has been advised of the Sherbrooke incident and of the circumstances under which the Canada Council grant was provided.

As Hon. Members know, the Canada Council is an agency which makes its artistic decisions independent of Government. It has a mandate to help reflect and develop all types of artistic expression. This mandate includes funding of experimental works in the various art forms, some of which occasionally will be controversial, and sometimes, even offensive to certain people. As with most Canada Council grants to artists, the grant application for this series of "performance" events was reviewed by an independent jury of visual arts experts. For the information of the Hon. Member, $9,500 not $12,000 was awarded for 14 events of which this was one—the only controversial one. The organization receiving the grant is co-directed by the director of the art gallery of the University of Sherbrooke. The artists involved included some of Canada's most reputable and experienced performance artists.

The Hon. Member, in this question of May 5, qualified the Sherbrooke event as a "bizarre and grotesque initiative" undertaken by the Canada Council. Given my earlier comments, it is clear that the performance was not an "initiative" of the council. Rather, the Council simply responded to a grant application in the normal manner. The Council regrets that this activity may have violated the municipal law against setting a fire without a permit. Obviously, when the Council provides a grant for an activity it does not intend that a law be broken. Given the large number, and the wide range of activities which the Council funds, the resulting number of abuses of the freedom of artistic expression is very small, but they do tend to draw extensive press reaction, as this particular one has, and thereby call into question the broad range of worthwhile activities funded by the council which are of undoubted value.

Given this fact, Mr. Speaker, and the concern of the Hon. Member, I would recommend that this particular question be further answered by the Canada council before the Standing Committee on Communications and Culture.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at 11 o'clock.

At 6.25 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, May 20, 1983

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

LABOUR CONDITIONS

YOUTH UNEMPLOYMENT

Mr. Scott Fennell (Ontario): Mr. Speaker, on Monday I spoke to a class of bright, young students at Henry Street High School in Whitby. I was impressed with their intelligence, and disturbed by their anger, for these students, Mr. Speaker, were very angry. Imagine facing a future where there are no jobs, a future where the old rules do not apply.

I want to get some answers to the students' questions. What is the Goverment going to do about youth unemployment? We all know that it will be over 50 per cent this summer. Yet, when the Opposition asks serious questions of the Minister of Employment and Immigration (Mr. Axworthy), he will only recite a list of short-term programs instead of long-term solutions. Mr. Speaker, the statistics for youth unemployment prove that these programs are not effective, and the human factor is even more telling.

This is a letter I received from one of my constituents:

> I am writing to you and I need assistance. I have a problem. I cannot get a job. I have been unemployed for over a year. I have a bookkeeping certificate and am now taking an accounting course through the Ministry of Education. I am also on the NEED program through Manpower. Nothing. Please is there anything you can do?

The letter was signed "Desperate".

It is time to bring together a task force, with representation from labour, industry, small business and the Provinces, to examine the transition from the post-industrial to the technological era.

The next time I speak to a class of students who are about to start their working lives, I hope the Government will have some answers for them.

* * *

EDUCATION

LEVEL OF ILLITERACY

Mr. Girve Fretz (Erie): Mr. Speaker, it is incredible and tragic that in this day and age, in this era of space travel and electronic wizardry, one out of four people across the Province of Ontario cannot read a simple newspaper article.

Experts speaking recently for the Movement for Canadian Literacy believe that up to 70 per cent of Canadians read so poorly they cannot understand information brochures sent in the mail by various levels of Government. Indeed, there is reason to believe that the problem may be more acute now than ever. The advent of the electronic media has made it easier than ever before to exist from day to day without reading. Use of the telephone saves many poor readers from having to use the rudimentary skills they may have.

The connection between illiteracy and unemployment has been established by many experts in the field of literacy. Illiterate people have difficulty reading newspaper ads for jobs, and health and safety notices at the worksite. Since grade ten, and sometimes grade 12, is required for many technical retraining programs, illiterate adults are denied even this opportunity to improve their lot in life.

Given the seriousness of this situation, perhaps the Minister of Employment and Immigration (Mr. Axworthy) would consider using some of the money allocated to his Department through the Special Recovery Program to initiate literacy programs across the country.

As well, the Minister is aware of organizations in the voluntary sector which are devoted to helping out illiterate Canadians. I would ask him on behalf of these organizations to make sure that any tax regulations affecting the volunteer workers and their organizations are fair and geared to their best interests.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST THAT AMENDMENTS TO ACT BE ADOPTED BEFORE JUNE 4

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I was very pleased with the news that the Bill proposing amendments to the Unemployment Insurance Act has been tabled. The proposed changes would confirm the authority of the Employment and Immigration Commission to establish regulatory provisions concerning fishermen's benefits. These provisions differ from those regulating ordinary benefits in order to allow for the specific needs of this particular group. If we authorize the Commission to establish special regulatory provisions for fishermen's benefits, it would also be possible for the Commission to implement the recommendations contained in the Kirby

Task Force Report, especially the suggestion that benefits paid to fishermen who have accumulated fifteen weeks of employment or more should be based on the earnings of their ten best weeks of fishing.

I am therefore asking for the co-operation of Members of all parties in this House so that we can adopt this Bill before June 4, which will be in the interests of all fishermen in Eastern Canada, and especially those in the Gaspé.

* * *

[*English*]

VETERANS AFFAIRS

FORMER DEFENCE PERSONNEL'S EXPOSURE TO NUCLEAR RADIATION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I wish, through you, to call to the attention of the House an important matter related to the Canadian atomic veterans. The Government knows that during the 1950s and 1960s approximately 300 members of the Canadian Armed Forces participated in a nuclear defence group, and a number of fighter pilots were exposed to nuclear radiation in the course of their duties. Exposure sites included atomic bomb tests at Nevada, and Maralinga in Australia.

It is our contention that some years ago the Department of National Defence made a commitment to protect those individuals exposed to radiation in the course of their duties. That protection had not been forthcoming. The Government has largely turned its back on those veterans today.

In the United States, however, the United States Government has now acknowledged the potential difficulties of the exposure to radiation of its servicemen in the bomb tests in Nevada, and has agreed to provide free medical services to all those veterans. This is a major step forward in the process of recognition of the dangers of exposure to nuclear radiation.

With other Members of the House I suggest it is time the federal Government recognized its obligations and fulfilled its commitment to the Canadian atomic veterans. The Government should immediately issue a statement that all Canadian veterans who participated in the nuclear defence group, all those fighter pilots who were exposed in high altitude flights to atomic bomb tests in other countries, should—

Mr. Deputy Speaker: Order, please.

* * *

EXTERNAL AFFAIRS

POLAND—STUDENT MARTYR VICTIM OF MARTIAL LAW

Mr. Joe Reid (St. Catharines): Mr. Speaker, police brutality in Poland resulted in the death of a 19-year old student, Grzeyorz Przemyk, and a new martyr for the cause of opposition to martial law in Poland was born.

Twenty thousand mourners, in the largest peaceful demonstration held in Warsaw since the imposition of martial law, heard read the Lech Walesa telegram, "Every death is painful but this one is especially brutal—it will not be forgotten." The Solidarity movement was a peaceful movement by masses of Polish people simply wanting a little greater freedom of individual expression. Now, with the alleged suspension of martial law, civil, human and workers' rights continue to be brutally trampled upon. The Gdansk Accords are still being completely and flagrantly violated. In short, all of the major advances of Solidarity over its 16 months of existence have been rolled back.

• (1110)

The free peoples of the world must not allow the alleged suspension of martial law to serve as a political ploy to convince the world that, for a people who have enjoyed one thousand years of Christianity, life for them has returned to normal. We must all protest in the strongest terms possible the continued grievous violations of basic civil and workers' rights in Poland.

* * *

EXTERNAL AFFAIRS

CENTRAL AMERICA—SUPPORT FOR PEACE INITIATIVES

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, major peace initiatives in Central America are currently being promoted by Colombia, Mexico, Panama, Venezuela, referred to as the "Contadora Group". These countries are discussing ways and means to bring about a reduction of violence and tension in Central America and an eventual peaceful settlement.

In a communiqué dated May 11, 1983, the Government of Canada indicated support for the work of the Contadora Group. It considers this work as an important step in the process of reconciliation and peaceful settlement. It has been the view of the Government of Canada that the resolution of difficulties in Central America requires a process of discussion and dialogue between the various Governments concerned.

The Government of Canada is prepared to do whatever it can to facilitate and encourage this process if the countries directly concerned feel that Canada can play a useful, positive, and effective role. Canada has protested the waves of violence in those countries. It has offered its good offices to provide a site in Canada, or abroad at a Canadian embassy, for negotiations. Canada supports the right of each country to enjoy genuine independence, non-alignment, and stability, without threat of outside interference. It is a concern that, to date, countries directly involved in facilitating and encouraging dialogue and discussion have not availed themselves of this genuine offer. Nevertheless, I feel that it is important that Canada keep its lines of communication open to these directly concerned nations in the event that its help is requested.

HUMAN RIGHTS

IRAN—PERSECUTION OF BAHA'I FAITH

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I associate this statement with my colleague, the Hon. Member for Esquimalt-Saanich (Mr. Munro). There has been much talk recently, in the media and in legislatures across the land, about the Holocaust and the attempted extermination of a race more than 40 years ago. Everyone keeps saying that such a human tragedy must never happen again. However, a 1980s' version of the holocaust is happening again. The Government of Iran is determined to wipe out that country's largest religious minority, the Baha'is. The hateful Ayatollah Khomeini régime is quietly, but systematically, executing hundreds of people every year. The most recent death camp exercise has claimed at least 200 lives.

This continuing horror story was graphically brought to the doorstep of my constituency office in Dundas, Ontario, a few days ago. A delegation from the Baha'i Assembly of Dundas included a lovely young lady, Dr. Feri Jabbari, who had just lost her distinguished father before an Iranian firing squad. The Baha'i delegation's message was twofold: first, to bring about greater public awareness of the campaign of terror being visited upon Iran's largest religious minority, and second, to thank the Parliament of Canada for being among the first of the world's democratic nations to pass a unanimous resolution expressing alarm at what is happening to the Baha'is in Iran.

I only wish, Mr. Speaker, that the international community could do more than just pass formal resolutions about the persecution of the Baha'is. Another holocaust is in the making, and no one seems able or willing to stop it.

* * *

RAILWAYS

ALLOCATION OF RAIL CAR ORDERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the announcement made by the Minister of Transport (Mr. Pepin) earlier this week with regard to the allocation of the rail car orders was most heartless and did not even begin to recognize the unemployment which has almost become structural in National Steel Car. There has been hardly anyone working there over the course of the last year. There is a sufficient amount of work which needs to be done and which could be done by those employees and by the employees of the other plants across the country. There is the necessity to repair the existing rolling stock, work which is not currently being undertaken, and should be undertaken.

The Minister on many occasions has expressed his concern for rail safety. This would be an ideal time both to meet his commitment to rail safety and to provide much needed employment in many centres in every part of the country.

• (1115)

ORAL QUESTION PERIOD

[*English*]

CORPORATE AFFAIRS

RAID ON MONTREAL SHIPPING OFFICES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, it is alleged in the newspapers that yesterday officials of the Anti-Combines Investigation Branch raided the offices of Canadian National Shipping in Montreal, together with the offices of CAST North America Container Lines, and Sofati Container Lines. My question to the Minister of Consumer and Corporate Affairs asks whether in fact these raids by his officials, as alleged, did in fact take place and, if so, can the Minister indicate if the underlying cause for this investigation is the reason behind the long, long delay in the public inquiry with respect to the relationship between Canadian National Railways and CAST North America Container Lines?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, although I can confirm that an inquiry is under way, I cannot confirm who has been investigated. Normally, under current practice, we do not confirm or deny that a combines investigation is taking place except when those who are the subject of the activity go to the press and make it public. Then it is the people concerned who are making it public and it is difficult to deny it.

I agree that an investigation is taking place, but I want to warn the Hon. Member not to draw any conclusions. Because a particular company's premises have been searched does not necessarily means that this company is under suspicion.

Mr. Forrestall: Mr. Speaker, I appreciate the caution issued, to me, but where price cutting is going on in the North Altantic and a major Crown corporation in this country is involved, I think we have some responsibility to pursue the matter.

EFFECT ON COMMITTEE'S INVESTIGATION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my supplementary is directed to the Minister of Transport, who will be fully aware that twice in recent days the Standing Committee on Transport has had to delay or postpone hearings with respect to the annual reports of Canadian National Railways and Air Canada. I would ask the Minister whether or not, in his judgment I suppose, the actions which took place yesterday in Montreal will preclude the Standing Committee on Transport from pursuing its investigation of Canadian National's annual report and the relationship between Canadian National Railways and CAST North America?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to quarrel with the Hon.

Member's preamble to his question. It is not for him to investigate combines matters. Parliament has passed a law and has vested this authority in the Director of the Combines Investigation Branch. The Director is doing his job, he is performing under the responsibility given to him by an Act of Parliament and I have to say, Mr. Speaker, that he does not at all need the help of the Hon. Member to do his job.

Mr. Forrestall: Mr. Speaker, the Minister's arrogance does not really cut an awful lot of ice with me. The fact of the matter is that in the last four or five months at least four or five major Crown corporations have landed in hot water.

* * *

CROWN CORPORATIONS

GOVERNMENT CONTROL

Mr. J. M. Forrestall (Dartmouth-Halifax East): May I direct a brief question to the Prime Minister and ask him if, in the continuing absence of the Government's Bill on Crown investment, the CDIC measure, he has considered taking any interim action? We have Air Canada in some trouble, Canadair facing some difficulties, and the Canada Dairy Commission in some trouble. Now we have Canadian National Railways under investigation. Has the Prime Minister considered any interim or any specific action he might take or might suggest to this House so the Government would regain some control or seem to have control over these massive giants in our system?

• (1120)

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, there is before the House a Bill dealing with government control of Crown corporations. We would appreciate it from the Hon. Member if he could put a little pressure on his House Leader to ensure that we can in fact deal with these Crown corporations in a way which, as the Hon. Member says, is controlled, that is, as far as the law is concerned.

Insofar as the allegations made by the Hon. Member are concerned, I am not aware of any investigation into CNR. I am not quite sure what the Hon. Member is alluding to when he speaks of the Canadian Dairy Commission. However, as I said, there is a remedy before the House, and we would urge the Hon. Member to co-operate in getting it implemented.

Mr. Beatty: If there is no problem, why do you need the remedy?

* * *

AIR CANADA

QUERY RESPECTING PRIME MINISTER'S ASSOCIATION WITH CHAIRMAN

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, my question is also directed to the Prime Minister. In view of the muzzling of the Transport Committee which occurred yesterday and which makes it extremely unlikely that witnesses for Air Canada will be appearing before the Committee this session, and in view of the answer of the Prime Minister yesterday to my supplementary question when he said that I was "completely wrong", I would like to ask him which of the following facts are wrong: that the Chairman of Air Canada is his friend; that the Prime Minister invited Mr. Amyot to be Chairman of Air Canada; that the Prime Minister travelled by helicopter to make that invitation.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Deputy Speaker, I believe you would wonder whether I could comment on what is called a muzzling of a Committee yesterday. I understand that a majority of the Committee reached a decision. As the Hon. Member calls that muzzling, perhaps it is another indication that he disagrees with the democratic process.

Some Hon. Members: Oh, oh!

Mr. Trudeau: I can repeat that the statement that the Hon. Member made yesterday or the day before was dead wrong and came from a prejudiced mind.

REQUEST THAT CHAIRMAN BE GIVEN LEAVE OF ABSENCE

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, my grade six teacher told me years ago that "sticks and stones will break your bones, but names will never hurt you". I will not really be detracted by the petulance of the Prime Minister in terms of prejudice. However, I will return to my supplementary question yesterday, not in terms of facts, but, rather, to talk about prejudice.

Does the Prime Minister not think that there is potentially some prejudice to continue to allow the Chairman of one of our largest Crown corporations to carry on duties for that Crown corporation when, in effect, the policeman on the beat takes a leave of absence when there is a criminal investigation of his conduct? Surely this must be causing some stress and strain to the board of directors, let alone adversely affecting the operation of the airline, especially when this matter could go on for months and we have had no evidence whatsoever of when it could be concluded. Surely the same standards should apply with no admission—I appreciate the difficulties—but with no suggestion of implication, but the fact of the ethics—

Mr. Deputy Speaker: The Hon. Member should ask his question.

Mr. Nowlan: I am simply asking whether the Prime Minister does not think the same standards should apply to the Chairman of a Crown corporation under criminal investigation as to a policeman on the beat.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I always understood that under the rule of law in Canada there is a presumption of innocence on the part of a person. I have always acted in that way. As far as the Hon. Member is

concerned, he speaks of names and sticks and stones. I would accuse the Hon. Member of being a coward, because he has made repeated statements in the House that he does not dare to repeat outside the House. He is abusing his parliamentary immunity.

Mr. Chrétien: Big chicken.

Mr. Nowlan: He knows I can't answer him. You know I can't answer. You are the coward.

Mr. Chrétien: Big chicken.

Mr. Nowlan: You have no political morality. Always smear, Jean, when you are in trouble.

* * *

• (1125)

AUTOMOTIVE INDUSTRY

TASK FORCE REPORT—RECOMMENDATION THAT FOREIGN FIRMS SHOULD CREATE JOBS IN CANADA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. In 1980 in Windsor, the Prime Minister promised not only the people in that community but Canadians at large that the Government of Canada, and his Party specifically, if elected, would produce an over-all industrial strategy and a particular strategy for the automotive industry, which currently employs 100,000 men and women directly and many more thousands indirectly across Canada.

Yesterday a task force report which represented a consensus from automotive companies, automotive parts producers and the trade union movement, produced such a strategy which it recommended to the Government. As the Leader of the Government, does the Prime Minister accept the key principle of that report, which is that foreign automotive producers ought to produce jobs in Canada in rough proportion to their sales in this country? Does he accept the principle that, if they are going to make profits from Canadians, they ought to be producing jobs for Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member refers to a report which he says was made public yesterday. I am sorry but I have not been made familiar with the contents of that report.

Mr. Broadbent: I did not expect the Prime Minister to be familiar with the content. That is why I did not ask him about specific details of the report. If some of the Ministers responsible in that area were in the House, it would have been helpful.

REQUEST THAT GOVERNMENT ACCEPT PRINCIPLE OF RECOMMENDATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am asking the Prime Minister a fundamental question of principle. I come back to his own commitment to produce a strategy. The principle involved is whether other automotive producers around the world such as the Japanese, French, and Germans, now have to meet the same standards that we imposed upon the American producers back in 1965, namely, that they have to provide job guarantees and investment guarantees in this country if they are going to sell here.

Given the implications for the future of thousands of existing jobs and potential jobs, will the Prime Minister commit the Government to accepting the principle that, if automotive producers will be selling to Canadians, they must invest in order to produce jobs for Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot accept that principle without having read the report. It may be that that principle is ensconsed in a certain number of guarded phrases, and it may be in the context of a particular auto pact that we have with the United States.

As a principle of international trade, surely it is impossible for a trading country like Canada to assert that anything that is sold in Canada must be counter balanced by investment for jobs in Canada. It would be impossible for Canada itself to meet those standards in our sales in every country. We try to sell at prices and values which are competitive in the market. We do not make demands of all those who are buying our goods, and we would not want them to demand of us that we would have to create a certain number of jobs in their country or to bring a certain amount of investment to their country in order to have the privilege of selling to their consumers.

Mr. Broadbent: I simply point out to the Prime Minister that the Japanese have agreed to start producing in the United States. They have agreed to start producing in Great Britain, West Germany, Venezuela, Mexico, and Australia, to name just a few countries that have Governments which are interested in producing a manufacturing base in their nations and have solidly imposed these standards to which the Japanese have agreed.

ROLE OF AUTOMOTIVE INDUSTRY

Hon. Edward Broadbent (Oshawa): Does the Prime Minister not agree that we ought to be a nation that not simply exports our resources but also creates a dynamic and imaginative manufacturing sector, and that the automotive sector is key to that principle?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, of course I have been making that point in just about every country I visit, including Japan. As far as attempting to achieve that result is concerned the answer is that there is no disagreement.

The Hon. Member asked if I accept the general principle. I told him that I could not accept the general principle for the reasons I gave. But in a specific case, that is a matter for negotiation between countries, and the Minister responsible for international trade has previously answered those questions in the House. He is trying to get the best possible deal from those

who trade with us, but not to the point of wrecking international trade.

* * *

• (1130)

WESTERN GRAIN TRANSPORTATION ACT

REPORT OF PRIME MINISTER'S STATEMENTS

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is for the Prime Minister. It was reported in the western press that the Prime Minister earlier in the week stated to producers in western Canada that the Crow Bill was going to go through without changes. It was also reported that the Prime Minister indicated that it was not the best Bill that he could offer, and it was not economically viable. Would the Prime Minister be prepared to comment on that?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as stated, the question is against the rules of the House. I am not supposed to comment on things reported in the newspapers. But if the Hon. Member wants to hear my views on the Crow, I certainly did not indicate the Bill would go through without changes. On the contrary, the various representatives I met in the West were anxious to appear before the committee of this House and present various forms of amendment. I indicated they would be welcome, that I was expecting them. I was hoping that this or next week they could present their amendments. I am somewhat ashamed that the stalling tactics of both Opposition Parties have deprived those in the West who think that this Bill can be improved. Both Opposition Parties have deprived them of the opportunity of coming before the House and therefore shorten the time in which the Bill can be approved.

Mr. Shields: Mr. Speaker, I would like to indicate that I am ashamed also that the Prime Minister of my country would go to western Canada and indicate that no changes would be made, or very little change, and that the Bill was going to go through—

Some Hon. Members: He did not say that.

Mr. Shields: —that it could not be done at the whim of western producers because they cannot produce Liberal votes.

Some Hon. Members: Question.

POSITION OF PRIME MINISTER

Mr. Jack Shields (Athabasca): Mr. Speaker, I thought that the Prime Minister was the Prime Minister of all Canadians, whether they be NDP, Liberal, or Socialist.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Chrétien: Run, you're a socialist.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if that can be turned into a question, I suppose I am Prime Minister of all Canadians.

Mr. Kempling: Supposed to be? You are.

Mr. Trudeau: I hope that on my trip in the west I conveyed to those westerners whom I met that we are anxious to deal with Crow rate, the hundred year old problem in the West.

Mr. Deans: It was not a problem until you made it one.

Mr. Trudeau: Incidentally, it was reported in the press that I had said we have changed the Bill in order to placate our Members from Quebec. I had said exactly the contrary. I had said that the Members from Quebec do not need a change in the Crow.

An Hon. Member: Neither do westerners.

Mr. Trudeau: As far as Quebec is concerned, the Crow can stay for another hundred years, or two hundred years.

Some Hon. Members: Good.

Mr. Trudeau: Some Members are saying good, particularly the NDP Members, and the petitions they have. But I can assure this House, as I assured the West, that in so far as the Quebec Members are concerned we do not need a change in the Crow.

Mr. Deans: Don't change it then.

Mr. Trudeau: But we think that the people in the West themselves are agreed that the Crow should be changed, in ways that they cannot agree upon among themselves. They think that the Crow should be changed. It is because the Members from Quebec believe in policies for Canada, not only for Quebec, that they are prepared to support this Bill.

* * *

FINANCE

SIZE OF GOVERNMENT'S DEFICIT

Miss Pat Carney (Vancouver Centre): Mr. Speaker, in the continuing absence of the Minister of Finance I will direct my question to the Minister of State for Finance. This week the Minister of Finance announced that the deficit for the last fiscal year ending March 31 was $21.3 billion, double the deficit of the previous year, and subject to revision in August. This is the sixth estimate of the deficit by the Government in the last eleven months. August will be the seventh. Why is the Government so sloppy in the spending of money that it does not have? Why are these constant revisions necessary?

Mr. Lang: You still do not understand principles.

Hon. Paul J. Cosgrove (Minister of State (Finance)): Mr. Speaker, the Hon. Member began her comments with the observation that the Minister of Finance was not here today. I

would like to point out to the House that the Minister of Finance was here on Tuesday when the Opposition took a holiday and decided not to come into the House of Commons.

It is very obvious, too, that the Hon. Member who makes that comment is the third Member from the Opposition who has had the job of finance critic. Her two predecessors are not in the House today. They are out campaigning.

Mr. Kempling: Cosgrove logic.

Mr. Cosgrove: I wish the Hon. Member would recognize that the Minister of Finance is either in the House or is in the country working on matters dealing with the finances of this country that primarily concern jobs for Canadians.

Some Hon. Members: Hear, hear!

Mr. Beatty: If you weren't in the House nobody would notice.

BUDGET DISCUSSION

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my supplementary question is also for the Minister of State for Finance. It is the responsibility of the Minister of Finance to bring a budget to this House of Commons.

Mr. Ouellet: He did.

Miss Carney: It is the responsibility of the Minister of Finance to appear in this House and defend it. It is very difficult to discuss a budget in the continuing absence of a Minister who is now in Toronto talking the Tory line. He is talking about how double-digit interest rates and renewed inflation will start our economic problems again.

If the Minister of Finance is not prepared to defend his budget, and the Minister of State for Finance is not prepared or cannot defend the budget, with whom does the Minister of State suggest we discuss it?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Mr. Speaker, Parliament has indeed discussed the budget. We have had three votes on the budget. The Hon. Member's criticism of lack of participation, or lack of debate, on the budget is hollow, when you consider that approximately half of the Official Opposition was absent and did not even bother to show up to vote against the budget during the votes that we had, following debate on the budget and following release of the budget in this House. What on earth is the Hon. Member talking about?

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AUTOMOTIVE INDUSTRY

SUGGESTED NEGOTIATION OF CANADA—JAPAN AUTO PACT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a question for the Prime Minister. I would like to return to the auto task force matter. As a western Member of Parliament I was one of the perhaps few who favoured the Prime Minister's trip to the Pacific Rim on a trade mission because trade is so important to my part of the country. Can the Prime Minister tell me whether he was briefed on that trip, and is he aware that Nissan Motor Co. of Japan has been manufacturing engines in Australia since 1978? Nissan built 50,000 Australian units last year. Is the Prime Minister aware that Toyota has just expanded a huge overseas plant in Australia to build engines and transmissions?

Will the Prime Minister not agree that we can have it both ways, in the sense that he can accept the principle that we can be a resource exporter to Japan, as is Australia, and at the same time we can protect our manufacturing base here in Canada? Would the Prime Minister agree with that principle? We do the same thing with the United States. We export to the U.S. We have an auto pact. Does the Prime Minister agree with that principle, and would he indicate to the House what he is going to do with that task force report, and what is the next step in getting an auto pact deal with Japan?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer to the first question is yes. I would agree with that statement as much as the Hon. Member agreed on the importance of my trip to the Pacific Rim countries.

The second question asked what I will do with the task force report. I will ensure that it has been received by the Minister of State for International Trade and his Department and that they will bring to Cabinet recommendations which would be the best possible for Canadian trade and for the consumers in Canada.

Mr. Waddell: Mr. Speaker, perhaps the Prime Minister could also give the task force report to the Minister of Industry, Trade and Commerce.

ASSEMBLY OF CARS IN BRITISH COLUMBIA

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my supplementary question is for the Prime Minister. Would the Prime Minister further push and take as a public position that some of the manufacturing, if and when we get manufacturing and the assembling of Japanese cars in Canada, should take place on the West Coast, specifically British Columbia, to add to our manufacturing base so that we are not completely dependent upon resource exports.

• (1140)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think it would be very interesting if some of that development could happen in western Canada, not only in British Columbia but perhaps in Manitoba, Saskatchewan, Alberta, or even the Yukon.

Oral Questions

PETRO-CANADA

BENEFICIARIES OF MORTGAGE LOANS—JUSTIFICATION FOR NON-DISCLOSURE

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Last October I asked the Minister through a question on the Order Paper for details concerning certain mortgages that Petro-Canada had on its books and regarding the beneficiaries of these mortgage loans. Six months later the Minister replied, saying that that was for the management of Petro-Canada alone to know and was none of our business in this House.

How can the Minister justify this secrecy when, under provincial securities law, private corporations must make such information known to their shareholders? In the case of "our" supposedly Crown corporation, as the ad indicates, how can he justify that we in the House are not allowed to have information which private companies by law are required to give to their shareholders?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, it is according to the practice which has been followed in many instances. For example, over the years many Members of Parliament have complained because they could not obtain, for example, the salaries of people who work for the CBC. They were not available to the public because of the competition in the market. Following that through, because this corporation is operating in the market, it does not want to reveal to the public information which its competitors do not reveal.

I will check the point the Hon. Member is making. He is making a very interesting observation that, under provincial law, they are obliged to do so. I will check that again with the directors of Petro-Canada. Personally I have no objection, but we have a Crown corporation which has to compete in the private market under the same rules as the others. If the Hon. Member is telling me that its competitors are obliged to do so, I will certainly find out why Petro-Canada cannot do the same.

Mr. Andre: If the Minister is to look up the law, it is Section 127 of the Alberta Securities Act; I do not know about the other Provinces.

FURNISHING OF INFORMATION BY CROWN CORPORATIONS

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I have a supplementary question for the Minister. Given what has been happening with Crown corporations—all these incredible messes which have been occurring—and given the fact that the Auditor General pointed out that Petro-Canada refused to provide information necessary for him to complete the mandate given him by Parliament, would the Minister not agree that it is about time for all Crown corporations, but particularly the ones under his jurisdiction, to have a policy of openness, and of making information available? Would he not agree—and he seemed to earlier; I hope he will confirm it—that at the bare minimum the Crown corporations must live up to the standards expected of private corporations?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, I do not know the exact nature of the difficulty between Petro-Canada and the Auditor General. There was a problem about one transaction, but under the law Petro-Canada has its own auditors, like many other Crown corporations. There was one problem mentioned to me in relation to the acquisition of Petrofina by Petro-Canada, and there was some explanation given of that. I have appeared before the Committee where this question might have been asked of me. I think this is the first time in seven months that I have been asked such a question by the Hon. Member.

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NATIONAL RESOURCES

PROCESSING OF URANIUM—EXPORT OF CONCENTRATE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Could the Minister clarify the Government's policy concerning further processing of uranium in Canada? At the present time the Government is spending some $200 million to build uranium refining facilities at Port Hope and Blind River. However, last summer it exempted a large sale of uranium concentrate from being upgraded in Canada, representing a loss of $10 million in foreign exchange and many jobs for Canadians. In view of the money being spent for refining capacity and the need for jobs, will the Minister make a clear statement that we will require our uranium to be upgraded in Canada before being exported to our customers abroad?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, it is always a very difficult problem. Every application for export is reviewed by a committee of three Departments which looks at the advisability of giving a permit for export without refining or only after refining. Every case is looked upon on its own merits. Sometimes permits are given when we feel that it is in the best interests of Canada to export it directly, because otherwise we might lose the sale. As I said, every case is being investigated and judged. At this time there is a review of that policy. It is always a difficult judgment to make. We want to maximize refining in Canada, but at the same time we cannot create a situation where uranium mines in Canada will lose too many sales.

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AUTOMOTIVE INDUSTRY

CANADA-UNITED STATES AUTO PACT—THREAT FROM PROPOSED U.S. LEGISLATION

Mr. Scott Fennell (Ontario): Mr. Speaker, my question is directed to the Prime Minister. I appreciate that he has not had a chance to read the report of the auto task force, but he does know about the auto pact of 1965. Presently there is a bill

before the United States Congress, called the Domestic Contents Automotive Bill, on which our Ambassador has written a letter. What other action will the Prime Minister take to protect an already existing pact with the United States, namely, the auto pact?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member is correct. That Bill has given us a great deal of concern. It has been raised in various fora with the United States administration. I myself raised that general subject when I had lunch with President Reagan two weeks ago. The administration is somewhat inclined to say, "Well, this is Congress and we cannot always control them,"—any more than we can control the House of Commons as well as we would like—"but we, the administration, believe in international trade and will see what we can do." That was their general attitude, but the Hon. Member knows that our embassy in Washington is very busy trying to convey to Congressmen the danger of this kind of protectionist trend.

NECESSITY TO LOBBY CONGRESS

Mr. Scott Fennell (Ontario): Mr. Speaker, I realize the Prime Minister is doing what he can, but as he knows that in the United States lobbying is done extensively on all Bills. Has he formed some potential lobby organization to protect the auto pact? There are many people in my riding and across Canada who are terrified that this pact might go down the drain and they will lose their jobs.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I just indicated that the Canadian embassy in Washington is concerned and that it is involved in lobbying. I am not sure, but I understand that there are even lobbyists hired on behalf of the Canadian Government to ensure that the lobbying is done properly. I recollect—and it is vague in my memory—that there was even some complaint from some quarters that we were hiring lobbyists in order to protect Canadian interests. I am happy to see that we have the Hon. Member's support on that.

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RAILWAYS

CROWSNEST PASS RATE—ORIGIN OF DEMAND FOR CHANGES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister. He indicated in answer to a question by one of the Conservative Members that there was no need to change the Crow rate as far as Quebec was concerned. I note with interest that there has been no great push for change from the Maritimes, Ontario, or British Columbia. To the contrary, the people in the Prairies, who are most affected are very much opposed to the change. Other than CPR, who wants this change?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question is obviously rhetorical. The Hon. Member knows that many westerners want the change. I can assure him that it is not for the benefit of Quebec, the Maritimes or, for that matter, Ontario. It is in the West where a consensus has developed that the Crow—

Some Hon. Members: Oh, oh!

• (1150)

Mr. Trudeau: I cannot understand why the Hon. Member's Party is laughing when I make that statement. The other day one of the spokesmen for his Party was on his feet suggesting certain forms of change to the Crow. The Hon. Member shakes his head. Mr. Speaker, I cannot remember exactly what Member asked the question, but I remember there was a question asked of this side of the House suggesting that, if we were going to change the Crow, we should change it in a certain way.

Every single leader whom I met in the West, Mr. Speaker, from various interests, cattlemen, grain people, elevator people, every single one said that the Crow had to go. One of them said "Well, I have had four people phone me saying that they would not like any change to the Crow".

Mr. Deans: Four people?

Mr. Trudeau: Four people. Yes, Mr. Speaker, I have heard people in the streets and I have heard petitioners say that they did not want any change, but every responsible leader with whom I have met said that there is a consensus that the Crow must be changed for the good of western Canada, not for Quebec, not for the Maritimes, not for Ontario. Premier Bennett has said it. The Hon. Member said that British Columbia did not want it. The Premier of that Province has said that he wanted the kind of change that the Minister of Transport is proposing.

The Premier of Alberta has said that he wanted the Crow to go. The then Premier of Manitoba, Premier Lyons, wanted a change in the Crow.

Mr. Deans: That is only two Tories so far.

Mr. Trudeau: Mr. Speaker, I am on the verge of committing indiscretions, but I can tell the—

Some Hon. Members: Oh, oh!

Mr. Deans: Go ahead.

Mr. Trudeau: I have the permission of the NDP, Mr. Speaker. I can tell the Hon. Members that every western Premier who had dinner with me when we had the meeting on the economy a couple of months ago, every western Premier there said he thought we should change the Crow.

Oral Questions

INDUSTRY

FEEDSTOCK PRICES CHARGED TO PETROCHEMICAL INDUSTRY

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. He will know that the petrochemical industry in Canada is under continuous distress and that that distress comes from the feedstock prices that are being charged to the industry. He will know that governments account for approximately 75 per cent of the cost of the feedstock to these industries. I would ask the Minister of Energy, Mines and Resources if he has any intention, on behalf of the Government, to change the feedstock pricing policy to the petrochemical industry.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, that issue is a very complicated one because there is no clear cut policy on that. At this time there are many people in the market place who are asking the Government to go to a policy where there would be only one price for oil, for everybody, which would be the international price. What the Hon. Member is suggesting at this time is not what is being asked of all of the Tory candidates who go to Alberta to appear in front of a court these days. I believe that the Hon. Member will have to reconcile his views on that.

I welcome views on the subject and I gather that the Opposition Party wants to maintain a Canadian price that is lower than the international price for oil. I would like to hear the views of other members of that Party.

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EXTERNAL AFFAIRS

RATIFICATION OF AGREEMENT WITH GERMANY ON TAXATION OF PENSIONS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development, but since he is not in his seat I address my question to the Minister of State for Finance. Could the Minister of State for Finance tell the House today the status of the ratification measure related to the bilateral agreement between Canada and West Germany on double taxation of pensions? This agreement was signed by the Prime Minister two years ago. Could the Minister tell us what could possibly stand in the way of having this matter finally dealt with in the House of Commons?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Mr. Speaker, it is obvious that the Hon. Member's question is a supplementary designed to follow a question to the Minister of Indian Affairs and Northern Development. I did not have notice of the question, but I do recall that the Hon. Member has raised the issue. My recollection, and it is simply a recollection, is that there were some legal difficulties with the implementation of the agreement. I will undertake to get an update on that for the Hon. Member.

CANADA LABOUR CODE

PROTECTION OF SUSPENDED SEAMEN'S INTERNATIONAL UNION MEMBERS

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Labour. What steps does the Minister intend to take under the Canada Labour Code, or any other provision, to protect the rights of the three Canadian seamen members of the SIU who were suspended from that union? Two of them were suspended for ten years and a third was suspended for life plus 18 years, meaning that they are virtually blacklisted from working as seamen on the Great Lakes. I would say that the punishment is excessive as their only apparent crime, Mr. Speaker, was that they campaigned against the incumbent president. What steps is the Minister taking to protect the rights of these Canadian workers from this excessive kind of union activity?

Hon. Chas. L. Caccia (Minister of Labour): Mr. Speaker, the Hon. Member does not seem to realize that, under the Canada Labour Code, there is a provision which protects employees against termination of employment because of suspension from union membership. In addition, the Code protects union members against discriminatory application of trade union membership rules or standards of discipline. I am referring to Section 185 of the Code. Therefore, Mr. Speaker, if there ware any complaints to be made about violations of the Code, those complaints should be made to the Canadian Labour Relations Board for remedy.

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CUSTOMS AND EXCISE

REVISION OF CUSTOMS ACT—OPENING OF CROSS-BORDER MAIL

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, my question is directed to the Minister of National Revenue. As the Minister knows, his Department, the officials of his Department, and I presume the Minister and his predecessor have been working on amendments to the Customs Act, the revision of that statute being long overdue. Is it the intention of the Minister to table in the House at some point, perhaps in the Fall, some amendments to the Customs Act, or even a new Customs Act?

Second, now that the Solicitor General has bitten the bullet with respect to mail opening under certain rules in terms of the Security Service, is it the intention of the Minister to recommend for inclusion in that statute a provision for the opening of first class mail passing through Canada Customs for the purposes of finding narcotics, contraband, and other matters that his officials have no doubt told him constitute a great problem?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I admit I am very pleased with the question put by the Hon. Member, especially since it shows the Hon.

Member's interest in having a new Customs Act in Canada that would contain provisions aimed at monitoring the use of the mails for sending contraband goods, and especially narcotics.

I may also say that I am counting on the Hon. Member supporting the Bill within his own caucus, to ensure that if the Bill were tabled in the House shortly, it could be considered with due dispatch and quickly referred to the appropriate standing committee, which would then be able to proceed with a thorough study of the Bill. We might then have a new Custmoms Act by the end of June.

I can assure the Hon. Member that if he can guarantee the co-operation of his caucus, I will discuss with the Government House Leader the possibility of tabling this Bill as soon as possible and getting it quickly through the second reading stage for consideration in committee and then back to the House for third reading.

* * *

[*English*]

RAILWAYS

CROWSNEST PASS RATE—RAILWAY UPGRADING—PRIME MINISTER'S POSITION

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is addressed to the Prime Minister. The Prime Minister seems to be confusing two separate issues when he discusses transportation problems and the Crow rate in western Canada. I would ask the Prime Minister if he has discussed these two policy decisions separately with the Premiers of the Provinces and with the groups in the West, because it seems to me that he is confusing a favourable response to his question about the need for railway upgrading with a favourable response to his question about the need for changing the Crow. Does he indeed speak of them as two separate issues, or does he insist on combining them as one issue as is the case with the Bill that the Minister of Transport has brought before the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member is correct. There are two aspects, and some of my interlocutors are more interested in one aspect than in the other. For instance, it is easy to see that those who are interested in an improved transportation system would probably include a lot of Manitobans, because I understand the Minister of Transport has announced or will announce that there will be some 1,000 proper cars or so built at the Transcona plant in Winnipeg.

• (1200)

The Hon. Member should realize, as the people of Winnipeg should realize, that one goes with the other. We are not going to need those cars if we cannot move the grain. We will not be able to move the grain if we cannot pay for the movement of grain. Therefore, the whole matter is interlinked. That is why I repeat that every person I have met from the West realizes that the Crow must change. The whole system must change in order that transportation be made more efficient, and in order that the industrial development of the West becomes a greater possibility.

Mr. Deputy Speaker: The Hon. Member for Western Arctic.

Mr. Nickerson: Mr. Speaker, my question was for the Minister of Energy, Mines and Resources, but I am afraid he has already departed.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Deputy Speaker: I have the honour to inform the House that all the petitions, with the exception of three presented by Hon. Members on Thursday, May 19, 1983, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Parliamentary Secretary to the Minister of State for Economic Development and Minister of State for Science and Technology (Mr. Peterson) and two of the petitions presented by the Hon. Member for Comox-Powell River (Mr. Skelly) do not meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

MR. NOWLAN—LANGUAGE USED BY MR. TRUDEAU DURING QUESTION PERIOD

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I do not think it will surprise you that I rise on a question of privilege, but I will not take too much of the time of the House. I have checked the rule book but I really do not care about the rule book in terms of getting into a dissection of what is privilege and what is not.

A few minutes ago the Prime Minister (Mr. Trudeau) called me a coward. We in public life are called many things and will be called many things outside this Chamber, and obviously sometimes we will be called things in this Chamber. But, Mr. Speaker, I would really like the Prime Minister to reconsider that remark. In view of the dignity of this Chamber, let alone the prerogative of its office, does he really think that type of language is the type of language that should be used by a Prime Minister who is supposed to set some standards? In yelling out the accusation he is implying the basest type of motives to what a Member is trying to do by asking questions that are in the public domain. A Crown corporation and the political appointment of its head are matters that are certainly within the public domain.

I am going to ask the Prime Minister to reflect on that and see if he wants to continue to have the language of this House become the language of the school yard or sometimes even the language of the barnyard. Surely there is some onus on him.

I am asking the Prime Minister to withdraw, not that I am personally upset as I said earlier, especially in view of the source, but there has to be some dignity in this Chamber. On that basis I am asking the Prime Minister to withdraw the word rather than my getting into a dissection of all of the rulings made in this House for the last 50 years or 60 years.

Mr. Trudeau: Mr. Speaker, I think it is very well recognized that the word I used is not unparliamentary. I would suggest that what the Hon. Member has been doing repeatedly is using his privilege to make accusations and insinuations in the House, which he knows would bring a libel case against him if he were to make them outside. I suggest that is contrary to the spirit of Parliament and is undignified to the utmost degree.

Mr. Nowlan: Mr. Speaker, I should like to let the Prime Minister know that I have every intention, outside the House, to pose the same question about the cowardice or courage of the Prime Minister in allowing a chairman, where legitimate questions have arisen over the conduct of this office regardless of criminality, stay in office heading the board of one of the most prestigious Crown corporations in the land.

Mr. Deputy Speaker: With all due respect, the Hon. Member is going beyond the point he raised in the beginning in terms of parliamentary language. I was hoping that at this point there would be a disposition to go on.

Is the Hon. Member for Oshawa (Mr. Broadbent) rising on the same matter?

Mr. Broadbent: A different question of privilege, Mr. Speaker.

Mr. Deputy Speaker: Is the Hon. Member for Simcoe North (Mr. Lewis) rising on the same matter?

Mr. Doug Lewis (Simcoe North): I am rising on the same matter, Mr. Speaker. I would draw your attention to Beauchesne at page 111 where it suggests that it is parliamentary to use the word "coward". However, if the Chair were to examine the reference in the debate the Chair would find that that reference was used by a Member who suggested that another Member, who did not have the courage to take the floor, was being a coward by not taking the floor to rise in debate. I suggest to the Chair that the word "coward" as used by the Prime Minister was not parliamentary and it can be distinguished by looking at the case which is referred to as supporting the use of the word "coward".

I do not think one can simply look at Beauchesne; one has to look at what the ruling was based on. I suggest to the Chair that the word "coward" is unparliamentary, and the Prime Minister should be asked to withdraw it.

Mr. Deputy Speaker: I am now citing from Beauchesne's Fifth Edition, Chapter 7, page 110 and 111 as follows:

Since 1958, it has been ruled parliamentary to use the following expressions:

One of them is the word "coward". The Chair at this stage cannot go beyond the citations in Beauchesne.

The Chair has taken note of the fact that the Prime Minister, in his second statement, rephrased his remarks very carefully and made his statement in very temperate and careful language. I would hope there would be a disposition by the House at this point to proceed to another matter.

MR. BROADBENT—STATEMENT OF MR. TRUDEAU DURING QUESTION PERIOD

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a separate question of privilege. The Prime Minister (Mr. Trudeau) said earlier that he was about to commit an indiscretion. I think that is to put it euphemistically. He stated to the House that at a dinner—I presume he was referring to the dinner at his own residence at the time of the First Ministers Conference recently—all the West—

Mr. Deputy Speaker: The Hon. Member appears to be entering into debate.

Mr. Broadbent: No, I am not.

Mr. Deputy Speaker: Is the Hon. Member rising on a point of order? What is the purpose for which he is seeking the recognition of the Chair?

Mr. Broadbent: Mr. Speaker, I am rising on a question of privilege, if you will listen to it. Just listen to the question of privilege.

Just a few minutes ago in the House the Prime Minister got up and said to the House of Commons that the western Premiers who were at that dinner, without exception, agreed that there should be a change in the Crow rate.

I want to say to the Prime Minister that he misinformed the House, deliberately or otherwise. He had better correct that because I have just contacted the Premier of the Province of Manitoba who says that that assertion if false.

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: I want Hon. Members to bear in mind the dignity of the House. At this point the Chair cannot permit Members to enter into debate, and the fact that there is an opportunity and a forum to do it—

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: The Chair cannot, on the face of it, see a question of privilege. It may be a matter of debate. On the face of it, it is not privilege.

Is the Right Hon. Prime Minister seeking to be recognized?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not want to interfere with your ruling but I can say that I am somewhat surprised, if the Hon. Member is quoting Premier Pawley correctly. Premier Pawley is on record—in his case I did not think I was making an indiscretion—Premier Pawley is on record as saying that the recent changes made by the Minister of Transport (Mr. Pepin)—he is happy that they have been made. He is happy with them. So maybe the Hon.

Member could spend another dime and get the whole matter straightened out.

Mr. Deputy Speaker: With due respect to the Right Hon. Prime Minister, this appears to be a difference of opinion as to fact. A difference of opinion concerning facts is not a matter of privilege.

Presenting reports.

Mr. Broadbent: As a question of privilege, Mr. Speaker, I am on my feet and I say to the House that the Prime Minister has lied to the House.

Some Hon. Members: Oh, oh!

• (1210)

Mr. Deputy Speaker: Language has been used by the Hon. Member for Oshawa (Mr. Broadbent) which is unparliamentary. I request the Hon. Member for Oshawa to withdraw the unparliamentary language.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Mr. Speaker, the Prime Minister a few minutes ago made a comment, with reference to a conversation which took place at a dinner at his place, in which he attributed words to the Premier of Manitoba, and I have just checked with the Premier of Manitoba who has told me that it is incorrect. In normal language that means lying. I repeat, the Prime Minister has misinformed the House about that conversation. If he were a man of integrity, instead of turning around and waltzing out of the House, he would have had the courtesy to say to the House that he misinformed the House. He did not do that. I do not withdraw my comment.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Again, Hon. Members are acutely aware of the language which is considered parliamentary and unparliamentary by the House. I must ask the Hon. Member for Oshawa if he would rephrase his remarks so that he would not use language which is clearly unparliamentary. Again I must ask the Hon. Member for Oshawa, for whom I have a high regard and who has generally observed parliamentary procedures, as well as other Hon. Members of this House, to withdraw the remark, which I am sure he knows is not parliamentary.

Mr. Pepin: Mr. Speaker, I will try to be helpful. I am the one who said to the Prime Minister (Mr. Trudeau) that the Premier of Manitoba had indicated he was satisfied and was pleased with the changes I had made.

Mr. Broadbent: At the dinner at 24 Sussex?

Mr. Pepin: No, no. I do not think that was a reference, in the last contribution by the Prime Minister, to the dinner. I do not think so. Anyway, I just want to take the credit or the blame for having said to the Prime Minister that Premier Pawley had rejoiced in the changes which I had made. My reasoning is that in the past, the Government of Saskatchewan, for example, had indicated that it had nine conditions which it wanted to apply, and there was a vote in the Legislature in Regina, Saskatchewan, to the effect that if the Government of Canada were to accept those nine conditions, it would be in favour of change.

That would indicate therefore that the Government of Saskatchewan is in favour of change. The same resolution which was passed in the Legislature in Regina was copied and was passed also by the Legislature in Manitoba. That also would indicate that in certain conditions are met, the provincial Government, the Assemblies in Manitoba and in Saskatchewan, would be in favour of change also. Hence, the general conclusion which the Prime Minister reached, and I had reached a long time ago, that leading politicians in Saskatchewan and Manitoba are in favour of change, that is, of a transformation, a reform, an adjustment, a modernization of the Crowsnest rate.

Mr. Broadbent: Mr. Speaker, I as a relatively long-time Member of this House have always had respect for the rules but, to be perfectly candid, I am sick and tired of the Prime Minister's having it both ways, a Prime Minister who systematically has misinformed this House many times in the past, who plays his cute little tricks and then waltzes out of here. If that Prime Minister, for once, behaves with a certain respect for all the Hon. Members of the House, and respects the rules of the House himself, and if he came back here and faced head on his assertion that he was told at a dinner in his residence that Premier Pawley accepted the change in the Crow, if he came back and dealt with that honestly, he would have to withdraw his remarks. If he withdraws his remarks, I will withdraw my comment, but not one minute before!

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. Order. While I can understand the arguments which have been raised by the Hon. Member for Oshawa, the fact remains that he has used language which is clearly unparliamentary.

An Hon. Member: The Prime Minister (Mr. Trudeau) lied. What do you think?

Mr. Deputy Speaker: I would again request the Hon. Member, who is an experienced and distinguished parliamentarian, to respect the rules and practices of this House and withdraw his remark. I would hope that there would be another forum in which the differences concerning the facts could be resolved. However, the differences concerning the facts and the possible way in which such differences can be resolved, can hardly be a matter to which the Chair can pay attention at this time. The Chair must ask the Hon. Member for Oshawa to withdraw language which is clearly unparliamentary.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Mr. Speaker, I believe, whatever may be the line of

argument of the Hon. Member of the New Democratic Party and it could be the subject of disagreement, that the fact of the matter is that he has used unparliamentary language and he cannot excuse—

An Hon. Member: So has the Prime Minister (Mr. Trudeau).

Mr. Ouellet: —cannot excuse his conduct, by pointing, as an excuse, to the conduct of another Member of the House. What is the question here is the abuse of the Leader of the New Democratic Party in his language. Whatever may be his reasoning, it is not anyone else who is under scrutiny at this time; it is his own wording. I have known him for a long time. I know he is a good parliamentarian. I know his Party has very strong views on the Crowsnest legislation which is before the House. I believe that the attitude of that Party in recent days, and the attitude of the Leader of that Party today, show that they are going to try to use every trick to delay the passage of this Bill.

Some Hon. Members: Oh, oh!

Mr. Ouellet: Surely, the Hon. Member will withdraw his words.

Mr. Deputy Speaker: Again, I would ask the Hon. Member for Oshawa, for whom I am sure all Hon. Members of the House have a high regard in terms of his integrity and spirit, whether he would withdraw a remark which is clearly unparliamentary.

Mr. Broadbent: Mr. Speaker, I repeat what I said as a person who has respected the rules of this House and throughout my political life have shown, I hope, greater respect for the truth than even for the rules of this place. If you want to hold your judgment and hold your ruling, I will respect that, in order to give the Prime Minister time to withdraw his comments. But I repeat, if there is not a withdrawal on the part of the Prime Minister, there will be no withdrawal on my part.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, the point is not whether or not a Member has misinformed the House, but whether the language used by a Member is or is not parliamentary. The issue is quite straightforward, and I think the Hon. Member for Oshawa (Mr. Broadbent) knows by experience that this is strictly a matter of procedure—as simple as that. He says that the Right Hon. Prime Minister (Mr. Trudeau) used unparliamentary language. That is not true. The Prime Minister did not say anything unparliamentary. I suppose what the Hon. Member meant was that from the Hon. Member's point of view, what the Prime Minister said did not conform to the Hon. Member's view of reality. The Hon. Member for Oshawa is entitled to disagree with what someone else says. He is under no obligation to agree or disagree. The point is that he reacted by saying that the Prime Minister lied, and it is generally acknowledged, by parliamentary practice, that this word constitutes unparliamentary language. The point is not whether the facts were or were not properly presented, but whether the Member for Oshawa has the right to accuse another Parliamentarian of lying. He may say that a Member of Parliament has misinformed the House—this is quite acceptable—but when he says an Hon. Member has lied, that kind of language is not acceptable to our parliamentary practice and our Standing Orders, and I think he knows that perfectly well.

If the Hon. Member for Oshawa (Mr. Broadbent), with his parliamentary experience, insists on refusing to withdraw an expression that is obviously unparliamentary, that is a clear indication that he wants to take advantage of the situation—as the Minister of Consumer and Corporate Affairs (Mr. Ouellet) was saying—to obstruct the proceedings, but I want to give him the benefit of the doubt. And if he is really asking—

• (1220)

[*English*]

Mr. Deputy Speaker: Order. Mr. Broadbent, I have to name you for disregarding the authority of the Chair.

Mr. Nielsen: I wish to rise on a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Yukon (Mr. Nielsen) rises on a point of order.

Mr. Nielsen: Perhaps we can avoid the procedure which is triggered by the naming process if the Prime Minister (Mr. Trudeau) could now perhaps respond to the Leader of the New Democratic Party (Mr. Broadbent). That would avoid a vote and salvage an Opposition day which is about to go down the drain. Would the Prime Minister perhaps respond to the invitation of the Leader of the NDP?

Mr. Trudeau: Mr. Speaker, though I missed some of the debate, I understand the matter is on whether Premier Pawley, yes or no, indicated that he was favourable to—

Mr. Nielsen: At 24 Sussex.

Mr. Broadbent: At your dinner.

Mr. Trudeau: Well, at the dinner, Mr. Speaker, I can only stand by what I remember to have been an exchange between ten Premiers, that the matter of the Crow was raised. To the best of my recollection, Premier Pawley—and the other Premiers present, those who participated in debate, and they included the western Premiers, indicated that they thought the Crow should be changed. I do not say they indicated any particular way. They thought the Crow was something that would have to be dealt with. I am not indicating there was any detailed discussion of the proposals made by the Minister of Transport (Mr. Pepin). But as to the matter of the transportation of grain and other matters in the West, as to the importance of making those changes, I can only stand by what I said.

I am sorry that I perhaps was led to make these statements because these dinners are supposed to be rather confidential. It is not the first time that comment has been made on conversations taking place there. I repeat, I feel all the more confident in repeating my assertion that, as the Minister of Transport has indicated, Mr. Pawley is on record as wanting some form of change.

Mr. Broadbent: Mr. Speaker, I heard the Prime Minister. If he is now prepared to say, in contrast to what he said some time ago when he made the flat assertion that Premier Pawley and the other western Premiers—and I understand that, too, is incorrect—but with reference only to Premier Pawley, if he is now saying that he might be mistaken, then I am prepared to withdraw my remark. Is the Prime Minister prepared to say he might be mistaken in his recollection?

Mr. Trudeau: Mr. Speaker, one can always be mistaken. In this particular case I do not think that was the case. I remember we had a discussion on various aspects of federal policy in areas where it ran into difficulties in the Provinces. I remember that basically the sentiment of that meeting—and not everyone spoke—was that, including the Premier who is of interest to the Hon. Member, was that the federal Government was correct in proceeding with some policy relating to western transportation and the Crow.

Some Hon. Members: And the Crow.

Mr. Trudeau: And the Crow. Mr. Speaker, the subject came up over the Crow and I asked one Premier present: Why don't you support the Crow more publicly? And the answer was, well, you know, it is not good politics.

Mr. Broadbent: What Premier?

Mr. Trudeau: Well, Mr. Speaker, one Premier who was there. So the Hon. Member can make what he wants of—

An Hon. Member: You are evading.

Mr. Trudeau: No, I am not evading, Mr. Speaker. There is obviously no written record of the meeting. If Premier Pawley were across the aisle and we were exchanging recollections, Mr. Speaker, I would be more inclined to take his statement of what he said than when it comes to the Hon. Member in a phone call, which was probably on a yes or no basis. I can only suggest that if the Hon. Member wants to carry on this debate and not lose an Opposition day, I would be happy to settle the matter with Premier Pawley. If, in his view and that of the other Premiers present, there is some misunderstanding on my part, I am prepared to say that. But I am not prepared to say it now without talking to Premier Pawley or without having the views of the other Premiers present.

Mr. Broadbent: Mr. Speaker, we have just witnessed a historical first. For the first time the Prime Minister of this country has publicly admitted that he might have misinformed someone. On those grounds I will categorically and completely withdraw my comment.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Presenting reports from Standing and Special—

Mr. Trudeau: I think—

Mr Nielsen: Don't screw it up.

Mr. Trudeau: I think the Hon. Member would have been a little more gracious if he had withdrawn his remark without saying that I admitted that I had publicly misinformed—

Some Hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, I stand by what I said. There was no misinformation. The exchange occurred the way I put it to the House.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Presenting Reports from Standing and Special Committees. The Hon. Member for Saint-Denis (Mr. Prud'homme).

ROUTINE PROCEEDINGS

[*Translation*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

PRESENTATION OF SIXTEENTH REPORT OF STANDING COMMITTEE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I am sorry to have to interrupt this lively exchange among Parliamentarians, but I have very good news for the House. The Committee on External Affairs and National Defence, which I have the honour of chairing, is tabling its Sixteenth Report which deals with an order of reference received from the House to consider and receive testimony by parliamentary delegations. Last Friday, the Committee on External Affairs and National Defence considered a report by the parliamentary delegation which attended a meeting of the International Parliamentary Union held in Rome last September. This is a first, and we intend to pursue consideration of reports from various delegations on their meetings abroad.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

Order Paper Questions

[*English*]

PETITION

MR. SKELLY—ABSENTEE BALLOTING

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, with your kind permission I will give it another try and see if I can get it right this time. I have a petition from the Comox-Powell River riding with a large number of signatures which pertains to a matter of proxy voting in the next federal election. These individuals have indicated that they wish the House of Commons to consider an amendment to the Elections Act to provide for absentee voting.

* * *

SUPPLEMENTARY ESTIMATES (A), 1983-84

AMENDED REFERENCE TO STANDING COMMITTEES

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I move:

That the Order of the House of May 18, 1983, referring the Supplementary Estimates (A), 1983-1984, to the several Standing Committees of the House, be amended by removing the reference of Social Development Items 2a and 3a to the Standing Committee on Health, Welfare and Social Affairs and by adding the reference to the said items to the Standing Committee on Finance, Trade and Economic Affairs.

There have been consultations, Mr. Speaker, and I think there is unanimous consent for that motion to be adopted.

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

● (1230)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 4,180, 4,732, 4,763 and 4,797.

[*Text*]

McDONALD ROYAL COMMISSION

Question No. 4,180—**Mr. Robinson (Burnaby):**

1. What is the exact cost of the McDonald Royal Commission?

2. By year, what amount was paid by the Government to (a) the law firm of Courtois, Clarkson, Parsons and Tétrault (b) the law firm of Blake, Cassels and Graydon (c) the law firm of Lamontagne, Mongeau and Bainville (d) lawyer Ross Goodwin for work done in connection with the McDonald Commission?

3. To date, what amount was paid by the Government for legal services in connection with the Commission?

4. What amount was paid by the (a) Privy Council (b) Department of the Solicitor General for legal services in connection with the Commission?

5. What amount was paid to (a) Professor Franks of Queen's University (b) Professor Edwards of the University of Toronto (c) Professor Friedland of the University of Toronto for the "background studies" prepared by them for the Commission?

6. For what reason did the Government not publish an itemized accounting of the costs of the Commission?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Prime Minister's and Privy Council Offices and the Ministry of the Solicitor General as follows:

1. McDonald Royal Commission only: $8,098,786.73.

2. (a) Commission: nil, PCO: nil, RCMP: 78/79, $248,-076.36, (b) Commission: 77/78, $73,850, 78/79, $121,098, 79/80, $32,290, 80/81, $64,710, 81/82, $4,150. PCO: nil, RCMP: nil. (c) Commission: nil, PCO: nil, RCMP: 79/80, $178,701.91, 80/81, $521,991.05, 81/82, $66,637.63, (d) Commission: 77/78, $15,525, 78/79, $127,775, 79/80, $198,-500, 80/81, $132,125, 81/82, $18,400. PCO: nil, RCMP: nil.

3. Commission: $2,289,283, PCO: $16,592.89, RCMP: $1,668,629.

Note: In addition, the amount paid by the Ministry Secretariat of the Solicitor General for legal services in connection with the Commission of Inquiry concerning certain activities of the Royal Canadian Mounted Police was $1,585,200. This amount includes legal services in connection with representation before the Keable Inquiry in the Province of Quebec.

4. See Part 3 above.

5. (a) Commission: $10,000, PCO: nil, RCMP: nil. (b) Commission: $96,435, PCO: nil, RCMP: nil. (c) Commission: $52,413, PCO: nil, RCMP: nil.

6. An itemized accounting of costs of the Commission by standard objects of expenditure has been published annually in Public Accounts.

CBC—PRIME MINISTER'S BROADCASTS

Question No. 4,732—**Mr. Bosley:**

During the period between the receipt of the Prime Minister's instruction for the granting of three 15-minute free-time appearances on CBC/Radio-Canada networks and the acquiesence in October, 1982, which senior officials of the CBC were consulted by the President of the CBC and what specific questions were put to them?

Hon. Francis Fox (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

No instruction was received by the CBC from the Prime Minister's office in connection with the appearances. A request was made for air time and the request met the requirements of the policy on prime ministerial broadcasts on current issues which was established following discussions between the CBC and representatives of the federal political parties.

The President of the CBC consulted the senior officers responsible for this area of program policy, asking them questions about its history and the previous interpretations that had been given to it. The President takes full responsibili-

ty for both the consultation and for the decision which was taken.

CBC—WAYNE AND SHUSTER SHOW

Question No. 4,763—**Mr. Herbert:**

What percentage of the cost of the CBC Wayne & Shuster Show is recovered by advertising?

Hon. Francis Fox (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

In the period October, 1982 to March 31, 1983, 31.4 per cent of the cost of the CBC Wayne and Shuster Show was recovered through advertising.

PERSONS RELEASED FROM CANADIAN ARMED FORCES

Question No. 4,797—**Mr. Howie:**

1. In 1982, how many servicemen and women were released from the Canadian Armed Forces?

2. For each year from 1975 to 1982, how many servicemen and women sought voluntary release from the Canadian Armed Forces?

Hon. J. Gilles Lamontagne (Minister of National Defence): The figures in part 1 of the answer mean total releases of servicemen and women for any reason whatsoever, i.e. retirement, medical, voluntary (on request), unsuitability for further employment, etc. Part 2 of the answer identifies only the number of servicemen and women who on their own request sought release from the Canadian Armed Forces.

1. Servicemen, 6,741, servicewomen, 734.

2. Year	Servicemen	Servicewomen
1975	6,364	373
1976	5,317	388
1977	5,432	445
1978	4,884	404
1979	5,910	432
1980	6,076	505
1981	5,367	497
1982	3,392	436

[*English*]

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

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

Some Hon. Members: Agreed.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—SPECIAL RECOVERY PROGRAM—FUNDING IN ATLANTIC CANADA

Mr. J. M. Forrestall (Dartmouth-Halifax East) moved:

That this House recognizes the need for long-term solutions to the economic difficulties facing Atlantic Canada and, although welcoming the injection of funds provided under the Special Recovery Program, rejects the manner in which those funds are being allocated, particularly the decision to use partisan advantage rather than need as the basis for the provision of funding, and condemns the Government for its failure to adopt policies which would create lasting economic growth with permanent jobs and investment in Atlantic Canada.

He said: Mr. Speaker, my motion having been seconded by the Hon. Member for Calgary West (Mr. Hawkes), who is from western Canada, I did not really want the final phase of today's motion to stand in reflection of my colleagues from western Canada, although, God knows, they need almost as much help as we do.

The concerns that bring us here this afternoon are legendary and historic. They have cried out for help from this Government for many years. Now that we have a golden opportunity with respect to accelerated recovery of the national economy, most of us in Atlantic Canada thought something permanent and good might happen, that perhaps at last we might be able to tackle, in a long-term way, the problems facing our imbalance in agriculture, our deficit with our neighbouring Provinces with respect to meat, feed grains and other things. We did not see that. With respect to the fisheries, we looked forward to the Kirby Report. We looked with anticipation to funds under the Special Recovery Program to assist in bringing order out of the chaos which is there and to provide permanent, long-term jobs. Did we get it? No, we did not.

In the area of transport, in the eastern Canadian Provinces which, by definition, mean parts of eastern Quebec and the four Atlantic Provinces, in transportation requirement alone, $1.5 billion would not even begin to scratch the surface. We need highway strengthening. We must do something about rail transportation in Newfoundland. We must improve our Gulf ferry services to Prince Edward Island. We have taken some meaningful measures in the last two or three years, but the point is that we are running way behind in ferry fleet renewal.

Where we stand today, we should have been 10 or 12 years ago. In the fisheries, for example, there is an additional $140 million. I want to tell the House what concerns me when I speak of mid- and long-term assistance. We have heard all kinds of evidence from professional fishermen, their unions and associations, about the way in which the Minister designated to head the special ministerial grouping under this recovery program has handled matters. We heard from those fishermen suggestions as to how and what long-term projects could be put into place which would provide permanent jobs, provide the markets, provide the acceleration of this very critical and very vital industry in Atlantic Canada. Instead, what did we get?

I will just point to Nova Scotia and deal with it very quickly because I use it only as an example. We see that $25.4 million of the $140 million is going into the Province of Nova Scotia, the largest fishing Province in this country of ours. What percentage is that of $140 million, I ask the Minister? It is very small. Where is the money going? When the Deputy Prime Minister (Mr. MacEachen) received his share, and when the Hon. Member for South West Nova (Miss Campbell) received her share, there was nothing left over for anyone else.

For seven years now, I have been trying to persuade the Government to build a wharf, for example, serving the only fishing community left in Halifax harbour, located at Eastern Passage. That wharf is now a peril and a menace to the general public. It should be torn out, destroyed and replaced with a good, adequate facility. When I called to ask whether or not that particular project might be considered, Public Works officials, Fisheries and Oceans officials and Small Craft Harbours officials were all, without exception, embarrassed to even talk to me about it. When we press them, this is what we learn: that there is a list of projects put forward by the various Departments and, in the case of Fisheries and Oceans, if one was not a Liberal Member, one did not get a look in the door. Not one single Tory riding in Atlantic Canada, I will bet you a buck, will receive any of that money at all. Some may have to go into the riding of my colleague, the Hon. Member for South Shore (Mr. Crouse), because it is the largest fishing constituency in this country. The Government will regret even doing that.

These are legitimate concerns of people, mid- and long-term legacies, much needed wharfs, breakwaters, skidways, haul-outs, but not a nickel will go into any Conservative riding in Atlantic Canada by choice. It suggests to the fishermen that the Government does not care about their legitimate needs, short-term, mid-term or long-term but, rather, cares more about porkbarrelling, the tradition of the present Government which it has finely tuned. The Liberals are expert at it, absolute experts.

It is not good enough under the Special Recovery Program to allow this situation to continue to exist. The Government has allocated $640 million for transport in general. It is earmarked and will go into fleet replacement for the Canadian Coast Guard, something absolutely vital and necessary. Where will the building be done? How much will go to Halifax? How much will go to Saint John? Who will determine where that building program takes place? Given the experience of the HMCS *Nipigon* and the actions of the Minister of Supply and Services (Mr. Blais) in the last couple of weeks, the Government no longer calls tenders. It calls for prices. Remember "CFP" Canadians, because that is what we will live with under the Government, a call for prices. The prices go into the Minister's office. He sits there, and what does he say? "We will put this one in Sorel. Let us put this one hither and yon". He will not put anything in Halifax or in Saint John. I doubt if Ferguson Industries will get anything. I doubt if Marystown will get anything. It will go somewhere else in Canada.

Mind you, on the other hand, if the Government did give us some work, 80 per cent of the capital costs, the hard components of vessels, would leak back to central Canada in any event. That is not good enough. The Government, presumably because of its heartfelt concern for Unemployment Insurance exhaustees, is to use the Special Recovery Program to get these exhaustees some form of regular income, which is Unemployment Insurance benefits in this case. It has decided that one method of doing this quickly and expeditiously will be to lay off casual but for all intents and purposes long-term employees and replace them with workers who have exhausted their Unemployment Insurance benefits.

• (1240)

While this sounds good, I must question whether the Minister and his Government have given any consideration to those employees who will have their income reduced from $8 or $10 an hour to $5 or $6 an hour. The Government is telling him to go home and meet his obligations, educate his children and feed his family at this lowest level. How can that be done without massive social disruption within his community and in his own life?

Under the Goverment's program these exhaustees who have completed a minimum of 12 week's employment will be right back out the door and the Government will put some more through that process. Is the Government changing the structure of our society? Is it condemning the underemployed to live this way for the rest of their lives? Is that the best that a nation like Canada can do? I do not believe it is and I suggest that my colleagues on this side of the House share that concern.

While massive amounts of borrowing being used for short-term make-work projects may very well be absolutely necessary, surely that could be tempered or balanced by a form of investment that would ensure long-term permanent job opportunities for Canadians.

It is a historical fact that when the Canadian economy goes down, the Atlantic economy ends up at the bottom, and when the Canadian recovery resumes, the Atlantic economy stays at the bottom. We have historically been the first to suffer from recession in this country and, without question, we have been the last to recover. Where is the social concern on the part of the Goverment for Canadians who live east of Diamond Point?

We would much sooner see this money being spent more wisely. For example, we would rather see $2 billion spent in an effort to make eastern Canada self-sufficient in its food supply. Later this afternoon some of my colleagues will deal with the impact of the Government's intention to kill our own eastern Crow rate, the Maritime Freight Rates Act. It already has a task force travelling throughout the country side asking Maritime and Atlantic businessmen what will happen if that freight rate is eliminated altogether. We know what the answer is because for over 60 years the MFRA in that little piece of Canada has enabled our producers to compete in the marketplace of central Canada. Its destruction will mean that we will not be able to compete or afford to put our goods and

products in the marketplace of central Canada. We are concerned about the Government's intention in that area. Why has the Government not designated some money toward the long-term solution of this marketing problem?

If the Government is bound and determined to kill the Maritime Freight Rates Act and stop the social and economic benefits that flow therefrom to producers, truck operators and railways in terms of access to central Canadian markets, it should earmark some money for offshore development. The Government should give that money to the wandering minstrel, the only Member who is in the House as infrequently as the Minister of Finance (Mr. Lalonde), my colleague from across the harbour in Halifax, the wandering trade Minister. I have not seen him in the House since Christmas.

Mr. Nowlan: Marco Polo.

Mr. Forrestall: Incidentally, the same Minister went to Halifax recently. Let me finish by talking about long-term benefits. He announced the provision of $52 million for a federal office building to be erected on a prime piece of Halifax waterfront to house all the federal public servants in Halifax. He would then empty Queen's Square in Dartmouth and empty about eight major office buildings that are strategically located around the city. This action would probably bankrupt the entrepreneurs who own those office buildings. Furthermore, he will put that building on a piece of land that has long been earmarked for the cultural needs of our Province and the metropolitan area. He has earmarked $52 million for this project when Nova Scotia needs a new provincial hospital, the construction of which has been shelved for three or four years because we do not have the funds.

Bridge pier fendering is needed from Halifax to Vancouver in order to protect lives. But is there any money earmarked for a project like that, which is a long term, permanent and visible legacy? No. Instead, the Government borrows and borrows to the point where no Government will be able to move anywhere in an economic sense by the mid 1980s. The cost of servicing our debt will be astronomical and almost undefinable. That Government will keep on borrowing until it is thrown out of office.

God help one of those distinguished Canadians who is seeking the leadership of my Party when he must face the mess that will be left as a result of this Government's irrational and irresponsible borrowing. This massive irresponsible borrowing is compounded by the fact that the money is not being spent for medium or long-term job creation or on projects which will have a permanent legacy. It is not being spent in order to give incentives to the entrepreneurs and businessmen of this country, the manufacturers. That is what we regret and why we stand today to condemn the Government for its ad hoc approach, boorish and downright crass porkbarrelling. It is to be rejected by every thoughtful and thinking person. The Minister laughs because he has won for his colleagues in the backbenches of the Liberal Party every little thing that they want and to hell with the rest of Canada.

Mr. Johnston: Mr. Speaker, may I inquire whether questions will be posed to the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall)? I intend to speak on this motion and I am prepared to do so, but perhaps some Hon. Members wish to ask questions.

Mr. Deputy Speaker: Are Hon. Members rising to ask questions of the Hon. Member for Dartmouth-Halifax East?

Mr. Nowlan: Mr. Speaker, I would ask my hon. friend if he knows the whereabouts of the Atlantic Members on the Government side? Are they out carving up the pork barrel that he referred to in his remarks?

Mr. Forrestall: Mr. Speaker, I do not know where they are today. I do not know where the Hon. Member for South West Nova is or where Members from northern New Brunswick are. I do not know where my colleagues from Newfoundland are. Given the long weekend, I do not think it would be hard to find them. I will tell you where they are. One of them at least is in northern New Brunswick, at a $15 million resource centre, which is very vital and necessary, but in three years' time, when the single purpose for which it was built has come to an end and it is over and done with, it will be another white elephant in northern New Brunswick as a result of the activities of this Government.

• (1250)

Mr. Deputy Speaker: Are there other Hon. Members rising to ask questions? If not, I will recognize the Minister of State for Economic Development (Mr. Johnston).

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Mr. Speaker, I am somewhat disappointed in the comments made by the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall) for whom I have a great deal of time and respect. I would like, in the few minutes available to me, to relieve him of the anxieties and concerns which he apparently feels with respect to the Special Recovery Program, over which I as head of a subcommittee of Cabinet have over-all responsibility. When I refer to over-all responsibility, I mean to say responsibility for the implementation and monitoring of these projects to ensure that they move forward expeditiously and meet the criteria laid down by the Minister of Finance (Mr. Lalonde) at the time he tabled his budget in April, and ensuring that they, in turn, are brought in on time and within the budget.

The Hon. Member for Dartmouth-Halifax East, I think, has perhaps not examined as he should have the nature of these projects, their intended purpose and the fact that they will indeed bring into existence long-term permanent jobs for Canadians.

Let me for a moment talk about the program in general and then deal with the situation in Nova Scotia, which I might say is a Province to which I am deeply attached myself, not having had the fortune to be born there but having had the wisdom to marry a Nova Scotian and to spend a good deal of time in

many areas of the Province, more particularly in the area represented by the Hon. Member for South Shore (Mr. Crouse), who is with us here in the House today.

[*Translation*]

Because of that, Mr. Speaker, I am very pleased with this opportunity to explain to my colleagues once again—the purpose of the program in question, the criteria selected for implementing the program, how we went about selecting the projects and the procedure and the mechanism we have established to ensure that the program is implemented as soon as possible.

[*English*]

In the budget there were a number of Special Recovery Programs. One, of course, deals largely with fiscal incentives, tax incentives, investment tax credits and so on. But the other side, to which the Hon. Member for Dartmouth-Halifax East has more particularly addressed himself, is the Special Recovery Capital Projects Program. I would like to say that in both these cases, whether one looks at the Special Recovery Program introduced by the Minister of Finance on the fiscal side or the Capital Projects, to which I will speak more specifically, they are designed to create long-term permanent jobs. In addition to that, the budget did deal with some specific improvements or augmentations to programs for direct job creation. More importantly, the budget recognized that long-term permanent jobs will be found by a strengthened private sector. The budget moved very firmly in that direction on the fiscal side, and I will argue convincingly, I believe, for the benefit of my colleague from Dartmouth-Halifax East that these augmentations did the same thing with respect to the Capital Projects.

The Program on Capital Projects has $2.4 billion allocated to it. That is the largest single capital investment program which has ever been undertaken by the Government of this country. It will create jobs. It will create jobs now, both temporary construction jobs in many instances and, more important, long-term permanent jobs. I know the Hon. Member for Dartmouth-Halifax East argued a few moments ago that this was a pork barrel, and his motion deals more particularly with Atlantic Canada, but I will address this concern of his in a moment because I believe I can satisfy him on that count as well.

But let me first speak about the project itself. Why was it introduced at this particular time? The Hon. Member for Dartmouth-Halifax East has referred to his concern with respect to the deficit, or to borrowing. He refers to this Government as a Government that borrows. As the Minister of Finance has said, this Government is concerned about that deficit and, accordingly, it was decided that these Special Recovery Capital Projects would be implemented. Programs would be implemented at this time because private sector investment intentions are not strong in the upcoming fiscal period. In fact, it is anticipated there will be a net decline of capital investment of something like 3 per cent this year following on the heels of a very substantial decline last year. But in the private sector it is predicted for the coming year that there will be a decline of something like 8 per cent.

It is clear that if the Government is going to accelerate Capital Projects of the kind that are the subject of this particular program, this is a very propitious moment to do it because we will not be crowding out private sector investment intentions. We will be putting in place projects that would have been undertaken in any case at some time during the decade but instead they will be brought forward into a nearer time frame. They will enable the Government to establish some basic fundamental economic infrastructure and, in turn, will be supportive of private sector recovery and investment when that comes.

Clearly, in terms of the over-all fiscal position, this is the way for the Government to proceed. But when we add to that the fact that we are suffering unreasonably and unacceptably high unemployment, that we have many construction workers unemployed in this country, that we have many suppliers and manufacturers working well under capacity, surely it behooves us also to create jobs in this period and to stimulate suppliers and the manufacturing sector of this country. That is exactly what this proposal does with this $2.4 billion investment.

[*Translation*]

Mr. Speaker, perhaps I may add a few more comments. My colleagues may have forgotten the basic criteria we used to select these projects. First of all, these are projects that were already planned for the departments in question, and second, the Minister of Finance (Mr. Lalonde) has added some very specific criteria. First, the project must be ready to start within the six-month period following the budget, and second, they must be completed for up to 60 or 70 per cent within the next two years. That is the accelerated process I was referring to.

[*English*]

I see we are approaching one o'clock, Mr. Speaker, but I want to underline the over-all investment intention and the importance of it in terms of the budget itself. I cannot let this motion go unanswered with respect to these charges of pork-barrelling, as the Hon. Member says, and the accusation that none of this money is going into Tory ridings in the Atlantic Provinces.

These projects have been selected for their economic potential and importance. I will refer to a number of them which are going very specifically to Tory ridings in the Atlantic region. Shall I call it one o'clock, Mr. Speaker?

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Johnston: Mr. Speaker, when I stopped at one o'clock, I tried to situate our special recovery projects within the policy announced by the Minister of Finance (Mr. Lalonde) in his budget speech. I gave the criteria we used to select these projects. I explained how they must be accelerated and how they would make a long-term contribution to the Canadian economy by creating permanent jobs as well as creating jobs in the short term.

I would like to get back to the point raised by our hon. colleague from the riding of Dartmouth-Halifax East (Mr. Forrestall), when he accused us of applying partisan criteria in selecting recovery projects for the Maritime Provinces.

An Hon. Member: He is not here.

Mr. Johnston: I believe he has left the House for the time being, but in any case, he accused us of not spending a nickel—those were his words—in Tory ridings in Nova Scotia, and in fact I think he said the Atlantic Provinces. Perhaps we should look at some of the details of this matter, Mr. Speaker.

[*English*]

When he said that these projects had not gone to any Conservative ridings I fear he had either not examined them or was reacting in a negative fashion to the program in question. When I look at some of the most important investments made under this program I find that there are a number of significant investments in Conservative ridings. As I explained, these are projects which were selected on the basis of economic criteria. They are projects which were moved ahead in the sense that they were brought into a nearer time frame. They are projects which Departments had already determined would be implemented at some time during this decade.

• (1410)

For example, let us look at the announcement made earlier this week by our colleagues, the Minister of the Environment (Mr. Roberts) and the regional Minister for New Brunswick, the Minister of Public Works (Mr. LeBlanc). On May 18, 1983, they announced the construction of the Maritime Forest Research Centre in Fredericton. That is a $22.5 million federal investment. The centre is to be located on property which is owned by the New Brunswick Government, and it is my recollection Mr. Speaker,—and I do not think I stand to be corrected on this point—that it is to be located in the riding of the Hon. Member for York-Sunbury (Mr. Howie) and it will serve three Maritime Provinces. Now I certainly do not think that that looks like a project which, as the Hon. Member has said, is one of partisan advantage.

[*Translation*]

In fact, the work to be carried out in Fredericton will be done as part of our program, the program I described this morning and which my hon. colleague for Dartmouth-Halifax East is criticizing. The centre in question is an intergrated research and training complex in Fredericton will bring together a number of organizations in the Maritime Provinces with an interest in forestry. Thus, the Canadian Forestry Service from Environment Canada, the New Brunswick Department of Natural Resources, the Forestry Research Group of the University of New Brunswick and the Maritime Forest Rangers School will take part in the project. This is indeed a very important project and also very important to the health of this industry. I fail to see how the Hon. Member can accuse us of being partisan about these choices. I see the Hon. Member has just taken his seat. Perhaps he would like to have an exchange of views with me during question period after my speech.

[*English*]

The Maritime Forestry Research Centre is one example which shows that there clearly is no partisan advantage.

I see also that the Government has announced that it is prepared to contribute up to $18.25 million, another major investment of Canadian taxpayers' money, to build an Atlantic Veterinary College in Charlottetown, contingent on equal contribution by the four Atlantic Provinces. Here again is a project which will benefit the entire Atlantic region, a project which is obviously fundamental to the entire agricultural sector of the Atlantic region, and one of course which carries with it evident long-term economic benefits in the training of veterinarians for that part of Canada in particular, although I hope that we will see them in the rest of the country as well. This project is in response to a need which has been identified for some years of which all Members from the Atlantic Provinces are aware.

Again, Mr. Speaker, I believe that surely we cannot be accused of partisan advantage in the selection of that particular project. My understanding is that it is to be built in Charlottetown and located in the riding of Hillsborough which, at last count, was not represented by a Member from this side of the House.

I had the opportunity to exchange some comments with my hon friend, the Hon. Member for South Shore just before lunch, and my understanding is that on this very day, May 20, 1983, a small crafts harbour project totalling almost $4 million was announced; $4 million in small crafts harbour projects is a lot of money, and this project is apparently being announced in parts of the South Shore riding, the riding of the Member to whom I referred a moment ago. Again, this project will touch cities and towns represented by Members from both sides of the House. It is clear that when the Hon. Member says that not one Government nickel is spent in Tory ridings, he has not looked at the dossier and he is being partisan in his comments. I expect more than that from the Hon. Member.

I am pleased to see that the Hon. Member for St. John's East (Mr. McGrath) is in the House today because on May 13, 1983, my colleague, the Minister of State for Small Businesses and Tourism (Mr. Rompkey) and the Premier of Newfoundland announced some $45 million for road work in the Province of Newfoundland. Of this $45 million, some $12

million will go to the Conception Bay South Arterial, which, if I am not mistaken, is in the riding of the Hon. Member for St. John's East. I see him nodding his head in the affirmative, and I am sure that he is very pleased with that initiative.

I would like to make another point because I feel that it is good to kill two birds with one stone when one is allotted so little time to speak. I believe I have a moment or so left, Mr. Speaker. The Hon. Member for Dartmouth-Halifax East indicated that the Government was neglecting such things as strengthening the transportation system, and he referred specifically to highways. I can refer to two major highway projects, the one in Newfoundland that I just referred to, and Route 11 in New Brunswick, a second major highway initiative. I would point out that I am looking at a headline from the St. John's *Daily News*, May 13, 1983, which reads:

Peckford and Rompkey together: SWEETNESS, LIGHT AND $45M. FOR ROADS!

This again is an example of the Province and the federal Government successfully coming together and financing a very important infrastructure project in that Province.

I can only conclude, Mr. Speaker, that the Hon. Member for Dartmouth-Halifax East is disappointed that there were perhaps no specific projects allotted to his own riding. I am sure that many of us would share that disappointment. None of these projects, I might add, have been allocated to my riding of Saint-Henri-Westmount. I am sure that there are many Members from both sides of the House who have not had any of these Special Recovery Capital Projects allotted to their particular ridings, but that is not to say that other projects will not be of substantial benefit to their ridings because, I would suggest, any project which is good for Nova Scotia is good for Dartmouth-Halifax East. I am sure that my friends from the other side of the House would agree with me.

Mr. Forrestall: Mr. Speaker, I invite the distinguished Minister to rise in his place and read us a complete list of the small craft harbour projects in the four Atlantic Provinces and in eastern Quebec. He could table the list if it is too large for him to deal with. I wonder if the Minister would entertain that request.

Mr. Johnston: Mr. Speaker, I would be quite happy to entertain that request when all the projects are announced. In fact, it is my intention to ensure that all projects are brought to the attention of all Members of the House. It would be difficult for me to enumerate them at the moment. I am not sure if in fact they have all been announced. I mentioned that some projects were announced today for the South Shore riding of Nova Scotia. I assure you, Mr. Speaker, that that had nothing to do with my speaking on the subject today. I did not know until last night that I would be doing so.

I have no objection to complying with the Hon. Member's request. If the inference that I am to draw from it is that in eastern Quebec, all the small craft harbour projects are in Liberal constituencies, I would have to agree with that.

Mr. Skelly: Mr. Speaker, I too direct a question to the Minister on the subject of small craft harbours. One of the major problems that appears to exist with this project is that no priority list has ever been published of those harbours which should be developed. When an area finds out that it is to receive funds for small craft harbour project, that news suddenly bounds out of the blue when a Cabinet Minister announces it. But there does not appear to be any indication of what harbours are going to be developed and what is the priority listing of the many, many harbours that require federal assistance.

If the Minister is prepared to accommodate the request of the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall), I wonder if he in fact would be prepared to provide a complete list of harbours which require major renovations costing $0.5 million and up, and what the Government's priority list would be for some of those harbours so that the people who are depending on them can do some economic planning and development in relation to it?

Mr. Johnston: Mr. Speaker, as I said, I have overall responsibility for the implementation of this Special Recovery Capital Projects Program. That does not mean that I have any responsibility other than as a Minister chairing the committee for selection of projects. As the Minister of Finance (Mr. Lalonde) indicated on the night of the budget, these projects had already been chosen. I should say that there have to be feasibility studies associated with some, so there may have been some changes since. But effectively the projects were chosen on the basis of the Departments' priorities, what the Departments brought forward.

• (1420)

The Department of Fisheries and Oceans is responsible for small craft harbour projects. I am not in a position today to provide a priorization of that Department. I think the question should be more properly put to the responsible Minister when he is in the House. Since small craft harbours have been chosen for this particular program, it is my responsibility to ensure that they move forward quickly and efficiently, and that they are brought in on time and within budget.

I am pleased the Hon. Member for Comox-Powell River (Mr. Skelly) rises on this particular point. When we talk about partisan advantage, there is work being done on a small craft harbour on the West Coast. It is perfectly evident, quite unfortunately, that that work is not being done in ridings which are occupied by Liberal Members of Parliament.

Mr. McCain: Mr. Speaker, I would like to ask the Minister a question. Since he mentioned small craft harbours and since the item is now under his attention, would he consider the representations which were made by the former Liberal candidate at the provincial level who is now a member of the town council of St. Andrews respecting the small craft harbour requirement there both for fisheries and the tourist business? Would he also consider the application of the mayor of the town of St. George, who aspired to a provincial Liberal

nomination, to improve the harbour in St. George, again for both tourist and fishing purposes? These two harbours have been downgraded by the Department of Fisheries and Oceans and will receive no attention unless it is from the Hon. Minister. I sincerely hope that he takes these two under consideration, in view of the number of trips each has made on behalf of his community and his small craft harbour.

Mr. Johnston: Mr. Speaker, again I reiterate that the program is not one for which I have responsibility, except within the narrow context of the administration of the Special Recovery Capital Projects. I will be more than pleased to bring the representations of my friend to the attention of the Minister of Fisheries and Oceans (Mr. De Bané) who is not in the House at the present time.

Mr. Parent: Mr. Speaker, I have a question for the Hon. Minister. It has been pointed out that small craft harbours seem to be either on the East Coast, as the previous speaker said, or on the West Coast. I would point out with respect—and ask for confirmation of my information—that the riding of St. Catharines, which is a Conservative riding, received a grant of $1.6 million as announced last Friday. Indeed this is a neighbouring riding to mine, and I would suggest that the grant is helpful not only to that particular riding but to the entire Niagara Peninsula. What we are looking at here is a waterway—

Mr. Forrestall: We are talking about jobs.

Mr. Parent: Wait a second.

Mr. Forrestall: We are not talking about your little, picayune question.

Mr. Parent: Mr. Speaker, I take great exception to anyone calling my area picayune. I cannot let this go unanswered. He puts down not only my riding but the riding of one of his own colleagues. I am simply asking the Minister for confirmation that this is the greatest inland waterway in the world and that it is also being given consideration.

The Acting Speaker (Mr. Blaker): The Hon. Member for St. John's East (Mr. McGrath).

Mr. Parent: What about my answer?

An Hon. Member: It was a picayune question.

Mr. McGrath: Mr. Speaker, I wonder whether the Minister would accept a suggestion. Would the Minister recommend to his colleague, the Minister of Fisheries and Oceans (Mr. De Bané), that Members of Parliament from both coasts and from the inland areas, but from the Atlantic Provinces especially, be canvassed as to the priorities in their constituencies, just as Members are canvassed with regard to the Canada Community Development Program? If the Minister of Fisheries and Oceans would only do that, he would go a long way toward eliminating the accusation or the seeming prospect of this program being used for partisan political purposes. I offer that to the Minister, whom I respect, as a serious suggestion.

Mr. Johnston: I take that as a suggestion. I do not think it is my place to decide how these projects are chosen by the Department of Fisheries and Oceans. I would point out that the whole small craft harbours program we are now discussing, in the context of the entire program, is one relatively small part of the $2.4 billion projects distributed across the country. As I demonstrated in my earlier comments, some of the major elements of the program in Atlantic Canada are the college in Charlottetown and the Maritime Forestry Research Centre in ridings occupied by Members of the Progressive Conservative Party.

Mr. Forrestall: Mr. Speaker, the suggestion of the Hon. Member for St. John's East is in fact a very serious one, and I would like to add to the seriousness of it. The new innovation for price requests, processes and procedures for determining how these projects will be carried out is of some concern to us. Could the Minister find some way of advising the entrepreneurial or industrial community whether or not this is in fact government policy? If it is, would he take into consideration the real difficulty of Atlantic firms, entrepreneurs and business people in the Atlantic region, even where they are successful with respect to costing proposals to the Government either through tender or through a call for prices? Since we are in fact dealing with a Special Recovery Program and we are trying to look at the short, medium and long-term, would the Minister take up with his colleague the proposition that it is important in the final implementation of the program to take into account the seepage back into central Canada? I am referring to the very narrow portion of it, but I could expand it to include, for example—

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

Mr. Johnston: Mr. Speaker, as the Minister of State for Economic Development, and having responsibility in terms of the administration of the Program, I can say to the Hon. Member for Dartmouth-Halifax East—that he can rest assured the processes established by the Treasury Board as part of the regulations are being used with respect to these projects. When we talk about fast tracking or—

[*Translation*]

—or "la voie express" as they say in French, we are merely referring to mechanisms we have introduced for the purpose of accelerating the process, but we shall still be observing existing regulations and procedures. Of course, we are going to maximize work on the projects in each region. So let us hope that entrepreneurs in the Atlantic region will have a fair share of the work available in those provinces, and the same applies to the Western Provinces, Ontario, Quebec, and so forth.

Again, we are going to stick to existing regulations, and we are just going to speed up these projects within a closely monitored and, I believe, very effective system.

• (1430)

[*English*]

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, it is unfortunate there is no chance for one more brief question, but maybe—

The Acting Speaker (Mr. Blaker): Order, please. I note that a number of Members have not yet been recognized during the period for questions and answers. Some Hon. Member may seek the unanimous consent of the House to extend the period of questions and answers, if he so sees fit. However, in the position of the Chair I have no alternative but to hold it to within the ten minutes, a period of time which has already, incidentally, gone past that.

Mr. Skelly: Mr. Speaker, in commencing debate on this subject, I might put a proposition through my speech to the Minister. That proposition is that if we put the partisan questions aside and say that the improvements which are being made in the region are certainly desirable and in the communities' benefit, there is still, in the observations which are made, one major problem and that is, with the way that the Government chooses to announce the programs. It causes confusion and no small amount of animosity on the part of constituents. To use only one example, and there are many others, what you have is a situation where the Ministry of Fisheries and Oceans—and I certainly do not want to criticize the Minister—but his Department is responsible for small craft harbours; the previous speaker's Department is responsible for implementing them; and a third Minister travels around making the actual announcements. Unfortunately, what we have is absolute chaos in the situation. No one knows what is going on and people wonder where projects come from. They seem to drop out of the blue. Those with great needs are certainly left aside to wither.

What might be a far better approach to this process is, where projects needed development, whether they were small craft harbours, highway projects, airport developments or wharf and dock transport improvements, that somewhere a priority list of these be developed and that people be given an indication of when those projects could be expected to come on stream. In that way, they would be given an opportunity to plan for those projects. Under the present circumstances we have seen quite a number of projects which seem to drop directly out of the blue, and subsequent planning in some areas has to be "hothoused" in order to get that money nailed down in that community. It has meant that we have had a less than desirable situation. Therefore, one of the things which definitely has to happen is better communication and some indication in advance of what projects are in the works and what their priority is on the list.

The debate today is on the subject, of course, of Atlantic Canada. The motion states, and I quote:

> That this House recognizes the need for long-term solutions to the economic difficulties facing Atlantic Canada and, although welcoming the injection of funds provided under the Special Recovery Program, rejects the manner in which those funds are being allocated particularly the decision to use partisan advantage rather than need as the basis for the provision of funding, and condemns the government for its failure to adopt policies which would create lasting economic growth with permanent jobs and investment in Atlantic Canada.

It is kind of ironic, Mr. Speaker, to have this resolution coming from members of the Official Opposition who are committed to having no long-term planning. I would be very interested as time goes on in this debate to hear their explanation of what appears to be a reversal of policy. Certainly, we in the New Democratic Party are extremely concerned about Atlantic Canada and the kind of abuse inflicted on that region by the present Liberal Government. And certainly the unemployment rate in Atlantic Canada is higher, and has been higher consistently in this region, than in any other region in this country.

Reflecting back on the March labour force statistics, it is worth mentioning with a bit of cynicism that it is showing an unemployment rate in the order of 15 per cent to 20 per cent in Atlantic Canada when in fact the labour force statistics have been jerry-rigged to reflect a much lower level of unemployment than that which exists. The bet would be that it is in the order of 25 per cent to 30 per cent. If we threw in an equation for underemployment, then certainly people who live in Atlantic Canada have been very badly served by this Liberal Government.

It is a bad situation and I believe you can point to the recent examples of hostility between the federal Minister of Energy and the provincial Minister of Energy in Newfoundland. That is one example of a bad situation. Certainly the kind of relationship which exists in some of those areas is not conducive to creating a positive climate in which economic development could occur. I have a feeling that we might see a worse situation with a Conservative federal Goverment and a Conservative provincial Government. Nevertheless, what we are faced with now would have to be described as a bad situation.

One aspect of this that is rather interesting, Mr. Speaker, is the philosophical positions which are used to approach the problems, the philosophy from which we would approach the problem of Atlantic Canada, or any other region in the country. It is ironic to watch in this House the gamesmanship which is played between the Liberal Members of the Government and the Conservative Members of the Official Opposition. They really have a philosophy which is not consistent with what is proposed in this motion. Time and time again the Conservative Members of this House have said. "Let the private sector do it. The private sector is the only one which can guide this country, shape its future, and provide economic benefits." Reflected in the Liberal budget and the comments of the Minister of Finance (Mr. Lalonde) is that the engine of economic recovery will be the private sector.

An Hon. Member: Right on.

Mr. Skelly: It is not "right on", as the Hon. Member for Ottawa Centre (Mr. Evans) says, for Atlantic Canada. His riding is one which is particularly blessed, with an enormous number—

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

Mr. Evans: Mr. Speaker, I just heard my riding taken in vain. I was sitting here, listening attentively to the Hon. Member's speech. All of a sudden he says I have made a comment about something he was saying. I made no such comment.

Mr. Skelly: I had assumed indirectly it was the kind of comment which the Hon. Member for Ottawa Centre made.

Mr. Evans: Mr. Speaker, that is totally uncalled for, and I would ask the Hon. Member to withdraw that comment.

Mr. Skelly: In that case, I would have to withdraw it. Unfortunately, Mr. Speaker, we have a situation, going back to the philosophies in this House—

The Acting Speaker (Mr. Blaker): No, no. I feel I have to intervene. I happen to be personally aware of the fact that the Hon. Member for Ottawa Centre (Mr. Evans) did not make an intervention with respect to the speech of the Hon. Member for Comox-Powell River (Mr. Skelly). I believe the Hon. Member for Ottawa Centre is entitled to be protected on the record of the House of Commons. He made no such intervention. It is not normal for the Chair to provide evidence, but in this case I feel that the Hon. Member for Ottawa Centre, if he has stated that he did not make such an intervention, is owed that acknowledgement.

Mr. Skelly: I am sure, Mr. Speaker, in my opening remarks I said I would withdraw my comment if I was in error.

Mr. Baker (Nepean-Carleton): Your microphone was not on.

Mr. Skelly: I am sorry, the microphone maybe was not on. I just said that I withdrew the comment after being corrected by the Chair. The situation which I was discussing was the philosophical thinking of both Parties, the Liberal Government and the Conservative Opposition. Both have said, "We are going to leave it alone. The private sector will be the engine of growth." It is interesting, Mr. Speaker, that there really appear to be only two approaches in this country for strengthening and developing the Canadian economy, I would suggest: the philosophy which underpins the approach of the Conservatives and the Liberal Government, "Let the private sector do it all", and the approach which the NDP is advocating, that there be some consistent, rigorous long-term planning for regions of this country and that there be a partnership between the private sector and the Government. Certainly that kind of approach is going to be far more effective and constructive in Atlantic Canada than those we have had to date. Let the record speak for itself. After decades of Liberal Government, Atlantic Canada still has the highest rate of unemployment in this country. That region still suffers from enormous difficulties in obtaining a stable and developing economy. Unfortunately, over that period of time it has also been subjected to difficulties with Conservative provincial Governments.

• (1440)

To pursue this philosophical approach a little further, Mr. Speaker, it was reported that a former Leader of the Conservative Party, during his swan song at a convention which elected the current former Conservative Leader, had said that anyone who suggests the Conservative Party is different from the Liberal Party is doing the Conservative Party a great disservice. He said those two Parties believed in the same thing, that the Liberal Party was basically incompetent and the Conservatives would do it better. Now, I do not take exception to that because the fruits of the efforts of the Liberal Government indicate tremendous incompetence, a small piece of which we were just discussing this afternoon. But certainly the Conservative Party has not had a great track record. There was R. B. Bennett as Prime Minister decades ago, and the former Member for Prince Albert and his Government which proved itself incapable of developing an approach in this country which worked. Certainly the current former Leader of the Conservative Party did not demonstrate, when in power, a great competence for handling the very serious problems of this country.

Mr. Baker (Nepean-Carleton): We will never have the chance to judge you.

Mr. Skelly: The Hon. Member for Nepean-Carleton says he will never have the chance to judge us.

Mr. Evans: That is true.

Mr. Skelly: We will see, when the people get fed up with the failures of those two Parties. What we may require is a new approach—

Mr. Shields: The Liberal Party West is speaking.

Mr. Skelly: Both Parties seem to be rather unified in their approach, Mr. Speaker. Nevertheless, the problem we are discussing today is the approach to economic recovery in Atlantic Canada. In its philosophical and policy approach to this problem, the New Democratic Party would adopt on a long-term basis the approach outlined in this motion. The Party's record in election campaigns is very consistent. The Government of Canada must adopt a full employment policy. There just has to be a policy put in force by law in which targets are delineated, goals set and a commitment made to full employment. Unfortunately, we do not have a Government in power which believes that that can or should be done. Nor do we have an Official Opposition which believes it can or should be done. Until they take that kind of policy approach, it will not be done and Atlantic Canada will continue to have the highest unemployment rates in this country.

Mr. Baker (Nepean-Carleton): You have a Government in Saskatchewan which takes that approach.

Mr. Skelly: The next item, of course, is tax reform. This Party has talked at great length about tax reform, and I have to laugh at the efforts of a very prominent Member from

Atlantic Canada, the previous Minister of Finance, who came before this House with three budgets and created total chaos in this country in the name of tax reform. An absolute joke. We have seen many efforts at tax reform, but unfortunately the tax reform of the Official Opposition and the Government is one in which you reform taxes for the rich to leave money in their pockets so they can go out and make more money, and hope some of it trickles down to those individuals who really need federal Government assistance. Mr. Speaker, tax reform pays the bills in this country. It distributes wealth in this country. It shakes the structure of the Canadian economy. But this tax regime we have does not do that. It does not give a break to Canadians generally; it gives a break to a very small minority of people and leaves the rest hung out to dry. This is one of the major problems with the shaping of the Atlantic regional economy. Until you develop a long-term plan based on full employment, the commitment to which is based on a tax regime which will structure the economy of a Province in such a way that it is a desirable place in which to build and nurture industry, that is not going to happen. And the question of the redistribution of wealth is a very important aspect of that problem.

With regard to taking a long-term approach, Mr. Speaker, another thing that the New Democratic Party has brought before this House is the question of an industrial strategy. What we have got from the Liberal Party and what we will get more of from the Conservative Party is the shot-in-the dark approach to economic planning. They have both stood in the House and criticized the need for the Government to become involved in concentrated, serious long-term planning. We are again back to the engine of growth being the private sector; the plans and goals of the private sector are the ones that should be nurtured and fostered. The end result of that is that we will have economic development in Toronto and Montreal, and the rest of the country will be left hung out to dry. I see my old friend, the Minister of Transport (Mr. Pepin) sitting busily in the House today, and maybe we can go through the question of an industrial strategy once again.

Mr. Pepin: One year is enough.

Mr. Skelly: That is, the question of shipbuilding. I know the Minister lends both ears to this very vital question and that of the need for a Canadian merchant fleet. He is paying vigorous attention now.

Mr. Pepin: I could repeat everything you said.

Mr. Skelly: Shipbuilding is extremely important to the Atlantic Provinces. But we do not know where the Government is going with this issue. The Government came before the House and made a policy statement that it was going to extend the customs boundary to 200 miles in order to try to capture offshore benefits for Canadians. It was going to remove the preferential treatment of Commonwealth and developing nations so that Canadians could have an opportunity to bid on and build these ships. But unfortunately that is a very passive policy without the force of law. The Minister of State for Finance (Mr. Cosgrove) says he will be drafting a Bill, but we have nothing before the House. The Government could afford to become far more active on the question of shipbuilding.

We have two vessels to be refitted, the *Nipigon* and the *Athabasca*. It is a small amount of work, but we have this crazy system throughout the country where everyone goes out and spends an enormous amount of money to bid on that work when only one yard will get the work. There must be a way of rationalizing our shipbuilding and repairing capability in such a way as to eliminate this enormous amount of wasted effort so that yards can plan on work and make investments in leading edge technology and maintain trained crews. But in absolute and rigid adherence to the free enterprise of Adam Smith, the Government has taken the approach of letting the yards go out and bid on and count on work that only one or two yards will get.

Mr. Huntington: Tell us about the state enterprise in—

Mr. Skelly: The *Athabasca*—I hear the Hon. Member for Capilano (Mr. Huntington) hollering about state enterprise. It is not state enterprise. I think if that Party yanks itself into the twentieth century and takes a look around, it will see many other successful nations which do not use state enterprise but use partnerships in long-term planning with private industry. In that they have serviced their populations well. I hope that the Hon. Member will join us in examining some of those opportunities.

• (1450)

However, to return to the subject of shipbuilding, we certainly have some very serious problems. Two sets of companies across this country are considering the frigate program which, I presume, is in the order of $2.6 billion. There are yards which are absolutely desperate for the frigate program, yet the Government is back to its old bidding system, and many yards will lose out. The one sector in which Atlantic Canada has an opportunity is the shipbuilding sector. There is a great deal of suspicion that Atlantic Canada will see none of that work appearing in that area.

Mr. Pepin: How do you know?

Mr. Skelly: How do we know? Well, we will find out very soon.

Mr. Pepin: Yes, you will find out.

Mr. Skelly: I see that I am coming to the end of my allotted time. I would like to suggest that there are many industrial sectors involving shipbuilding, a merchant fleet, transportation and ports development and, as my colleague mentioned today, the automotive industry, in which we could find many opportunities if there were a commitment to planning and partnership between Government and industry and some determination to do it.

The Acting Speaker (Mr. Blaker): Are there any questions or comments? Debate.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I would like to draw to the attention of Atlantic Canada that only in passing and in the last gasping breath did the Minister of Powell River get off his philosophical diatribe and approach the subject matters which are of concern to Atlantic Canada.

Mr. Skelly: I rise on a point of order, Mr. Speaker.

Mr. McCain: It is of no value to talk in those terms—

Mr. Baker (Nepean-Carleton): That's not a point of order.

Mr. Skelly: A point of order it certainly is. I am not a Minister nor a member of the Treasury benches, and I am certainly not a man of the cloth.

Mr. McCain: The Church and the Government are fortunate in that regard. We do not have to look forward to either.

Some Hon. Members: Hear, hear!

Mr. McCain: Mr. Speaker, the matter is ever so much more serious that that. I would like to draw attention to the *Chronicle-Herald* issue of Wednesday, May 18, which printed the full text of the remarks of Mr. Robbie Shaw, Vice-President, Administration and Finance, Dalhousie University. The remarks which are recorded in the newspaper are those which he recently delivered to the Rotary Club of Wolfville. He touches on several matters, but among others he mentioned the fact that there was appointed, at one point in time, a group of people in Government to arrange for a National Economic Development Conference. Mr. Shaw was appointed or hired by Mr. Pitfield to undertake or participate in the development of this Conference and to the concept of cooperation between the various segments of the economy of Canada.

I think it is rather interesting to note that Mr. Shaw was very much surprised when he was retained in the same capacity under the Clark administration and therefore has had considerable bipartisan participation in Canadian policy and the subject matter of our economics. He drew attention to many matters, and I would love to have 40 minutes in which to speak, in which case I would read his speech because I think it is something which should be in the record of this House in full. However, time does not permit that.

In his address, he stated:

—there are many fundamental problems remaining in the Canadian economy.

He listed five. He stated:

—Unemployment is projected to remain at unprecedented levels for several years, in spite of substantially improved economic activity.

—Canada is experiencing a severe decline in productivity relative to many of its trade competitors.

—Recently, heavy international competition has developed for the sale of our natural resources such as nickel and coal.

—Developing countries are providing growing competition in the sale of many of our traditional manufactured goods.

These are some of the problems which he outlined and which we must address. He also pointed out that we are in an adversarial position, and one of the paragraphs is headlined: Setting "adversarial". What it means is that the various economic forces in this nation are in an adversarial position and are not cooperating in the direction of Canadian economy, which will correct that the Hon. Member for Comox-Powell River (Mr. Skelly) might correct and all the political Premiers in Atlantic Canada never can correct until we get away from the adversarial situation.

Let me quote again from the paragraph under that heading:

Virtually every major developed country in the world has a tradition of having some form of structure that formally permits the three economic players to meet on an equal ground to exchange information. In most cases, this has resulted in the building of some form of consensus on major problems affecting economic development in the country.

Even in the United States, which has less formal tripartite structures than virtually any other country in the western world, achieves a greater degree of meeting of minds in dealing with government;—

This also includes dealings with labour and business.

When the present Prime Minister (Mr. Trudeau) took office, Mr. Shaw was then dismissed from his position in the development of the economic conference, a job which he was hired to do. After the election of 1980, he stated:

All initiatives regarding the National Economic Development Conference and the establishment of a formal consultative process, came to a halt.

That was a rather tragic remark made by someone hired by Mr. Pitfield and retained by Mr. Clark. He went on to outline problems which we should recognize as follows:

1. That we recognize that we have some substantial economic and social problems in Canada; problems that won't be solved by a simple international economic recovery. We must recognize that these problems will require more open-minded and imaginative thinking by management and labour in this country.

2. We must recognize that business, government and labour are becoming increasingly interdependent on each other.

I wish I could expand upon that, but time does not permit it due to the specifics which I think I must address. It is a philosophy which I have tried to enunciate in the years that I have been in Ottawa. Unfortunately, I do not have the profile to obtain a full page in the *Chronicle-Herald* or any other newspaper in Canada where I could state that the economy of Canada can go nowhere until such point in time as the Government, management and labour do in fact sit down around the same table and assess our economic problems one by one, but not as a sector, because I say to Your Honour that there is no way that every mine in Canada can pay the same wage as every other mine in Canada.

Mr. Huntington: Absolutely right.

Mr. McCain: It may be necessary for different arrangements to be made between business, Government and labour in individual circumstances throughout the economy of Canada. That is what this man is saying.

Mr. Evans: Good point.

Mr. McCain: Until we get that in place, we shall go nowhere in this country's economic development or in the reduction of unemployment. He states, as the Government has stated, that unemployment will remain at unbearably high levels for several years to come. It is on that basis that the Government of Canada should begin to address the Atlantic

area and its needs and address them with the reasonableness which a tripartite consideration would extend to each problem as it arose.

I regret very much that the Minister who spoke this morning has absented himself from the House, because I think he has a perception and an understanding of that principle, but does not have the prerogative of introducing it to a Government with policies such as those of the one presently to Your Honour's right.

• (1500)

I would have to say again that the moneys which are being spent supposedly for permanent benefit to this country and for the creation of short-term work have not extended themselves to the smaller communities of Canada. I recognize and appreciate the allocation of funds in Atlantic Canada which he mentioned. I also support the position taken by the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall).

While some of these expenditures are purely for Government edification and do not necessarily reflect the needs of the community, I approve of the forest structure which is going up in Fredericton and the school being built in Charlottetown. I would point out, however, that the moneys allocated for the school in Charlottetown rested in the office of the Minister of Agriculture (Mr. Whelan) for five years, I believe. That money remained unspent while he would not go down and negotiate a location acceptable to all. He sat inattentively in his seat for nearly five years after allocating the money. Therefore I do not think the Government has much to brag about in that regard.

I raised two issues with the Minister in question and I wish to repeat those now. They concern small craft harbours in Atlantic Canada and in my constituency of Carleton-Charlotte, in particular. Those harbours have been mercilessly and almost criminally neglected. The two harbours which I mentioned, St. George and St. Andrews, are important tourist attraction centres. They need those wharves both for the benefit of the fishermen and the tourists. They have been classified as unnecesary by the Department of Fisheries but have been promoted by myself, my constituency and the Government of New Brunswick. Wharves have been denied to those harbours by successive Ministers of Fisheries and Oceans and I suggest that the Minister now responsible for the expenditure of this developmental money put a permanent asset in these two communities as a result of the representations by their mayors. That would not be porkbarrelling; it would be recognizing a need.

A committee has been appointed under the Hon. Member from Cornwall whose ministry I cannot identify since they have been shuffled to the point of incomprehension. That committee will experiment with the processing and marketing of forest products. I am concerned that no one has chosen to address the subject matter which is most pertinent to the ongoing health of that industry. It is the forest management program. Once again, the Government has criminally neglected its responsibility, which has been under Government authority for decades, to undertake the research and development aspects of the forest industry. While the pulp and paper industry has perhaps conducted most of the research in that area, the research of forest management has basically been under federal responsibility and has been neglected since its reduction in the budget introduced by the Liberal Government in late 1978. An increase in research funds has not been reinstituted and I cannot think of any better use of this developmental money which is at loose ends than funding such a forest management program. I only hope that the full approval for the forest complex will be achieved in the very near future.

At this time I must briefly mention the neglect of the needs of the potato industry. The industry was neglected by the Minister of Agriculture who was advised in late March or early April of the problem arising in New Brunswick in this regard. He was asked to declare it a disaster area. Let me make a final suggestion to the Minister which I believe he could accommodate rather quickly if he chose to do so.

Since the Province of New Brunswick has had to fill the void which was left by federal responsibility, I submit that the Minister should become the co-guarantor with the farmers of the money loaned by the New Brunswick Farm Adjustment Program. That program is financing the planting of crops in New Brunswick. Not only do I believe that this approach is the only easy way out, but it is now the practical step for the Government to take. It does come within the jurisdiction and capability of the Government under various enabling legislation which has been passed in the House for ministerial discretion. I ask that the Minister follow that route.

The Minister told the House that he was seeking a meeting with the Minister of Agriculture in New Brunswick. That was nearly two weeks ago but no meeting has yet been held. I can assure the House that the farmers of New Brunswick are waiting for the Minister of Agriculture of Canada to have that meeting and that it be meaningful.

Another area of concern in Atlantic Canada is transportation. It is an issue which has not been studied. This question applies to Newfoundland, New Brunswick, Prince Edward Island and Nova Scotia. It is a problem that affects all of Atlantic Canada. Apparently the Government does not feel that this subject deserves consideration. The only action I have seen taken in the ten years I have been in Ottawa is the withdrawal of subsidies. Those subsidies have been withdrawn under the heavy club of the Government saying that while it will contribute small amounts for our highways it will withdraw subsidies in other areas, leaving no room for negotiation. That was essentially the position presented to the Premiers of Atlantic Canada as certain subsidies were surrendered.

The MFRA has become inadequate for any Province in Atlantic Canada. It is indefensible by any conscientious Atlantic Member of the House of Commons. If billion of dollars are going to be spent in permanent development for Canada, it is high time that transportation be addressed whether it is in form of assistance to the industry or development of harbours, railroads or other infrastructure. There is no better place to spend money on a permanent, long-term basis

than on the roads of Newfoundland, the narrow gauge railways of Newfoundland or in other port, rail and road facilities that are required. I am amazed that the Hon. Member for Comox-Powell River has never been to Atlantic Canada and therefore cannot know of our transportation problems.

Before I am critized for my next remarks, I would ask you, Mr. Speaker, to refer to the remarks I made on the borrowing Bill. I must briefly address the problems in the administration of the bilingual policy of the Government. While there is a contractual option in most contracts for private enterprise on federal Government property which may demand bilingualism, I must say that it has not been nationally demanded. However, it is being demanded in New Brunswhich. People who presently hold jobs there will find themselves unemployed because of a very harsh interpretation of the capability of the Department of Transport and other Government departments to enforce bilingualism in Quebec City versus how it is enforced in other areas of Canada.

Let me give the most recent example. A young lady who has been a temporary employee of the Department of National Revenue has applied for a permanent position which is becoming vacant. As a temporary employee she has attempted to get bilingual training. It was not available. She has privately undertaken to become bilingual and has gone as far as she can with records and tutoring. She was asked to take bilingual test and was told that she failed. Having failed, she was advised that she will not have another opportunity to take that test.

Since time is short, Mr. Speaker, I ask you to refer to my remarks on the borrowing Bill before criticizing my remarks. This is not an equitable application of the bilingual policy. As I said in the debate on the borrowing Bill, unilingual persons from St. Quentin, New Brunswick or unilingual persons from Florenceville, New Brunswick should not be denied opportunity in the public employ if they merit the job. If we are to have a bilingual civil service capability, the onus is upon the Government of Canada to train those people to be bilingual and to make sure they are posted within their capability. It is not right to say to a person from St. Quentin that he cannot work for the Government because he does not speak English. It is not right to say to a young lady in Woodstock that she cannot work for the Government because she cannot speak French.

Let us get away from the heavy-handed application of bilingualism. Let us be realistic. I was promised in 1972, 1973 and 1974 that the Government would not delineate between applicants with bilingual and non-bilingual capability. I was betrayed. The little girl in Woodstock is betrayed because I told her years ago she would have the opportunity in the federal service to become bilingual and that she would not be denied a job. I was betrayed, Mr. Speaker.

• (1510)

The Acting Speaker (Mr. Blaker): Questions, comments, debate.

Hon. William Rompkey (Minister of State (Small Businesses and Tourism)): Mr. Speaker, it is a pleasure to take part in the debate. I have read the motion. I feel that the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall) is not really serious in this motion but has simply put it forward in order that we may put on the record the needs of the Atlantic Provinces and the responses to those needs. I feel there has been a response, and a good response, to the needs of the Atlantic area.

I want to start by talking about the fishery.

Mr. Forrestall: Mr. Speaker, I rise on a question of privilege. When an Hon. Member suggests that something is done in this Chamber facetiously and without seriousness, particularly when it is directed at me, I must take some exception. Could the distinguished Minister from Newfoundland reconsider the allegation that motions put forward in this Chamber by Members of Parliament are not, in fact, put forward in anything other than under the most desperate and serious of situations.

The Acting Speaker (Mr. Blaker): There is no doubt that Hon. Members ought not to ascribe motives to other Hon. Members; but I want to point out to the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall) that it is a common characteristic of debate in the House of Commons that some Hon. Members will refer to a motion as specious or something in that order. I do not want to find a question of privilege at this moment. I will leave it to the Minister to see whether and how he wants to handle the issue. But if the Hon. Member for Dartmouth-Halifax East persists, then I will give due consideration to his question of privilege.

Mr. Rompkey: Mr. Speaker, let me clarify my remarks. I have no doubt about the serious intent of the Hon. Member to draw attention to the needs and the need for long-term solutions to the economic difficulties facing Atlantic Canada. I recognize that we should be talking about that. I recognize that is a serious motion. I recognize his sincerity in bringing it forward and encouraging this debate. I welcome that and I congratulate him for doing so. However, the line with which I had some problems is the one that reads "partisan advantage rather than need". What I want to show, if I can, is that we have addressed needs. They have been real needs and we have addressed them, I think, in depth.

I want to talk about the fishery first. I am sorry the Minister of Fisheries and Oceans (Mr. De Bané) is not here because I want to pay tribute to him. I had thought that we were not going to find a worthy successor to the Hon. Member for Westmorland-Kent (Mr. LeBlanc), the former Minister of Fisheries and Oceans, but I feel we have. If we read the press coming from Newfoundland, people are saying much the same thing. Negotiations have been going on in the past few days between the Newfoundland Minister of Fisheries and my colleague, the Minister of Fisheries and Oceans for Canada, with regard to restructuring. The Minister announced recently $100 million for the Atlantic fisheries. This is probably the

most important industry we have in the Atlantic region. It means not just jobs for our people but involves the very culture and lifestyle, the way of life, of our people.

The fishery is a $1.3 billion business. It is a major contributor not only to the economy of the five eastern Provinces but to the economy of this nation as a whole. We are the world's largest exporter of fish products. It also provides jobs for 48,000 people in the processing sector. There are approximately 48,000 fishermen divided between full-time and part-time fishermen. That is to sketch in the importance of that industry in the eastern Provinces of Canada.

The $100 million for the fishing industry in the five eastern Provinces was split up among the various Provinces. It can be said and shown that this money was divided according to need. An amount of $24 million will be spent in my own Province of Newfoundland and Labrador to do wharf repairs, harbour improvement, breakwater repairs over the next little while and on two marine service centres. This amount of $24 million, is about a tripling of the annual budget that we have had in small craft harbours over the last little while.

Mr. McGrath: And not a dollar for St. John's.

Mr. Rompkey: It is very important that this work be done. The work is going to be done. In Nova Scotia spending is going to be about $25 million in various parts of that Province.

Mr. Forrestall: Name them.

Mr. Rompkey: In New Brunswick an amount of $10 million will be spent on fisheries infrastructure. Fishing unloading and handling systems are to be installed at 28 different locations.

An amount of $8.8 million will be spent in Prince Edward Island for various harbour reconstruction and development projects.

In the Province of Quebec there will be $25 million for a variety of fisheries, infrastructure projects, including harbour improvements, fish unloading equipment, marine service centres and bait depots. In these Provinces a total of $100 million is allocated for the most important industry that we have.

The Atlantic fishery envelope also includes funds to build a modern electronic acoustic sweep vessel which will be used to survey shipping and navigation channels. Many of the seasonal ports on the East Coast require this annual depth service before they can be opened up to ships in the Spring.

In addition to the Special Recovery Program the Government of Canada will also invest $71 million in the Quebec fishing industry under provisions of the Quebec-Gaspé-Lower St. Lawrence Economic Development Plan. This package comprises a wide variety of projects to get underway this year, carrying on for a five-year period. These projects are aimed at the improvement of the fishing fleet, upgrading productivity, ensuring the production of consistently high-quality fish and seafood products. That is the recovery program. That is to put new money into the fishery to try to create jobs and to include the infrastructure.

You will recall also, Mr. Speaker, that last February we announced the Government's commitment to invest almost $200 million to put into effect the recommendations of the Kirby task force report, another additional $200 million for the Atlantic fishery. Those sums do not include the funds which the Government of Canada in all likelihood will be contributing to the restructuring of the companies in the Atlantic region. That process is now going on. Complex discussions are taking place as to how that restructuring might be done. I hope we will have a solution very soon to meet the needs which will be satisfactory to all concerned.

These are steps taken to improve the most important industry that we have in the Atlantic area, but that is not all that has been done. Under the recovery program additional funds have been allocated. I was surprised to hear my hon. colleague from New Brunswick who spoke a few moments ago saying that somehow we were not concerned about infrastructure in the Atlantic Provinces, and where we were there were some strings attached. I want to say to him that we have just signed with the Government of Newfoundland a $45 million roads agreement. It has no strings attached. It is for roads in Newfoundland and Labrador, roads that need to be done. I do not apologize for any of those roads. I do not apologize because sometimes Liberals happen to represent areas of need. I do not apologize for that. That is a fact. For example, the Labrador highway has been a dream of people in Newfoundland for a long while, not only a dream of mine but a dream of the Premier of Newfoundland and the dream of the Premier before him and the Premier before him. Two of those two Premiers were Conservatives. This is not a partisan matter; it is a question of need and things that need to be done.

• (1520)

Let us look at the distribution of the funds. There was Conception Bay highway in an area of Newfoundland represented federally and provincially by Conservatives. Other roads were constructed in areas of need which will contribute to the economic well-being and tourism of the Province. It is high time they were constructed and I am glad they have been. They were built under an agreement that my colleague, the Minister of Transport (Mr. Pepin), put in place with Newfoundland. Of course, it was based upon the concept of multi modal transportation and of building for the future, not for the past. We put in place the things that needed to be done. We modified some transportation patterns, some sea routes and some sea transportation patterns which needed to be done. I pay tribute to the Minster of Transport for his sensitivity and response to the needs of my Province.

In addition to the $45 million roads agreement, we signed a $10 million agreement for the improvement of the Corner Brook harbour and to put in place the infrastructure needed in that great port in order to attract sea traffic to it. Without it Corner Brook would not be able to compete. I am sure transportation critics opposite will agree that sea traffic is the most cost effective in the long run for my Province and for the Atlantic Provinces.

We have put in place the Corner Brook harbour development, which of course is building on other infrastructure

projects of the Minister of Transport. For example, $12 million has been spent for a new airport in St. Anthony on the northern peninsula of Newfoundland. Also $77 million was put into the Newfoundland railway to provide it with a five-year period in which to see whether we could make it economic. We are making it economic, we are making it viable, and it is starting to work. The Minister of Transport has had the vision and foresight to say, "We will give it a try". That is happening and we will try to make it work. Another $23 million was put into airstrips along the Labrador coast.

Some can say that it is partisan if they like, but these are people who are in need and up to now have had some of the worst transportation infrastructure anywhere in the country. Again, I do not apologize for responding to that kind of need. It was $23 million spent to bring Labrador into the twentieth century and to give it up to date transportation services.

Also I would like to point to the other measures taken by the Minister of Transport and by the Government in the Atlantic Provinces. For example, a new air terminal building and runway was constructed at St. John's airport at a cost of $2 million. A Coast Guard college was erected in Cape Breton at a cost of $17 million. These are projects throughout the Atlantic Provinces. Approximately $15 million was spent for port development on the Miramichi River. There was $5.5 million spent on a federal wharf in Digby. The time had come for all these projects, they needed to be done. The idea is to move forward on projects for which we did not have the money until now and to create jobs before the tax measures had a chance to take their bite. I pay tribute to the Minister of Fisheries and Oceans and again to the Minister of Transport for their foresight.

With regard to partisanship, I would like to refer to several other ongoing projects which were done because of need, not as a result of partisan consideration. For example, a $55 million Arctic Marine Vessel Research Institute is being built in St. John's. We can add to that the $27 million or 60 per cent of the cost of a new fisheries college in St. John's. These can hardly be said to be partisan projects because they are in ridings not held by us and they are educational institutions. As everyone knows, education is a provincial responsibility, but there is a need for these facilities. If we do not do it, Newfoundlanders will not be able to participate in a meaningful way in offshore development. Yes, the money might come, but jobs will not be had unless people have skills. This is what the fisheries college will provide; it will give Newfoundlanders skills. This is being done with federal dollars.

I am pleased and proud that the Government of Canada is responding in this way. The Marine Arctic Vessel Research Institute, the fisheries college and the university facilities will make our Province—St. John's in particular—a key centre of excellence not only in Canada but in the world. We in Newfoundland had to be the best we could be at what we do, and what we do is concerned with the sea. Ever since our Province was discovered, our people have made their livelihood from the sea. This is what they know and this is what they do best. These facilities, largely paid for the Government of Canada in agreement with the Government of Newfoundland, will help to make our Province a centre of excellence in marine research and development, not only in the country but in the world. I am proud we are doing that, and I think it is important to put it on the record.

I welcome the opportunity the Hon. Member has provided by introducing his motion for debate. We on this side of the House intend to continue to respond to the needs of Atlantic Canada in transportation, in fisheries and in many other areas. Just the other day we signed a $63 million ten-year agreement with the Government of Newfoundland for further development of the Gros Morne National Park, including some funds for that park and some funds for the Terre Nova National Park. My colleague, the Minister of the Environment (Mr. Roberts), has also shown foresight in building up the infrastructure in those beauty spots in our Province. They will not only create jobs but will attract tourists in the long term. These are irrefutable facts which show the Government's response to the real needs of the Atlantic Provinces, and the Government intends to continue with that kind of response.

Mr. McGrath: Mr. Speaker, I listened with great interest to my learned and hon. friend. I agree with many of the things he said. Many of the projects he listed are very essential ones. No one can quarrel with the need for a trans-Labrador road, for example, and others as well. But there is a concern which has to do with the small craft harbours budget where there is clear evidence of partisan abuse.

The harbour of St. John's, Newfoundland is one of the busiest inshore fishing ports in the Province. The Minister knows that as a result of the building of the synchrolift St. John's fishermen have no place in which to put their boats. Also he knows that when we were in Government we allocated funds to provide a small boat basin for St. John's fishermen. To this date they still have nothing in the way of facilities. Indeed, they are worse off because they were displaced by the synchrolift. The President of the Newfoundland Fisheries and Allied Workers Union wired the Minister a few days ago, bringing this matter to his attention. Why have funds not been included to provide badly needed facilities in St. John's for inshore fishermen? There are over 120 of them and they have no place to tie up their boats, to handle their fish or for shelter in storms. Would the Minister please address that question? It would go a long way toward reducing the charge that there is partisanship at work in the allocation of moneys under the small craft harbours budget.

Mr. Rompkey: Mr. Speaker, I was trying to address spending as a whole. I mentioned the fisheries college and the Marine Arctic Vessel Research Institute, both of which are in St. John's. I could mention other amounts to be spent on the Avalon Peninsula and in St. John's as well.

The point of my hon. friend is well taken. It is a project to which I am certainly very sympathetic. It needs to be done. There are a lot of fishermen in the St. John's area. Sometimes people do not think of St. John's as a fishing port. They think of it as a transport port, one of the great ports in Canada, but

they do not necessarily think of it as a fishing port. But there are many fishermen in St. John's and I met with them, and indeed I want to say that I am very sympathetic to that project and would like to see it implemented. We in the House cannot always do what we want to do right away. This is a project, though, that I think we should implement and I certainly commit myself to try to get the funds to do it. It was not included in the present allocation, but hopefully it can be included in a future allocation. I certainly support my colleague's efforts in his attempt to get it included.

• (1530)

Mr. McGrath: I appreciate the Minister's support and I believe that he is sincere because he himself comes from St. John's and knows whereof I speak. Will he go one step further and make a direct representation to his colleague, the Minister of Fisheries and Oceans (Mr. De Bané), to allocate money now when the need is urgent so that our fishermen can at least enjoy some degree of protection, so they will have some place to tie up their boats, some place to handle their fish, things that are not denied to fishermen anywhere else in the Atlantic Provinces? Will he make that direct representation to his colleague, the Minister of Fisheries and Oceans?

Mr. Rompkey: Mr. Speaker, I certainly undertake to discuss that with my colleague, the Minister of Fisheries and Oceans, and I am sure that he will be sympathetic to the project as well. As I say, the money has not been allocated because there is not an unlimited supply of funds that would allow us to do all that we want to do at any one time. But I recognize that this is an important project, it is something that should be done, and I certainly lend my support to it.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to speak on the motion before the House, especially as it relates to Atlantic Canada and my native Province of Nova Scotia. I would be the first to admit that the income disparity between Atlantic Canada and the rest of the country is slowly closing, but I am sorry to say that we still have a very long way to go.

According to statistics made available last month, real family income in the Atlantic Provinces was still well below the national average last year. While the gap may be closing, the average family income in Nova Scotia listed at $21,872 was still more than $5,000 below the national average listed at $26,748. Families in the remaining Atlantic Provinces fared even worse, and of course this is simply not good enough. Prince Edward Island households trailed the country with average incomes of $20,666, New Brunswick families averaged $21,155, and in Newfoundland the figure was $20,971.

While Nova Scotians can be proud of their showing, it is obvious from the figures I have read in the House that Atlantic Canadians made less than their counterparts in points west. These figures encouraged the Conference Board of Canada to predict that Nova Scotia will be a leader among the other Provinces as they eventually emerge from the current economic recession. In its February report, the Board predicted that Nova Scotia will experience 2.3 per cent growth in real domestic product this year, second only to Alberta's predicted growth of 2.6 per cent and almost double the 1.2 per cent growth forecast for the country as a whole. The Board attributes the above average growth rate expected for Alberta and Nova Scotia to developments within the mining sector and to the benefits from oil and gas exploration efforts in 1983.

This, Sir, is of course heady stuff. It is what dreams are made of, and all of us hope that these dreams come true. But there is always a little black cloud or two on the horizon. The same Board predicts that Nova Scotia will have a 14.5 per cent unemployment rate this year compared to a national average of something like 13 per cent, while its sister Provinces have much higher projected unemployment rates.

Of course, these are only predictions. Offshore developments including a build up of the necessary infrastructure must, I submit, commence soon if the 1987-88 target for production is to be met. This calls for sending in the $200 million range for infrastructure alone, and I cannot help but wonder if the federal Government has earmarked these funds in its recent budget so that these developments can go forward as planned.

I regret that the Minister of State for Economic Development (Mr. Johnston) is not now present in the House. Today he announced $4 million for two projects in South Shore. While I agree that this will be helpful, Sir, it is really only a drop in the bucket when the massive dredging projects that are required throughout the length and breadth of my riding are considered. It is somewhat regrettable that we as Members of the Opposition are not consulted by the Government when it plans for projects of this type within our constituencies, because we could be helpful in earmarking some of these funds which are obviously available.

One of the clouds on the horizon is the concern expressed by business and transportation industry officials over federal moves to reduce or eliminate subsidies on freight shipped within the region or to other Provinces, and I am glad that the Minister of Transport (Mr. Pepin) is present in the House because I realize that this is a matter which is very close to his heart. In fact, the Atlantic Provinces Chamber of Commerce and the Atlantic Provinces Transportation Commission at a joint news conference described as ominous the terms of reference for a planned Transport Department study on regional and westbound rates. In addition to altering the Crowsnest Pass Agreement, which will of course raise the price of feed grain for eastern farmers and place them at an economic disadvantage—

Mr. Pepin: That is not true at all.

Mr. Crouse: Mr. Speaker, the Minister states that that is not true. I hope he is correct, but I am only repeating to the House, Sir, what farmers have said to me on the telephone. I have not only received telephone calls from people from the South Shore in Nova Scotia, but I have had telephone calls from people from Prince Edward Island as well. He will have to convince them in his own speeches that—

Mr. Pepin: It is the Hon. Member's responsibility to tell them a few things. It is his responsibility.

Mr. Crouse: Well, the Hon. Minister will have to convince them. They are still not convinced.

Mr. Pepin: The Hon. Member will convince them.

Mr. Crouse: No, I am sorry, I am telling the Hon. Minister what the people have told me.

Mr. Pepin: They are wrong.

Mr. Crouse: The Minister says that they are wrong. Well, they feel that this will place them at an economic disadvantage vis-à-vis the farmers of Ontario or the farmers of western Canada.

Mr. Pepin: The price of feed is determined at Thunder Bay.

Mr. Crouse: The Minister states that the price of feed is determined at Thunder Bay. The people are looking at this change as one that will give the farmers in the West an opportunity perhaps to use their wheat to raise more cattle and pork in their own area rather than ship it further east to the Atlantic Provinces, and Atlantic farmers will therefore face hog prices which will be cheaper than what they can produce. This is the threat that they are concerned about. I leave it to the Minister to make his own speech. I will lose my 20 minutes if I keep on discussing this particular point, though it is a very important one.

What disturbs the people even more is that the federal Government has called for tenders for a study and it has told applicants that they will be expected to examine, among other things, the effect of the complete removal of subsidies. Freight subsidies on goods shipped within our region dropped to 12.5 per cent from 15 per cent on April 1, 1982, and they dropped to 10 per cent on April 1, 1983, with a promise to give more federal money to the four Provinces for highway maintenance. Now, this may sound good in principle, but I would point out that the federal Government has recognized since 1925 that manufacturers in the Atlantic Provinces are at a distinct disadvantage when trying to sell to major markets in Quebec, Ontario and points west.

The subsidies have varied from different shipping points, but in my opinion they must be retained. I say this because Atlantic manufacturers with a limited market must export from the region at least about 80 per cent of what they produce in order to break even while an Ontario producer could, I submit, happily survive without exporting anything to the Atlantic Provinces. I would point out that a firm located in Ontario might well spend something like $100 to send a shipment of its goods to the major market of Toronto while the shipment of that same amount of goods from my riding to Toronto would cost $1,200 or more.

● (1540)

I would not like to predict the number of lost jobs in industries as a result of subsidy elimination for Atlantic Canada, but such a move would certainly cause some firms to go bankrupt in our area and would in effect extend the recession for all Atlantic Canada manufacturers. This is without a doubt the most important economic transportation threat to our survival within the last 50 years. It is this type of threat, real or imagined, which keeps our industries on tenterhooks while curtailing the establishment of new industries which would depend on central Canadian markets for some of their sales. These proposals affect all industries, but I submit they hit hardest at our farming community.

In the Town of Bridgewater, Nova Scotia, we hold every summer one of the largest agricultural exhibitions in the Province. This affords me, as a Member of Parliament, the opportunity to meet with my farming constituents and they have told me that a broader range of farm credit policy and financial instruments are needed to provide farmers the flexibility and security required to undertake long-term planning. In fact, the young farmers are the most important of all, those with very little equity who made substantial investments in the late 1970s. They are especially vulnerable today to the instabilities which are presently being experienced.

It is estimated that more than 10 per cent of the farmers in Nova Scotia today are facing substantial financial difficulties as a result of current depressed commodity prices. Half of these farmers are in very critical financial trouble at the present time. The failure to find a solution to the dilemma of these farmers will not only result in increased hardship today, but it will also aggravate the long-term problem of transferring ownership of Nova Scotia farms to a new generation of farmers. In fact, some farmers have expressed concern to me that their annual net income is not sufficient to pay for the interest on capital investment. This, of course, is understandable when you realize that the minimum capital requirement to start a viable farm enterprise today has risen to approximately a quarter of a million dollars. There is a need for policies to enable producers better to cope with problems of fluctuating cash flow, especially in the early years of farming.

Perhaps the Government should consider the leasing of land to new farmers with a provision for eventual purchase. An interest rate stabilization program would also be helpful. What I wish to stress is that our farmers, who are the backbone of this country, require more consideration from Goverment planners than they are receiving at the present time.

It is not only our farmers in Nova Scotia who are facing economic difficulties. In spite of Mr. Kirby's recommendations, our fishermen are facing not only economic problems but social and legal problems as well. I wish to bring a legal problem to the attention of this Government. I do so this afternoon more in sorrow than in anger. I refer to the unfortunate burning and sinking of two Department of Fisheries and Oceans chartered fisheries patrol ships in West Pubnico on Wednesday, May 11. I raised this issue on May 12 in the House through questions to the Minister of Fisheries (Mr. De Bané). Unfortunately, his answers left much to be desired and indicated to me, and to the people of Nova Scotia, that the

lines of communication between the Minister and his officials are somewhat blurred and could be improved.

There is trouble between the fishermen and officials of the Minister's Department. However, it must be clearly understood, Sir, that it is not the fishermen who started the trouble. From discussions I have held with the fishermen and their wives, as well as from the large number of letters I have received from fishermen and from their wives in my constituency, it is obvious, at least to me, that the fishermen in this area have been unreasonably provoked and harassed. A 62-year old lobster fisherman, with whom I spoke on the telephone, has fished for 45 years of his life. He told me that this is the first time that trouble of this nature has occurred along the South Shore.

The fishermen have been provoked, laughed at and harassed for over a year by federal fisheries inspectors. These inspectors have cut off their buoys, taken their traps, snarled and cut their lines and left them with absolutely nothing. The fishermen tried to reason, they tried to talk, they tried to rationalize with the officers, all to no avail. The plastic tags for the lobster pots, which are something new in 1983, in place of the metal tags which were nailed to the pots previously, plus the lack of replacement tags,is one of the items at the root of the dispute. It sounds simple to you, Sir, and it is simple to me. However, when you have officers who do not seem to understand that these plastic tags can be lost and are fining the fishermen, this becomes a major problem.

As I understand the problem, all these men are asking for is the right to make a living. They are not pirates. They are not criminals. They are not Mafia types. They are not ruffians. They are hard working, Christian, family men who have been provoked beyond all reason. They have been trying for a lengthy period of time to get through to someone within the Department who will listen to reason, someone with common sense. But this, obviously, does not seem possible. They diligently tried to stop the harassment before someone was killed, but instead of reasoning with these men the Department put five more boats in the area and armed its patrol officers with shotguns.

Does anyone in this House really believe that this is the proper course to follow when dealing with Canadian fishermen? If they do, Sir, then I say to this House that the Government is unaware of the facts and that it is turning a blind eye and a deaf ear to the pleas of Canadians who, in desperation, under severe provocation, broke the law and destroyed the two patrol boats which symbolized their misery and frustration.

This type of action, of course, is related to the very motion we have before us, because it affects the productivity of my people. I would like to tell the House what some of my constituents have had to say. Throughout all of some 50 or more letters plus phone calls which I have received, I find the same thread of reason. This is only one of some 50 letters I have available. It was sent to me and it reads as follows:

Dear Sir:

I am a resident of Woods Harbour and also a fisherman's wife. I am writing to show my concern over the situation here in this community. So far nine of our men have been arrested on piracy charges and even as I am writing this letter they are arresting more. I am appalled at the justice system in this country. Only one side of the story has been told. The Department of Fisheries side. Every attempt of the fishermen to settle this matter in a peaceful manner has been turned down. Their last resort was the destruction of two boats leased to the D.F.O. If this hadn't happened it would have been lives instead of boats. This is where the situation was headed.

I would like to see a full scale federal investigation take place.

Since the beginning of the lobster season the D.F.O. have been hauling and seizing traps, from this area, tagged or not. Woods Harbour area was hit the hardest. The morning the D.F.O. boats were destroyed, the D.F.O. were armed and willing to challenge the men to a game of cops and robbers. They were given permission to shoot. The fishermen had no defence. Which would the justice system rather see? The loss of two boats which can be replaced or the loss of many lives which cannot.

The fishermen were provoked beyond endurance. They are hard working men trying to support themselves and their families. The D.F.O. is trying to enforce a law 15 years old, which should have been retrieved the year after it went into effect and through neglect on their part failed to do it. The fault lies there.

Now our men are charged with piracy. If they are convicted there is no justice left in this world.

I am begging you to try your best and do something for these men and the situation here in Woods Harbour. We are not pirates. We are honest hardworking people trying our best to make a living. We need help from somewhere.

Yours truly

"Mrs. Gilbert Devine"
Woods Harbour

The same lady also wrote to the Minister of Fisheries a very short letter, and I quote:

I am a resident of Woods Harbour and a fishermen's wife. I am deeply concerned over the situation here in Woods Harbour. I feel an investigation should be conducted into the D.F.O.'s methods of trap enforcement. The morning of the destruction of the two boats leased by the D.F.O. the RCMP advised them to leave the wharf as they were only antagonizing the situation. The fishermen were challenged to a game of cops and robbers by the D.F.O.

I was extremely upset by your statement against the fishermen. It is apparent you know nothing about what goes on in your department or you wouldn't be so quick to condemn our men. Your people refused to negotiate with our men. You listened with deaf ears and closed minds. You should be thankful it was only two boats lost and not many lives. If anyone should be charged with piracy it's the D.F.O. for removal of legal traps from the water and the destruction of these traps because the proper size boats were not used or the proper equipment. Your sympathies lie in the wrong place. Without the fishermen you wouldn't even have a job.

Yours truly

"Mrs. Gilbert Devine"

● (1550)

I could place many more letters of that type on the record but I will close with just a few other comments. In view of the comments made by so many of my constituents over a vast area, comments which reflect upon their very lives, their productivity and on Nova Scotia's economy, I wish to endorse the pleas of these fishermen and their wives and families for a full-scale federal investigation not only into what has occurred in West Pubnico but also into the facts concerning the fisheries officials who have apparently been breaking the law for some time through illegal acts against hard working, law abiding Canadians.

In conclusion, Sir, no one condones law breaking, but I say to the House that this rule applies equally to Canadian fisheries officers as well as to Canadian fishermen.

Mr. Pepin: Mr. Speaker, I just wanted to remind my hon. friend and ask him to pass the message on to his constituents that the cost of feed grain in the Maritimes will not be affected by the western rail initiative, for the very simple reason—

Mr. Forrestall: Is that a promise?

Mr. Pepin: —for the very simple reason that the cost of feed in the Maritimes, Quebec and Ontario is determined by the cost of feed at Thunder Bay. That will not change.

Mr. Benjamin: And the cost will be higher because the freight rate is higher.

Mr. Pepin: The price of feed might be slightly lower in the West, indeed, but the cost of feed in the East will not be affected by this measure. Now, would he spend some time on the weekend trying to reconcile his views on the cost of feed in the West with the western Members of his caucus, because it would be rather useful if they could come to terms, the two sides of Canada, within the bosom of the same Party?

Mr. Crouse: Well, Mr. Speaker, I thank the Minister for his intervention and his views, but in response I must reiterate one of the major concerns of the people I represent in the farming community is simply this: they realize that these changes will bring about a larger investment by western farmers in what will be a market close to them, namely the raising of more livestock by using their own feed grains. The fear of eastern Canadian farmers is that they will face a glut of pork and beef products on the market at a price with which they will be unable to compete. We are concerned that they will be driven out of their markets, if not because of an increase in their feed cost, then because of low-priced western farm products.

Mr. Benjamin: Mr. Speaker, I want to compliment the Hon. Member for South Shore (Mr. Crouse) on his speech. I was in Nova Scotia, in a constituency north of Halifax, and talked to farmers who raise poultry, eggs, hogs and whatnot, and they had granaries full of barley and feed wheat from Saskatchewan and Manitoba. When the Hon. Member is talking to his constituents will he convey to them the fact that if the freight charges on grain to Thunder Bay are increased, the increased freight charges for grain arriving in Thunder Bay will be passed on to feed grain users from Ontario eastward?

Mr. Pepin: Not true.

Mr. Benjamin: I ask my hon. friend if he is aware of that and would he be good enough to convey that to his people in Nova Scotia.

Mr. Crouse: I thank the Hon. Member for that intervention. I will convey that to those farmers I represent, but I am also going to convey to them the Minister's promise, on scout's honour, that there will not be any increase in the price of their feed grains. It will be interesting to observe just which of the two points of view they believe.

Mr. Evans: Mr. Speaker, I was very interested to listening to the Hon. Member's comments, especially with regard to the lobster fishery. I have some very close friends who happen to come from that area and are familiar with the lobster fishery. It seemed to me that the Hon. Member was indicating there was some justification for the burning of the fisheries vessels, that in fact the situation had become intolerable and the fishermen were in some way justified. Is that what the Hon. Member meant, because I certainly do not think that is what he meant. I certainly would not condone that situation.

It is well known to people from that area that there is a problem with poaching. it is well known to people in the area that the physical size of the lobsters is becoming smaller and smaller because there is overfishing. There is a need to cut down the number of traps, exactly the same problem faced by the salmon fishery on the West Coast. There are too many boats fishing for too few fish, and it is driving the fishery into serious recession, depression and perhaps extinction. The same thing is happening to the lobster fishery. When that fishery is gone, what happens to the livelihood of the people then?

Does the Hon. Member have any proposed solution to that kind of problem, because that is where the situation is heading if indeed the Department of Fisheries does not put a stop to the poaching and overfishing taking place on the West Coast as well as the East Coast.

Mr. Crouse: Mr. Speaker, I thank the Hon. Member for Ottawa Centre (Mr. Evans) and I will try and give him a precise answer. I have to because he happens to be my Member of Parliament here in Ottawa, so I have to be fair in my response. But I question whether you will give me sufficient time, Mr. Speaker, in which to inform him about the major problems.

First of all, I would point out that I do not, as I stated in the House when questioning the Minister, condone illegal acts or the breaking of the law. But as I stated in my short address a few moments ago, that belief applies not only to te fishermen but equally to the law enforcement officers on the payroll of the Department of Fisheries and Oceans. They, too, must respect the law, and if they did then this problem would not have arisen.

There is a serious matter of poaching but this has never been fully addressed by the Department. When the Hon. Member speaks about the Department of Fisheries' concern about conserving the species, he must realize that those close to the scene—and I speak now as a man who has gone to sea and who has owned ships on Nova Scotia for 20 years—we who are so closely associated with the industry, are much more concerned about making certain that any species of fish is not decimated. This is the attitude that the fishermen in Woods Harbour and along the south shore who fish for lobster have towards their industry. They will watch it a lot closer than the Department of Fisheries inspectors ever need to.

Lobsters are not being decimated. The stock in fact has been rejuvenated and it will sustain the present fishery. The problem is that the 15 year old law which allowed only 375 traps per boat was sufficient 15 years ago when boats were smaller, but now they have been enlarged for the protection of the men and they carry not one fisherman to sea but sometimes two and three. It is impossible for a boat 60 feet in size to earn a living with increased operating costs generally, and therefore they have asked for a review of that 15 years old law with an updating to maybe 500 or 600 traps per boat, so a sensible living can at least be earned by the fishermen. This is one of the major parts of the problem.

• (1600)

I submit that common sense, sitting down and reasoning it out with all the fishermen would resolve the issue. However, unless it is done, as stated in the letter that I read in the House, this fire will not burn out easily and more damage could be done of a physical nature.

The letters I have received indicate that a man named Mr. Stan Dudka, of the Department, threatened the lives of fishermen with a shotgun, boasting that he was the authority, that he had a gun and that he knew how to use it. A number of the letters—I cannot read them all into the record—have requested, "Please remove Mr. Dudka from the area or there will be more trouble". I hope this message gets through to the Minister and his officials.

The Acting Speaker (Mr. Blaker): Are there any questions or comments? Debate.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to have a chance to speak to the motion of the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall), because it gives a chance to speak of the Special Recovery Capital Projects Program the Government has been implementing during these past few weeks and will be implementing in the weeks and months ahead. Of course, the $2.4 billion in the program is only half of the program. The Special Recovery Incentives Program for industry is something which will take longer to initiate because it is an incentive to the private sector. I submit that it will be just as important as in the long haul.

The other part of the motion which I found to be especially interesting involves the question of economic development in Atlantic Canada because, as Your Honour knows, since 1969 the area in northern Ontario which I represent has been under a DREE designation very similar to Atlantic Canada, those slow growth areas of our country, often with resource-based industries, where we have been trying to stimulate economic development. Therefore, a debate like the one this afternoon is of special interest to me as it would be to all Hon. Members from that area.

The Hon. Member for Dartmouth-Halifax East called attention to the number of Government Members who are in the House today. I would just point out that the motion was put down last night. The Opposition obviously knew that it would put down this motion for several days. In spite of that fact, most of the time today the Opposition has only had three or four Hon. Members in the House. On this side, we did not know what motion would be put down, so it was no possible to have as many Hon. Members here. However, I am surprised that every Hon. Member from Atlantic Canada was not here when the Opposition obviously knew for many weeks that it would be presenting this motion today, because I know it does a lot of long-term planning on these matters.

I would like to deal with the question of partisanship in the Special Recovery Capital projects because I think there are some obvious disparities in the arguments put forward by the Hon. Member. Certainly the Minister of State for Economic Development (Mr. Johnston) and the Minister of State for Small Businesses and Tourism (Mr. Rompkey) have made very good accounts of the whole issue in the debate. However, I would also like to raise a couple of aspects.

It should be pointed out that we are discussing 100 Special Recovery Capital Projects. The minimum size is something like $1 million, but most of them are major federal Government installations costing $10 million or $20 million. Naturally, if there are 100 projects, with 282 seats in the House of Commons not every constituency or area in the country will have one of these projects. In fact, it is probable that it will be something like less than one in every three. We should keep that in mind.

Of course, long-term economic benefit has been the special criterion which the Minister has attached to these projects which are being implemented during these few weeks. It is important that the Government implement them in a fast, dramatic way so that the economic benefit in terms of job creation is there. We know that our industry is down right now. The economic turnaround is starting. However, it will take time for those industries which have been working at less than full capacity to take up the economic incentives and $2.4 billion in tax credits which were included in the federal budget and which will have such a dramatic effect on our industry in developing jobs during the next few years. Right now the Special Recovery Capital Projects will be very beneficial in doing that. Of course, they are located in many industries, in transport, in research, in vessel construction and in tourism.

I would just like to refer to two or three projects which have been mentioned here this afternoon in the course of the debate. The Hon. Member for Dartmouth-Halifax East and the Hon. Member for South Shore (Mr. Crouse) have mentioned the small craft harbours allocation. It is important to note what a tremendous injection of money the federal Government has committed to the small craft harbours program. It is also important to note that $67 million of the $127 million allocated to the program went to the Maritime Provinces—$24 million to Newfoundland, $25.4 million to Nova Scotia, $10 million to New Brunswick and $8.8 million to Prince Edward Island. That should be compared to Ontario which has a population of over eight million. The Ontario allocation was $27.3 million under the small craft harbours program.

Some may say that Ontario does not have the fishery and so on. That may well be true. We do not have as large a fishery as

Atlantic Canada but we do have an important inland fishery. More importantly, we do have a tremendous tourist industry which depends on small craft harbours.

I want to congratulate those people who work in the small craft harbours branch of the Department of Fisheries and Oceans in the Ontario region because they work with a staff of about seven permanent employees and about five temporary employees. They carry out a simply tremendous program. If anyone said that a $27 million construction program had to be implemented with a staff of 12 or 15 people, it would be very difficult to imagine that happening. However, these people work in a very constructive and purposeful way.

Yesterday, in my own constituency, I announced a program of $1.84 milion for small craft harbour development. I was pretty proud of that. I thought it was a tremendous injection, certainly the largest since I have been a Member, for capital construction for small craft harbours. I would like to discuss it a little further. However, by comparison, today a $4 million small craft harbours program was announced in the constituency of the Hon. Member for South Shore and he called it a drop in the bucket. I hope my constituents in Algoma-Manitoulin, which has the largest number of harbours of any constituency in Ontario, will not hear his comments so they will not think the allocation we received of $1.84 million is not very much. It is certainly an important injection of capital.

It is obvious that the comments of the Hon. Member for Dartmouth-Halifax East are simply not the case when we consider how much money has been allocated to the Maritime Provinces compared to Ontario. Over 50 per cent of all the boats in Canada are in the Province of Ontario. Eighty per cent of all vessels visiting Canada from the United States come to Ontario waters. Therefore, our allocation, by comparison, is very small. It simply disproves the argument that less funds proportionately are being allocated to the Maritime Provinces than to Ontario. The allocation of funds for small craft harbours under the Special Recovery Program is very important to my constituency. There were eight projects approved yesterday.

• (1610)

An Hon. Member: How many?

Mr. Foster: There were eight small projects included in the $1.84 million program. I point out to the Hon. Member for Dartmouth-Halifax East that that is less than 50 per cent of the amount approved for the South Shore constituency and which the Hon. Member for South Shore called a drop in the bucket. I hope his remarks will not be heard in my constituency where we received half that amount.

We have a number of projects to develop the small craft harbours around the north channel of Lake Huron which is, without doubt, the best cruising and sailing area in North America. It rivals the British Virgin Islands and the Greek Islands which are the two most often compared with our area.

Just to the south, at the end of Lake Michigan and Lake Huron, there are some 25 million Americans who come to the north channel of Lake Huron to sail. It is unquestionably the best tourist opportunity we have for economic development in that part of the country. Not only are we attracting literally thousands of people and hundreds of American boats to that area, but we will be able to develop major new harbours as a result of the allocations given yesterday in Little Current. We will be able to carry on dredging in the Spanish River for that harbour of refuge, complete a new harbour at Bruce Mines as well as other harbours at Richards Landing, Gore Bay, Manitowaning, Gros Cap, Thessalon and Blind River.

These are all harbours which surround the north channel and which will provide an access for people to the water. As well it will provide to those tourists sailing in from American waters an opportunity to rest and buy fuel, food and accommodation in those many communities. This is not simply a convenience for the person who has a boat to go sailing on a Sunday afternoon; it literally brings hundreds and millions of dollars from the United States to that part of the Great Lakes. I would point out that even though it is a major injection of funds it does not come very close to the amount which is being expended in Atlantic Canada.

I would also like to comment on the question of forestery laboratories. In the City of Sault Ste Marie, which is in the constituency next to mine, a major forestry complex was announced a week or two ago. That complex is to be an addition to the existing forest research laboratory and will cost some $13 million. The Hon. Member for Sault Ste Marie (Mr. Irwin) worked very hard to secure that major addition to a most important industry of northern Ontario.

I would point out that the Hon. Member for Dartmouth-Halifax East said in his partisan comments that all these projects were going to Liberal ridings held by Government Members. However, when one sees the Maritime Forest Research Laboratory located in Fredericton, $22.5 million has been allocated to that constituency which is held by the Hon. Member for York-Sunbury (Mr. Howie) who is a Member of the Official Opposition and a former Minister of the Crown.

I suggest that this disproves the argument being made about partisanship being involved in the whole question of Special Capital Projects. What is more important is that I think Members on both sides of the House would agree that those major laboratories for forestry research are very important to that industry. I am sure it is as true in Atlantic Canada as it is in northern Ontario and areas in B.C. that major strides are needed to be made in forest research if we are to reach the objective chosen by the Minister of the Environment (Mr. Roberts) and his provincial counterparts to increase our forest products by 40 per cent during the next 17 years. This will involve a major investment by the federal Government, and in fact the forestry Minister said that we would have to increase our funding from $300 million annually to $650 million a year during the next few years in order to increase the production of wood fibres to meet the needs of the future.

I cannot think of any more important factor in achieving that goal than forestry research. The massive losses from insects and diseases clearly demonstrate the important and

vital role of research. I know some of the people who are involved in this research at the Great Lakes Forest Research Laboratory in Sault Ste. Marie and I am delighted that those facilities will be expanded. In no way do I detract from the importance of the $22.5 million to be spent in the York-Sunbury riding for the Maritime research lab; I am sure they have equal needs in that area. I believe there was the announcement of three or four labs during the past week and they were obviously not made on a partisan basis but clearly on economic and need criteria, as the Minister indicated this afternoon.

I would further point out to the Hon. Member for Dartmouth-Halifax East that the funding of $18.25 million from the Special Recovery Capital Project Program to the Atlantic Veterinary College went into the riding of the Hon. Member for Hillsborough (Mr. McMillan), who is a Progressive Conservative Member. No one on this side of the House detracts from that allocation. It is a project which has been waiting for funding and I am pleased that it has received it.

Since the Hon. Member has suggested that these allocations of funds are provided on a partisan basis, being a veterinarian myself, I can tell him that if we wanted to be partisan, that same amount of money could have been spent on the Ontario Veterinary College. That college has just lost its full accreditation as a veterinary school in North America; it now has a limited accreditation. The Hon. Member for Guelph (Mr. Schroder), who is a Liberal on the Government side, used to be on the staff of the Ontario Veterinary College. That money would have brought the school up to full accredited status. If these projects were implemented on a partisan basis, the obvious place to spend that $18 million would have been at the University of Guelph which does not have full accreditation even though it has a long and distinguished history.

The review committee discovered that that college had inadequate lab facilities, inadequate classroom facilities and rundown office and clinical spaces as a result of inadequate funding. I would also point out that the federal Government has put up approximately 50 per cent or 60 per cent of the money for funding of the university. Therefore we must ask ourselves whether the Ontario Government has given it adequate priority.

• (1620)

I think many of the arguments made by the Hon. Member simply cannot be true. What about the three or four projects about which I have spoken? The motion, however, has given us a great opportunity to speak about the special highway projects, small craft harbours, veterinary colleges and topics near and dear to the hearts of Members from Atlantic Canada and those of us from areas like northern Ontario. We all face the same kinds of slow growth and economic problems which many of the outlying areas of our country face today. From that point of view I am glad we have had a chance today to have this debate.

Mr. Forrestall: Mr. Speaker, could I ask the distinguished Member a very brief question. Does he believe in the final analysis, when all is said and done, whether major projects such as research centres, so vitally needed in the forest industry, the research centres in the Miramichi region, not altogether a Conservative riding, if you will, programs that have been in our budgetary process for many years, are not best funded out of general revenue?

In other words, is the Hon. Member suggesting to us that Canadians must wait until there is a massive economic crisis to get much needed help for the forestry and research centres? Is that what we are looking for? Twenty years ago the West Coast, for example, got an aquarium. An equivalent amount of money was promised for the East Coast. Are we only to go after these programs when Special Recovery Projects are underway or should they not be included in the ongoing, long-term process of normal Government expenditures?

I am prompted to ask the Hon. Member this because he is lamenting having received only eight special projects in his riding. I represent two-thirds of Halifax harbour. I do not even have one public marina in my harbour in spite of having pleaded for one over the last 15 years to 18 years. The Hon. Member for Algoma (Mr. Foster) has eight special projects for small craft harbours. I have a fishing community of 60 or 70 families directly dependent upon a wharf that is not safe to walk on. Indeed, the last 100 metres of it is, or should be closed.

Where is the justification for that, Mr. Speaker? Should we be waiting until there is a major economic crisis for a Special Recovery Program or should not these major things that are the basis of research, medical research not being the least of them, forestry research and mining, not be part of the ongoing budgetary process of Government?

Mr. Foster: Mr. Speaker, the Hon. Member poses a couple of questions. One aspect I find important in the Hon. Member's question is that we tend to get more of the big projects, such as I have outlined today in large centres, not in the small communities. For example, in my constituency there is one project with eight locations. Even that is a relatively small amount of money compared to the costs for big veterinary colleges or forestry laboratories. But thank heaven there are projects of that type which can be implemented and that have a long-term economic spin-off.

With regard to the second part of the Hon. Member's question, I would not say that we are doing projects now that have been in the wings. Some of them have been in the wings for some time, such as the Atlantic Veterinary College, because we could not get agreement. We still do not have an agreement from the Provinces for funding but at least we have a firm commitment of money. Nearly all of these projects were projects that were in the pipeline two or three years down the road and have been brought forward. I think that is the economic wisdom of the budget in taking those projects which were going to be built two or three years from now and building them now while we have slack in the economy, unemployed construction workers and the plant and capacity to do them. Many of these people will be facing unemployment benefits

and so on. If we do those projects now we can give an immediate injection of job creation with economic benefits later on. It may mean there will not be so much money to spend on these kinds of projects three or four years from now; if we spend the money now, obviously we will not need them later because they will already be onstream. However, the economic benefits will flow from them. They will improve transportation, fisheries or whatever.

The Acting Speaker (Mr. Blaker): Are there any further questions or comments? Debate.

Mr. Ian Waddell (Vancouver-Kingsway): I am pleased to be able to speak in this debate on Atlantic Canada. I live 5,000 miles away, I suppose, from the beginnings of Atlantic Canada, yet I have listened today with great interest to some good speeches that have been made in the House. I have listened to some of the comments and questions. I think we have a lot to learn from Atlantic Canada; I know I have learned a few things today.

I want to read the motion again just in case some people have forgotten it. The wording is quite interesting. It reads:

That this House recognizes the need for long-term solutions—

I just want to emphasize the words "long-term solutions". The motion continues:

—to the economic difficulties facing Atlantic Canada and, although welcoming the injection of funds provided under the Special Recovery Program, rejects the manner in which those funds are being allocated, particularly the decision to use partisan advantage—

I underline the words "partisan advantage". The motion continues:

—rather than need as the basis for the provision of funding, and condemns the government for its failure to adopt policies which would create lasting economic growth with permanent jobs and investment in Atlantic Canada.

When I read that motion I smiled to myself, especially at the words "partisan advantage". Here are the Conservatives giving it to the Liberal Government for using patronage in Altantic Canada.

An Hon. Member: It sounds like the NDP.

Mr. Waddell: It is sort of like the pot calling the kettle black.

The last time I was in Altantic Canada was during the Nova Scotia provincial election. A couple of days before the election I was being driven down the street and the roads were all being paved. It was even warm under the car. I said to my host this was excellent. I asked if this were done all the time. My host replied: "No, only around election time". If you want to talk about patronage, you have to blame both old line Parties.

Mr. Pepin: Watch your halo.

Mr. Waddell: The Minister is suggesting that I should watch my halo to see that it won't slip. I will try to refrain, because it has slipped lots of times before, from being holier than thou. I would only be human—and I say this to the Minister—if I did not point out that we in the NDP get people criticizing us. They say: "If you get in power, maybe there will not be economic growth. The Conservatives and the Liberals are Parties of economic growth."

I have always thought of that as a nonsense argument, but all you have to do is look at Atlantic Canada. For the last 100 years there has been a chronic recession. You cannot blame the NDP for that because we have not been in Government in Atlantic Canada. The Grits and the Tories have had the power, the old line Parties. The people there have received the same kind of nonsense from both old line Parties. The people have received excuses and poor government for that period. I know there are other factors, but poor government and excuses have contributed to chronic recession.

• (1630)

When I look at the words "Special Recovery Program" in the motion before the House—and I have not had time to research it—I wonder how many such programs there have been in Atlantic Canada. In my lifetime there have been hundreds of special recovery programs to pick up the economy and suddenly make it work. The motion applauds the Special Recovery Program and worries about partisan advantage. In essence it suggests really more of the same. It talks about long-term solutions but does not really specify what those solutions are. It is really bits and pieces, the same kinds of hand-outs which Atlantic Canada has been getting for years.

I have to walk delicately here because it is not up to me as a British Columbia Member to tell people in Atlantic Canada what is good for them, unlike what the Prime Minister (Mr. Trudeau) said in the House today. He is prepared to tell western farmers what is good for them and that they will benefit, whether or not they like it, from changes in the Crow rate. Surely that is nonsense. It would be inconsistent of me to suggest that I have all the answers to the problems in Atlantic Canada or to tell Atlantic Canadians what is good for them.

I would like to indicate what we in the New Democratic Party can do and have done. First I will indicate one specific example and then I will talk about the general problem affecting Atlantic Canada, indeed all of Canada. I and other Members of the NDP have been active in the regional economic expansion committee in examining the work of Devco, the Cape Breton Development Corporation, which is responsible for coal and various aspects of coal development in that area. I have been in touch with a former Member of the House, Father Andy Hogan, who used to be the Member of Parliament from Cape Breton.

Mr. McCain: They knew better than to elect him again.

Mr. Waddell: The Hon. Member should not worry because he will be back after the next election. He continues to have an interest in the area. I would like to tell the Hon. Member about one area on which we have been working, which I am sure he will support. The Devco officials appeared before the committee, at which point we asked them whether they were receiving many job applications. I am not sure whether the figures are correct, but they said that something like 14,000 people had applied for jobs and that they just could not provide

them. We suggested that they should open up new mines, for example, the Lingan mine. They told us that they had applied to the federal Government but that there was delay.

What they were receiving from the federal Government was NEED funds for local development programs and so on. It was basically the same pattern of short-term jobs, clean-up projects such as raking leaves and so on, rather than real projects such as mining. The world market for coal is down now but it is improving. Devco just found some new markets in Korea and other places. They should be opening up these mines and providing real jobs for people in Atlantic Canada rather than being subjected to the hand-out programs of the Government.

We have much to learn from Atlantic Canada, but I have something to say of a general nature. The rest of Canada may soon suffer some of the recessionary effects that have been with Atlantic Canada for so long. I am referring to the high rate of unemployment which we now have in the country. This has been more traditional in the Maritime Provinces, in Atlantic Canada generally. It seems that a third of that unemployment is unemployment created by Government, by monetarist policies or by tight policies which have literally squeezed the economy and produced a lot of unemployment. It is purposeful unemployment. People in the Maritimes and elsewhere in Canada should realize that the Government through the Bank of Canada created a high level of unemployment.

As I said, I think that amounts to about one-third. I think the other two-thirds of the present unemployment is structural, that is, the result of a change in the whole structure of industry. We are seeing more robots. We are seeing more high technology and more office machines replacing secretaries and so on. This is affecting the entire country and will continue to do so. The budget itself predicted the unemployment rate at about 12 per cent to 13 per cent this year and again next year. It could even be worse. We will have to face the new society. We can talk about long-term solutions, but in the motion before the House there are in fact no long-term solutions.

Let me suggest a few solutions before I sit down. First, we need to retrain workers; all Parties agree with that. We have to go at it in a big way. We need more than just retraining; we need to give working people, in Atlantic Canada and elsewhere, some control over what capital is doing and what companies are doing. Often companies want to go through technological change, so they move, for example, from Atlantic Canada or from central Canada to the United States, or from British Columbia to Manila. What happens to the workers in these industries? They are thrown out on the streets. Some people say that more jobs will be created in the high-tech society. I am not so sure about that, because the jobs will go outside the country.

Other people say that more jobs will be created in the manufacture of the robots or the machines. If we look at the history of Canada, we have not really made machines. If we look at the mining industry in particular, we do not make many of the mining machines in Canada; we import them. We will have the same problem with high-tech. As the Minister of Employment and Immigration (Mr. Axworthy) said publicly, we could have a major problem in Canada with workers rioting in the streets; at least, that is what the headlines indicated. We have to look at controlling the areas in which the companies will move. Workers should be given some say and be on the boards of directors. We have to talk about part-time work, a lot of which is in Atlantic Canada. We cannot have small employers paying full wages for part-time work. We will have to subsidize the part-time work, which may mean a new idea of a guaranteed annual income. We will have to make companies and Crown corporations more open, and we require some real economic plan for the country.

In my limited amount of time I suggest to the people of Atlantic Canada, and indeed to all Canadians, that we have to adapt some really radical programs. I am not afraid to say the word "radical", unlike the Conservatives and the Liberals. We need radical programs to survive in a radically new age. I know what Hon. Members opposite will say. I see the Hon. Member for Ottawa Centre (Mr. Evans). He wants to leave it to private enterprise. This is what Atlantic Canada has done for the last 100 years. Atlantic Canada is an example of where investment and industry has moved out. It is a wonderful place with great people, but we have not been fair to Atlantic Canada. The same process will happen in central Canada and in western Canada if we do not get a handle on the new high-tech society of the future.

I thank the House for the opportunity to raise that point and to say basically that some of the problems in Atlantic Canada require long-term solutions, as do those in the rest of the country.

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I am happy to participate in this debate which will either close with my words or the clock, one or the other, by 5 p.m.

I listened with interest to the remarks of the Hon. Member for Vancouver-Kingsway (Mr. Waddell). I understand his traditional, doctrinaire approach. He was not trying to be condescending to Atlantic Canada; he tried to be fair in his way.

Since I come from Atlantic Canada, let me indicate that we are sort of a test tube of a mixed economy situation. We have had the philosophy of private enterprise. We are small and have had to compete against central Canadian markets. We are supposedly the wharf of the Atlantic, but with the rates on Atlantic shipping sometimes we do not obtain the benefit of our geographical position. We in Atlantic Canada have had by circumstance and by reality a mix of the private sector with the public sector and that is one reason we have survived.

• (1640)

In these closing minutes before five o'clock, Mr. Speaker, I want to address my remarks to one of the matters that has been touched upon by all of the Members from Atlantic Canada who have spoken today. That is the Maritime Freight Rates Act which, in our opinion, is our symbolic Crow. As in

other parts of Canada, there has been concern about fundamental change to the Crow legislation.

Before I get into that, I would like to compliment my colleague, the Hon. Member for Darmouth-Halifax East (Mr. Forrestall), in whose name this resolution is put. As Members know, today is what is called supply day, a day when the Opposition can pick a topic and debate it. It serves as a substitution for discussion of estimates in Committee of the Whole and it affords an opportunity for Members to debate and express their points of view and points of interest. Frankly, it would be much more real if there was to be a vote at the end of the motion. This is one procedure where there is debate without a vote.

The Hon. Member's resolution is so general and so good that I would think that if it was to be voted on, as long as it did not bring down the Government, I believe that almost anyone would be prepared to vote for it. The motion reads:

> That this House recognizes the need for long-term solutions to the economic difficulties facing Atlantic Canada and, although welcoming the injection of funds provided under the Special Recovery Program, rejects the manner in which those funds are being allocated particularly the decision to use partisan advantage rather than need as the basis for the provision of funding, and condemns the Government for its failure to adopt policies which would create lasting economic growth with permanent jobs and investment in Atlantic Canada.

I certainly subscribe to that whole-heartedly.

I do not intend, Mr. Speaker, to take any time talking about what other Members have talked about, the partisan nature of the allocation of the Special Recovery Capital Projects. I think that that topic has been covered very well. I agree with my friend from Vancouver-Kingsway (Mr. Waddell) who said that the need is for the creation of permanent jobs.

The resolution says that lasting economic growth is required. That is the subject I wish to discuss because there can be much pump priming and porkbarrelling and as many press announcements of Special Recovery Capital Projects which will last a finite time to provide much needed employment in a time of economic difficulty, and those are good; but they are just the old provisional, proverbial, band-aid approaches.

I compliment the Hon. Member for Dartmouth-Halifax East and the Members for Carleton-Charlotte (Mr. McCain) and South Shore (Mr. Crouse) in particular who, along with other Members, have contributed to this debate. They have focused on something that we in Atlantic Canada have but something that is under a real threat in terms of change. This gives us concern because we are not afraid of change if it is to be constructive change, but change for the sake of change and change that is stimulated and defined in the hallways of the bureaucracy gives us real concern. Of course, I am talking about the Maritime freight rates matter.

I think the timing of this debate is most interesting, Mr. Speaker, because there has been a preoccupation with western problems, be they energy problems under the National Energy Program that has devastated so much of the oil and gas industry of the land, or more recently and topically, the changes the Minister of Transport (Mr. Pepin) has brought in to, in effect, fundamentally change the Magna Carta of the West, the Crow legislation. I believe that now is the time that Atlantic Members in particular from all sides of the House must be careful that, among the larger issues affecting Crow and energy and the general economic climate, some of our specific concerns do not get lost in the shuffle.

I have a unique opportunity this afternoon, Mr. Speaker, to show you how something can get lost in the shuffle in the answer of the genial Minister of Transport. I will confront him with an answer he gave to a question I asked on Monday, May 9, 1983. I asked him that question in particular that day because that was the day the Crow legislation was introduced, although there were some difficulties getting it launched.

I asked the Minister a very direct question that dealt with having the Crow rate changed in a manner that would be deemed in the best interests of all of the country, not just in the best interests of two of the western Provinces. Even though that was western Canada's Magna Carta, I did not want to lose sight of what we in Atlantic Canada have, that old Maritime Freight Rates Act which goes back to the 1920s. Quite frankly, although it is not tied up in constitutional amendments, procedures and protection, the freight rate in Atlantic Canada, though it has been eroded away, is just as important to the East, philosophically and economically, as the Crow rate is to the West. As the Government plays with the big numbers in the West, the Atlantic freight rate might get lost in the shuffle. While the numbers in the East are not as big, they are just as important.

Because of that, Mr. Speaker, I asked the Minister a question that in effect dealt with the concern that his Department's study to review the Maritime Freight Rates Act had brought protest from three Provinces, and perhaps I will read the question. I asked:

> Has the Minister received the protest of four provincial Ministers of Transportation about the narrow terms of reference, very narrow timeframe, and lack of public input to this study, and what does he intend to do about this?

I rarely get the chance to dissect a Minister's answer after the event with information that has come to my hand. Part of the Minister's answer is as follows:

> Madam Speaker, my information is quite different. I understand two Atlantic Provinces have agreed, one has remained neutral, and one has disagreed . . . The studies and review of the nature indicated by my hon. friend are the type of thing we try to do together, namely, attempt to spend as well as we can—

Pay careful attention to this, Mr. Speaker, in view of what I will read into the record in a moment:

> —the hundreds of millions of dollars in support the federal Government gives to the Atlantic Provinces in matters of transportation.

He said hundreds of millions of dollars. Well, I will refer him to his own terms of reference for this study, and since we are on the topic I will do it now. The document I have in my hand is titled, "Terms of Reference, MFRA/ARFAA Subsidy Program, Industry Impact Analysis", Transport Canada, dated December 1982. In describing what is meant by Maritime freight rates, the terms of reference said:

> There are two components to the subsidy program—

As most of us here know, there is the intra subsidy for the select territory and the western subsidy outside the select territory. But then listen to this, Mr. Speaker, in view of the answer the Minister gave me previously. I do not believe that the Minister was trying to deceive me; he may have been thinking about global figures, but my question was on Maritime freight rates and the concern about losing that. Here in his own impact study it say of the expenditures on MFRA and the new one, the Atlantic Regional Freight Assistance Act, the child of the parent:

—subsidies are estimated to become $70-80 million by 1986/87—

I will not dwell too long on that topic because there are other things I wish to speak about, but when the Minister answered the question the other day by saying hundreds of millions of dollars, I was in such a state of shock that I really did not get back to him. I wanted to ask a supplementary question, which I did, and that is also how I will end my speech today. But the Minister's own impact study says $70 million to $80 million, and I hope that the Minister will have a chance to explain that.

• (1650)

Mr. Pepin: Mr. Speaker, I was referring to the totality, as Joe Clark would say, the totality of contribution which the federal Government makes to the Maritime Provinces. Hence the meaning. The maritime freight rate is but one part of it, and this arrangement which we have with the Maritime Government covers more than the Maritime freight rate. So I really think I was very honest.

Mr. Nowlan: Mr. Speaker, I did not take issue with the Minister the other day, and I know he was not deliberately trying to deceive, and I did not intend to give the impression today that he was deliberately trying to deceive, but he is so gosh darn plausible and pleasant in some of his answers that he gives the wrong impression. As far as I am concerned, I was not talking about the totality of the circumstances, or transportation of all the Atlantic Provinces. I was talking, as my question was properly framed, about the Maritime Freight Rates Act, my dear Minister, and his answer, which is what I am coming to in the second part, referred to the memorandum of understanding. He suggests that because I have been busy at other things I did not really understand what the memorandum was.

I will get to my second part affer we get past the amounts involved, which is not hundreds of millions of dollars flowing into Atlantic Canada, certainly in freight rates assistance. I believe my friend has perhaps been oversaturated with hundreds of millions of dollars because he has been so involved with Crow. That is why I say we may get lost in the shuffle unless we speak loud and often on our concerns.

Let us go now to the memorandum of understanding and what the Minister said in his answer to me, that we do these things together. He suggested he had the support of two Ministers of Transport; one was perhaps a little negative and one was a little dubious about the terms of reference. I have in my hand, Mr. Speaker, copies of the letters from the four Atlantic Ministers of Transport. I will read parts of the first one, which is dated March 29, 1983. My question, of course, was on May 9, so these letters were already there.

This letter is from the Hon. Mr. Giffin, the Minister of Transport for Nova Scotia. He says in his opening:

I am very concerned that Transport Canada has recently called for proposals to undertake an MFRA/ARFAA Industry Impact Analysis. My officials became aware of the proposed analysis when it was brought to their attention on February 10, 1983 by a consultant who had received the terms of reference.

He goes on to say in the second paragraph:

The main thrust of the January 1983 Memorandum of Understanding between our governments is one of joint strategic transportation planning. In the M.O.U. we agreed that:

"through cooperation better transportation facilities and services can be planned and provided for the Maritime Provinces".

Then he goes on to say:

If a study of this nature is to be done it should be undertaken if the provinces assist in determining the objectives and scope of the work and are given the opportunity to ensure that the consultants' work adequately satisfies the terms of reference.

In effect, there is the same message from the other three Ministers of Transport. The Minister of Transport for New Brunswick, the Hon. Mr. Bishop, said in a letter dated March 28, 1983:

Dear Mr. Pepin:

I was extremely concerned to learn recently that your Department has awarded a contract—

"Has awarded a contract". He did not phone them to ask them about it. Here is something so gosh darn fundamental in Atlantic Canada yet they read about it in the paper, and as one Minister said, they hear about it when a consultant comes into their office. This is completely defying the memorandum of understanding which the Minister referred me to in his answer that day in May when he said "We do things together". Not one of these letters said they did it together. They were informed after the fact.

Mr. Bishop points out in his letter:

I was extremely concerned to learn recently that your Department has awarded a contract for a study of freight subsidies paid under the Maritime Freight Rates Act and Atlantic Region Freight Assistance Act without permitting the traditional and appropriate involvement by provincial representatives.

That is as clear as it can be. There was one of this joint discussion, this co-operation, as in the memorandum of agreement which my hon. friend referred me to the day I asked him the question. I suppose he has been very busy on many things. However, certainly the answer he gave me in May, and I will repeat it, was:

The studies and review of the nature indicated by my hon. friend are the type of thing we try to do together—

Hosanna! We try to do it together, namely, attempt to spend as well as we can the hundreds of millions of dollars. I just quoted two letters saying it was not done together. Mr. Bishop, the Minister of Transport for New Brunswick, goes on to say:

I am further advised that my officials first became aware of the federal study when they received inquiries from consultants who had been asked to bid on it last month.

He then goes on to say in the very last paragraph:

It is critical that any analysis of their effectiveness—

That is the study.

—take place in a forum where the provincial Governments fully participate in determining the objectives, scope and execution of the work, as has been the traditional approach, and as we envisaged when we signed a Memorandum of Understanding a year ago. Therefore I request that the present federal study not be proceeded with and that future work on this matter be conducted jointly.

In effect, we have the same message from the Minister of Transport of Prince Edward Island who reviews the history and says:

Dear Mr. Pepin:

It has come to my attention that your Department plans to undertake, unilaterally, a study of the westbound subsidy programs under the Maritime Freight Rates Act—

On the second page he goes on to say:

—I find it quite alarming that your Department would proceed with a comprehensive analysis of it which would consider the "removal or partial removal"—

There is no doubt the terms of reference are definitely directed to removal or partial removal of the subsidy program. He continues in his letter:

—of the subsidies without consultation with or input from the Provinces.

In effect, the Minister of Transport for Newfoundland says the same thing, that there was no consultation prior to the awarding of the contract; and he says in his letter of April 5, 1983:

—the Province of Newfoundland in this issue has not been consulted and is deeply disappointed.

In the last paragraph the Minister of Transport for Newfoundland says:

I believe Transport Canada should reaffirm its commitment to joint co-operative transportation planning and commence honouring that commitment.

The answer the Minister gave me in May, Mr. Speaker, was reassuring; he had hundreds of millions of dollars to spend and "we try to do it together". Yet in his Department, somewhere in his files, there were these letters from four Ministers of Transport who were saying the direct opposite and chastising the Minister for going ahead unilaterally with a fundamental study of the Maritime Freight Rates Act in which the Atlantic Ministers of Transport were not involved, contrary to the memorandum of understanding which the Minister himself had directed me to in those dulcet tones which were supposed to seduce me, and did in part, until I received this correspondence. It is the first time I have had correspondence which is so directly contrary to the soothing answers and statements by the Minister on something which is so fundamental.

We do not have to have a study, Mr. Speaker; we know from Mr. Craig Dickson, the General Manager of the Atlantic Provinces Transportation Commission, and Mr. Elwood Dillman, who is the Chairman of the Commission, from statements they have already given to the papers, and I know as an Hon. Member representing my area, as do other Members from Atlantic Canada, that there are so many industries—mine are based on the land; my friend's from South Shore are more based on the sea—that are so marginal. It may not be the hundreds of millions of dollars the Minister is talking about, but if that subsidy was removed, I can predict today, as Mr. Dickson and Mr. Dillman have, who are outside of this House and very experienced people in transportation, there will be industries which will go down the drain.

We have areas which are going to be adversely affected by the removal of a structure which has given us help through a consultant's report—and I can go through it. It is an Ottawa consulting firm. We are very concerned with the terms of reference.

My time is almost up and I come to the last part of my question that day when I pleaded with the Minister. In view of the fact there is this difference of opinion on how the study started, there is real concern from the Ministers about how it started. There was no consultation. Read the terms of the study and you will see it is very definitely directed to removing in part or totally the intra and external westbound subsidy.

I could go through all this in another speech, but I plead with the Minister to be a little more direct in answering the last question I asked him so as to ensure that there is a chance for public input in any study. I do not mind a study if the study is not going to have binding conclusions which are going to eliminate something which we feel is as fundamental as the people in the West feel about the Crow.

Quite frankly, Mr. Speaker, the answer the Minister gave me in May, when I asked for public input—that is, public input from the people who are hurt, who are going to be hurt, not just Ministers of Transport behind closed doors—was this:

Yes, there will be consultation at least with the Governments of the Atlantic Provinces.

There has to be more, Mr. Speaker. There has to be consultation and meetings and a chance for Atlantic industry and Atlantic businessmen to be heard on whatever the report is which these consultants dream up within the closets of the bureaucracy.

The Acting Speaker (Mr. Blaker): Order. It being five o'clock, it is my duty to inform the House that, pursuant to Section (11) of Standing Order 62, proceedings on the motion have expired.

Pursuant to Standing Order 2(2), this House stands adjourned until Tuesday next at eleven o'clock a.m.

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

HOUSE OF COMMONS

Tuesday, May 24, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

MEASURE TO ESTABLISH

The House resumed from Thursday, May 19, 1983, consideration of the motion of Mr. Pepin that Bill C-155, to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport; and the amendment thereto of Mr. Benjamin(p. 25389).

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, as I was saying before time ran out last day, Bill C-155 is an abomination to the Prairies, to western Canada and I believe Canada as a whole. It strikes at the most inner parts of prairie economic interests. It could, in a sense, be better called an Act to say "adieu" to the Liberal Member for Winnipeg-Fort Garry (Mr. Axworthy) and to the Liberal Member for St. Boniface (Mr. Bockstael), and to all Liberal candidates in the west in the next federal election. It could be better entitled "an Act to say 'adieu' to the Liberal Party in western Canada for the next 30 years or so". And it could be better called "an Act to make prairie people hewers of wheat and non-producers of meats and processed foods for generations to come."

It is an abomination, Mr. Speaker, to the economic interests in western Canada because its basic thrust is to tell the prairie farmers that we should all go back to producing wheat and wheat alone. Diversification is unacceptable to this régime and it is going to cost it, Mr. Speaker, as dearly politically as it is going to cost those of us who live on the Prairies.

As I pointed out earlier, a number of old meat packing plants are being closed in the West and are not being replaced. This Bill will only accelerate that process. It is well known that thousands upon thousands of western yearling calves are already being shipped to central Canada feedlots because of feed freight assistance, and Ottawa-set tariffs for moving dressed and live beef.

I would like to quote from a statement, Mr. Speaker, recently made to the Prime Minister (Mr. Trudeau) about the Bill as it is now on behalf of western cattle and hog organizations. I will quote three brief portions:

> The livestock producer organizations in the west are completely opposed to the revised Bill C-155 under which government subsidy payments on grain will be paid entirely to the railways. This decision will do enormous damage to diversification and agricultural processing in western Canada—

• (1110)

Further down it says:

> The federal government's own figures suggest that there will be a potential reduction of approximately $600 million in livestock production annually by 1990 under the "pay the railway" solution. Further analysis in Alberta shows that by 1990, domestic grain prices will be artificially increased by $35.00 per long tonne relative to export returns and that this will be sufficient to cause a reduction of 60 per cent in hog and cattle feeding. Such a reduction will mean a loss of $1.5 billion in economic activity and approximately 6,000 jobs to the provincial economy.

Finally, it says:

> A subsidy paid to the railways to move raw product to other countries for feeding and/or processing is the worst possible way to encourage diversification and economic development in Canada. Its implications stretch far beyond prairie agriculture. It will mean reduced economic activity, lower exports and ultimately higher food prices for consumers.

On the question of the proposed $651 million per annum subsidy to the railways, I previously mentioned that the railways have already been given in effect downtown western Canada by Ottawa. Even Carl Snavely, who has been commissioned by Liberal Governments numerous times to determine the actual cost of moving grain, has stated that the Bill is too generous to the railways. They will receive 100 per cent of their long-run variable costs. We have seen with VIA Rail what this can mean in terms of enriching the railways unjustly.

I guess I am out of time, Mr. Speaker. The Prairies will not accept this cross of thorns. The Prairies are well aware that they have been used only as a whipping boy at election time by this Government for too long and it is going to stop at the next election.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, it is the hope of the men and women who work in agriculture in my area to be able to lead good family lives. This Bill and the political high jinks that have gone along with it pose a bigger and more dangerous threat to that way of life than anything I have seen since coming into this House over ten years ago. Grain policy, Mr. Speaker, should be as simple as possible and as close to "grow it and sell it" as you can get.

The old grain rate was simplicity itself. One half a cent per tonne mile for wheat and flour on the Prairies to the Lakehead, later expanded to other ports and other grains and grain products. The new formula is almost beyond belief. It uses language such as this: "The percentage to be borne by the Government of Canada for the crop year is equal to the quotient expressed as a percentage obtained by dividing", etc., "less an amount equal to the CN adjustment in respect of the

year, plus or minus the total of the interim adjustment for the current crop year by", etc. I ask you, Mr. Speaker, who can understand that?

Mr. Pepin: I do.

Mr. Hamilton (Swift Current-Maple Creek): The confusion and complexity of this Bill is almost mind boggling. The blended rate is the rate combining the new freight rate below the 31.1 million tonne export limit and the freight rate above the 31.1 million tonne export limit. We can easily remove this problem by removing the 31.1 million tonne limit, which is nothing but a disincentive to increased production.

Now, the Hon. Member for Vegreville (Mr. Mazankowski) has advanced some very important points, one being that producers must be guaranteed an efficient, cost effective and reliable grains transportation system. When we look at the Bill, what does it do for us? There are no lower railway performance guarantees for the first three years. Under Clause 21, there will be only a notional scheme. I want to return to the word "notional". Sanctions to the railways will only be tallied and not levied. Also the chance to implement railway performance guarantees must pass parliamentary review. For three years the railways will get a free ride. I think Jack Horner must be smiling.

• (1115)

Our only hope in this whole business is the grain transportation Administrator. For a moment, let us consider how the Act treats him. First, a Senior Grain Transportation Committee must be set up. These people will be picked from a hide-bound institutional maze known as the Canadian grain industry. Under them will be the Grain Transportation Administrator. Clause 13 of the Bill states:

> The Governor in Council may appoint an officer to be known as the Grain Transportation Agency Administrator to hold office during pleasure for a term not exceeding seven years.

These words, "to hold office during pleasure", mean that one is just a phone call away from dismissal. This man will be without any security of tenure. He will be at the whim of every senior bureaucrat and every senior grain trade member in Canada.

We can go further and consider some of the "mays" and "shalls" of this man's duties. Clause 17 states that the Administrator may do thus and so with the concurrence of the Committee, that is, the Senior Grain Transportation Committee; he may make recommendations to the Minister and he may provide advice. However, the one I like is found in Clause 17(f) which states that the Administrator may, in consultation with the Committee, review the role of the Committee with a view to identifying means of strengthening that role. Talk about the executive electing the executive!

If we consider some of the "shalls", as found in Clause 18(1)(e), the Administrator shall develop a notional scheme of sanctions applicable to the railway companies, and then a system of awards and penalties.

Everyone is familiar with the notions counter in drugstores or in Woolworths, supplying hairpins, bobbypins, nail files, etc. My dictionary defines "notional" as being "theoretical, speculative, existing in the mind only, imaginary, or given to foolish or fanciful moods or ideas". I have never seen this word used in previous legislation. Add that to a "notional scheme". My dictionary defines "scheme" as being a plan or program of action, especially a crafty or secret one.

It is interesting to note at the end of the schedule that, while we have to toil with the metric confusion, the railways can still use what I suppose are "as the Crow flies" miles, statute ones at that.

There are other methods and means of providing efficiency and cost effectiveness to rail and grain transportation which the Bill does not address. A few days ago, the Hon. Member for Timiskaming (Mr. MacDougall) asked, "Does grain really have to be weighed six times and graded three times before it is exported?" Maybe with the old box cars it was necessary, but it is certainly not with the new hoppers. Why do the railways operate on a 24 hours a day, seven-day-a week schedule? The grain companies, especially the terminals, normally operate five days a week, sometimes with eight-hour shifts, sometimes with 16-hour shifts. It is impossible to mesh these two systems. Reduction in turnaround time of our hopper cars of one day would be the saving of the equivalent of 1,000 hoppers, some $73 million. These shortcomings will remain.

We should take a good look at what our competition in the United States is doing. Almost revolutionary rail and grain handling change is taking place. More interchange agreements are needed. Concerning use of producer hopper cars, there is a potential savings of $600 per car to the producer.

The Bill will freeze us to the status quo, to our present system, for all time, and what do we have? The old rail lines and old elevators in western Canada have been written off years ago. Even the gravel ballast under the rails depreciates at the rate of 4 per cent a year. These structures rightfully belong to the taxpayers of Canada. Producers simply do not believe the railroad costing figures, yet we are asked to increase our expenses greatly without any assurance of increased returns. Canada has always said to our grain customers, "If you want our wheat, come on over and sit down and maybe we will sell you a little bit". We have never allowed one bushel of wheat to leave this country unsold. Surely this is not the way to merchandise in 1983.

• (1120)

I realize that this Bill does not look beyond the accumulation of our grain at terminal position, but with the billions of dollars to be spent under this legislation, surely we could try selling it from at least one overseas terminal even if it was necessary to build one, which I doubt. Let us put it where the customers are, such as in Singapore, Hong Kong or Rotterdam. Not all customers want nor can they handle grain in million-bushel lots by shiploads.

We need a crash program on research for hardy winter wheats if the Government is serious about increasing the

returns to our western grain industry. As has already been indicated, the railways will receive under Bill C-155 100 per cent of their long-run variable costs, 20 per cent overhead and 20.5 per cent of their contributions to capital. By 1990, the railways will receive a 1000 per cent increase in the freight rate compared to today. There is no provision to reduce the rates if costs should fall and even CP Rail must like this.

I ask the Minister not to freeze us to this deal. Give us the freedom of choice as to where the so-called Crow benefit goes so that our system can evolve. Let the producers decide if they want the Crow benefit payment personally or if they want it paid directly to the railways. The mechanics can be worked out. It is simple to do for Board grains and for domestically used grains it is simpler than the present formula in the Bill.

It is hard to find any humour in this Bill. However, with the many references to the Crow rate being part of the Magna Carta of the West, and the shoddy, off-handed manner of its handling by the Government, I am reminded of the setting of the original signing of the Magna Carta, the beautiful little meadow at Runnymede just outside of Windsor in England. It was an incident when the tour buses were rolling in at approximately noon one day. The official guide was well into his pitch saying, "It was 1215 when King John was forced to sign the Magna Carta by the barons of England". One of the tourists, I suppose from Texas, looked at his watch and said: "If the bus driver had not taken the wrong turn we would have been here in time to see that"! The Government is treating our Magna Carta the same way.

Hon. Ron Huntington (Capilano): Mr. Speaker, ten minutes to debate the principle of a Bill of the importance of C-155 just gives one enough time really to clear one's throat. Let me begin my remarks by quoting for the Hon. Minister a sentence from a very famous piece of writing:

> There is nothing more difficult to take in hand, more perilous, or more uncertain in its success, than to take the lead in the introduction of a new order of things, because the innovator has for enemies all those who have done well under the old conditions and lukewarm defenders in those who may do well under the new.

Of course, that sentence comes from a person whom the Right Hon. Prime Minister (Mr. Trudeau) admires so much, Machiavelli, from "The Prince".

In the words of the Hon. Minister of Consumer and Corporate Affairs (Mr. Ouellet), Bill C-155 is the third major piece of legislation that has been presented in this session of Parliament, which is the longest session on record. We hear the Hon. President of the Privy Council (Mr. Pinard) list the dozens of pieces of legislation that he is so proud of every time he rises to speak in the Chamber. Yet his colleagues say that this is the third piece of major legislation that the Government has submitted in this session.

The Hon. Minister of Agriculture (Mr. Whelan) comes into the House to give notice of moving closure on this Bill. We have had 651 minutes of debate on principle. Here we are, struggling against closure on a Bill of this impact and importance to the nation.

I am from British Columbia and some may wonder why I am so interested in this Bill. I am interested in it because it touches the whole food chain of Canada.

What is this Government up to? It has Bill C-85, the Canagrex Bill, on the backburner. It is threatening to impose closure and rush that Bill through Parliament. Now this Government comes in with Bill C-155 and immediately puts closure on something of this magnitude and importance to every single person and region in Canada. There is something very wrong with the attitude of a Government that wants to abuse and use its arrogance and power in that manner, Mr. Speaker.

• (1125)

I have in my hands a couple of communications from interested parties in British Columbia who want to support Bill C-155. They urge Members from British Columbia to support Bill C-155 as presently presented to this country and to this Parliament. One is a telex from British Columbia Forest Products Ltd., signed by Mr. K. P. Benson, President and Chief Executive Officer. This telex urges Conservative Members from British Columbia to support Bill C-155 in its present form. I tell you, Mr. Speaker, and through you I will tell Mr. Benson and the British Columbia Forest Products, that there is no way, as a Member from British Columbia, that I will accept this kind of lobby instruction from him.

How did I receive this telex? I received this signal from B.C. Forest Products, and so did every other Member from British Columbia, in an envelope from the Privy Council Office. It shows what kind of lobbying is being done by the Government to interested parties in British Columbia and from those interested parties back to elected Members.

I have another letter of different vein from Columbia Containers Limited, Vancouver, B.C. a very interesting small business that utilized some abandoned elevator equipment and legs and put in some silos. This company started to fill the empty containers leaving the port of Vancouver with malt from the Prairies because we do not have enough export container traffic. That was an advantage which the Crow rate in its present form gave Columbia Container. This company started to fill a market void and it is very concerned that if the Crow rate does not stay the same and Bill C-155 is not passed, it will probably have to move its operation or reduce tonnage.

I can understand that company's concern, but I am also in the world of business. I have been changing my mode of operation all my life. Transportation is something that affects every single business in the world. As soon as a mode changes, as soon as something improves, you either lose a market or you gain a market. It is up to people in business to be sharp enough to anticipate what these moves are.

The Minister of Transport (Mr. Pepin) was doing very well in western Canada. He was accessible. He talked, he listened and he was courteous. I think the whole people out there genuinely liked him. Press reports and statements led us to believe that the Minister was going to move on the Gilson

recommendations. This meant a secondary industry could grow in the West, that once again our packing plants could become modern, our feeding systems could integrate with packing plants and we could move ahead and add to our secondary structure and strata on top of our primary agriculture in western Canada. This meant producers in western Canada would have a wider market. They would have more freedom and potentially more diversification. It meant that most industries could stabilize and rationalize and that something would happen down the road, that change would come in. We would break out of old habits and old chains and could start to utilize all that tremendous strength and wealth that we keep talking about here but do nothing about.

Then we had rumour of trouble with the Quebec caucus, trouble in Cabinet and trouble with the Quebec Ministers. They felt that payment to the producers was a threat to emerging and growing agriculture in the Province of Quebec. I have looked into that. I am told that there is no threat. I understand the Government has charts and graphs it is trying to show to the Quebec agricultural industry to prove it has a false attitude toward change. We have also had word that the Pools were against payment to the farmers and they want payment to the railroads. Frankly, I do not understand that. I think the bureaucracy of the Pools and the elected board of directors of the Pools are really not acting in the best interests of their producer members.

• (1130)

I was amazed to learn that both Quebec politics and the politics of the Pools favoured payments to the railroads. Then the Minister of Transport, who had gained and earned a measure of trust in the West, immediately reversed, almost 180 degrees, the pattern and plan of the Bill he was to bring in. He rushed the Bill in and there were not enough copies for interested Members. New Democratic Party Members and Members of my Party were trying to obtain more copies to distribute to very interested people in the Prairies. There were only 651 minutes of debate, in the Government's words, on the third major Bill in this session, and the Minister of Agriculture was up on his feet limiting us to ten-minutes speeches on something which touched every one of us in Canada. There is something very, very wrong.

Mr. Pinard: That is not true.

Mr. Huntington: He has given notice of closure.

Mr. Pinard: Ten-minute speeches are under the rules.

Mr. Huntington: Yes, ten-minute speeches are under the rules, but it is difficult to touch anything of this magnitude in ten minutes; one could barely clear one's throat on something as important as this. If the President of the Privy Council were acting properly, he would negotiate with the Leaders on the other side to suspend the rules with unanimous consent so that we could have 20-minute speeches, debate and questions. Then we could open up all the matters which are not understood, such as how the Bill will touch each and every one of us involved in the food chain across the land.

The Bill is a national issue. It is not only a western farmer and grain producer issue; it is not only a western cattleman's issue. It is not just the hog producer of Quebec who is involved. Every activity in the Canadian food chain will be affected by what we do with this Bill. The Government has a fundamental opportunity within the palms of its hands to put something in which will create not an industrial strategy but an industrial environment in Canada if the correct decisions are made on the principle of the Bill.

I am against the principle of this Bill because it has not used the House and its powers to discuss and debate it. There are various matters involved which are contrary to the health and wellbeing of the future of the nation. I see Mr. Speaker indicating that I am out of time. I am against the principle of this Bill. I urge the Minister to withdraw it, redraft it and put its subject matter into committee so that we can return with something that is meaningful and good for the country.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, in the brief ten minutes which I have today, as the previous Hon. Member just mentioned, there is hardly time to go into the depth and complexities of Bill C-155, an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof.

The Bill is really an omnibus piece of legislation. It deals with the rail transporation system, with very rich western coal lands and with the statutory rate for the movement of grain. Although people may say that some of the leadership of prairie farm organizations do not represent grassroot farmers at the local producing level, I think farmers are saying clearly that they do not want the statutory Crow rate changed. It is one of the few subsidies western farmers are receiving.

With it being removed or increased to the magnitude of the plan of the Minister of Transport (Mr. Pepin) in Bill C-155, we are looking at about $1 billion being lost by prairie farmers. In terms of the prairie economy, it is much more than $1 billion. If we listen to agricultural economists, they will tell us that an agricultural dollar has a multiplier effect of anywhere from four to seven times. We could be dealing with as much as $7 billion out of the Canadian economy by the year 1990. A very heavy portion of that will be placed on the backs of western grain farmers. Although we in the New Democratic Party agree that there is a need to upgrade the Canadian rail transportation system and badly want jobs to put more Canadians back to work, we do not feel that the entire cost should be placed on the backs of western Canadian farmers.

Grain producers contribute some $6 billion to the balance of trade. Approximately 20 per cent of all wealth in Canada is derived from agriculture. If we want to upgrade the transportation system, it should be done with the participation of the entire Canadian economy, not just a few agricultural producers and farmers in western Canada.

I will not go into the history of the Crow rate because of the brief time I have. Back on February 17, 1982 I talked at length about the Crow rate under the borrowing authority. I referred to its history and importance to western Canadian

grain producers. On February 1, 1983, after much discussion the Minister of Transport introduced his plan in Winnipeg. Now we see it reflected in Bill C-155. Between the time of the public announcement on February 1 and the time the legislation actually came into the House, there was clearly no consensus within western Canada on this Bill.

The Minister of Transport promised three additional changes to the initial February 1 announcement. First he promised that payments would go directly to the railways; second, that the cost of transportation would be linked to grain prices; and third, that there would be an increased number of commodities under the new statutory rate. I believe it was a very devious and Machiavellian plot by the Minister of Transport.

The promises were made but when the legislation came before the House they were not all reflected in Bill C-155. It is true that within the piece of legislation the payments directly to the railways were included. There was some increase in the commodities under the statutory rate or what the Minister of Transport is proposing as the new statutory rate, but there are other commodities which will never make it. I will explain that in a few moments. The linking of the cost of transportation to the price of grain was not included.

The Minister will tell us that these promises will be brought in in amendments at committee stage. If the Government plans on pushing through the legislation as fast as it has already indicated in the House and if those changes are made in the latter stages of the Bill, the promises will never appear in the final version of the Bill. This will be blamed on someone other than the Minister of Transport who made the promises. I do not think they will ever see the light of day because the Liberal Government will bring in closure in committee and stop the process just as it wishes to do on second reading. Those promises have some very big holes in them, and I think the Minister knew that when he made them.

The NDP made a proposal to the Government, but we have not received a response to it. As I mentioned, Bill C-155 is a very complex piece of legislation. We asked that instead of its being an omnibus Bill as it is now, the Minister of Transport look closely at our proposal to break it into three separate areas. First, the upgrading of our transportation system is very important and we want to see that done, but it should be taken out of this legislation and presented in a separate Bill. The second area that should be taken out of this Bill is the leasing and dealing with the very rich coal lands in British Columbia, Alberta and other parts of western Canada. We should no longer be giving guaranteed annual incomes or such prosperous gifts to the railway companies. Third, we want the statutory rates split from this Bill.

• (1140)

Those are three very distinctive and separate areas of the debate which obviously go in different directions. We want an upgraded transportation system. In Meadow Lake in my riding there used to be a million-bushel storage for grain in the elevators. The hopper cars that have been purchased can go into Meadow Lake but cannot haul the grain out because the rails are in such bad shape that they cannot handle fully-loaded hopper cars on that branch line. Of course, we want an upgraded transportation system. The gifts from the coal fields to the CNR and CPR must stop. We want the freight rates maintained.

The Minister of Transport has heard that loud and clear. We in the NDP believe we should stop giving a guaranteed annual income to the railways. The railways should be paid for their actual losses for hauling grain. Payment should be made directly to them. When money is spent on upgrading our transportation system, or helping out the railways, there should be dollar-for-dollar equity for the taxpayers' money that is spent on the railway companies.

The message in western Canada has been loud and clear concerning the statutory Crow rate. We want the statutory Crow rate maintained because it is the only real subsidy, the only extra benefit for our grain producers. That is why it should be dealt with separately from the omnibus legislation before us. What the western Canadian farmers are saying has been heard many times by the Minister: "Keep the Crow, let Pepin go".

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I am frankly astonished by the attitude of the Minister of Transport (Mr. Pepin) and his Cabinet colleagues, and although on the other side of the House they are insisting that closure is not being imposed at this time, the Minister of Agriculture (Mr. Whelan), the most diplomatic Minister in this Government, indicated quite clearly that he would shortly be presenting a motion under Standing Order 82, which for all practical purposes would impose closure on a debate concerning transportation in Canada.

[*English*]

This is not simply the Crow rate as it applies in Meadow Lake, Saskatchewan. It is something that is fundamental to a national transportation policy. The Atlantic Provinces will be severely affected by this Bill. Central Canada will be affected as well. The hardest hit will be the prairie Provinces. There are some rather stupid results coming out of this in so far as British Columbia and the shipment of grain to British Columbia is concerned. These proposals purportedly only affect the movement of grain for export and the many controls and costs involved. Therefore, high-quality grain being shipped into British Columbia will naturally be hit.

I am going to put on the record, if no one else has, what the Alberta Cattle Commission has said about this Bill. Possibly my colleague from Medicine Hat (Mr. Hargrave) has already referred to this. I will put it on the record in its entirety because it is an important reaction to the *volte face* by the Minister of Transport (Mr. Pepin) and this administration, a *volte face* which the Prime Minister (Mr. Trudeau) when meeting the western agricultural leaders less than a fortnight ago said was very much a change-about and a capitulation to

certain vested interests and the Quebec caucus. The Quebec caucus was under pressure from its farmers because the Quebec provincial Government has embarked upon a distortion of the raising of beef in this country by outsized subsidies, then insisting that there shall be low rates on feed grain.

Over the past ten years in my city I have seen the closing of packing plants and the laying off of work forces, not in the hundreds but in the thousands. Unfortunately, that has been proportionately portrayed in all major western centres and in many smaller ones as well. What should be the heartland of beef raising and processing in this country is now in a very sad state. We do not get anything better out of it, that is the point. We sell a lot of cattle for export to the United States. However, if the western cattle industry is reduced, there will not be that volume of stock to sell to the United States. This volume has been traditional and will not in any way be replaced from Ontario and Quebec surplus beef. It is a fool-headed exercise to try and distort the development of beef in eastern Canada. That is only one of the results.

I cannot see loading down the railways systems with excessively high costs of maintaining rights-of-way to everywhere if it is only to haul grain. There must be some better way of moving grain, such as changing the elevator system. That is part of the rationalization. I find the attitude of the NDP and its agricultural affiliate, the NFU, to be tantamount to the Luddites in so far as the movement of grain and freight rates in western Canada are concerned.

Let us look at what the Alberta Cattle Commission says. The Alberta Beef Bulletin of May, 1983 begins with this desperate cry:

• (1150)

The Federal Government has announced it will adopt a 'pay-the-railways' solution to the Crow rate issue, despite the advice of economists and consultants, despite the advise of Dr. Clay Gilson who was appointed by the Government to advise it on Crow reform, despite the advice of its own Transport Minister Jean-Luc Pepin, despite the fact paying the Crow benefit to the railways will continue and accelerate the damage being done to the livestock and secondary processing industries in the West, despite the fact the Government is told Canada will get a less efficient and more expensive grain handling system for its tax dollars, despite, despite, despite.

Quebec has been integral in scuttling the Gilson and Pepin plans. Certainly producers and the Provincial Government are aware of the distortions and damage created by the artificially low Crow rate. Certainly Quebec is aware that, while increasing grain transportation rates would allow more market-fair prices on the Prairies, a 'pay-the-producer' solution to Crow reform would not change their feed grain prices. Certainly Quebec has been told that the anticipated increase in livestock production in the West which would follow a Gilson or Pepin type solution, would be exported and not affect Quebec markets. Quebec may not believe this, but the exports are already occurring. Certainly Quebec is aware of all these facts, and it is equally certain Quebec could not care less.

So Quebec has wielded its considerable political clout and the Federal Government has bowed to it and sold out the Western livestock industry. According to the Government's own publications, the Crow is costing the West $150 million annually. Yet the Government will move to preserve the system which creates the losses and will see a systematic erosion of the livestock sector in the West.

The last point I should like to make, Mr. Speaker, is that I do not think the railways should receive all the subsidies. A former minister of transport, Jean Marchand, was asked about the role of the railways at the Western Economic Conference and he insisted that they would open their books, but they have consistently refused to do so. In my opinion the railways must come clean on the matter of costs. I do not believe they can show figures. We have never had one iota of real information from either the CNR or the CPR. They have some excess feather-bedding around in their systems which they have charged up in the same way as they charged rail transport to VIA Rail, thus booming the cost of passenger traffic. Not one page of justification for those costs filed by the railways has ever been shown to us.

If there is going to be any benefit to the railways—and undoubtedly there will be—by the improvement of their facilities and the twinning of track where necessary and so forth, they have an obligation to come clean with the people of Canada and their customers. They must establish a trust between themselves and us. Before we pay anything they must exhibit a better attitude.

I am opposed to this Bill, Mr. Speaker.

Mr. Gordon Towers (Red Deer): Mr. Speaker, once again it is with sadness that I stand to speak to a Government proposal. It seems there is a continuation of these things that divide our country but it is possible that the Government has never done anything to divide the country as much as this Bill will. It is ironic that the Minister of Transport (Mr. Pepin) and the Prime Minister (Mr. Trudeau) have been able to alienate western Canadians so quickly.

For a time a lot of residents and farmers in western Canada thought they had a friend in the Minister of Transport but at the flick of a switch he turned his back and walked away from them. It would have been far better if he had never said he was going to do something for western Canada. At the present time he has alienated everybody.

At first there was a division of opinion between grain growers and the red meat producers but now they have come together to object to the Minister's proposal. The President of the United Grain Growers would not attend the latest meeting with the Prime Minister in Jasper because he had already said he was not going to change his position. It is just ludicrous for the Prime Minister to meet representatives of agriculture in western Canada if he is not going to make some changes to the proposals the Government presented to them. That makes the producers in western Canada very, very angry. As well, it will have a devastating effect on the economy of the western agricultural community.

When the Government brought in the National Energy Program we warned it of the effect the program would have not just in western Canada but also in eastern Canada. That warning has proven to be true. Now we find the Minister of Transport proposing another program that will have a devastating effect on western Canada, a program which could be likened to the National Energy Program.

Several proposals have been made. First, there was the report of Mr. Justice Emmett Hall which was discussed at length. Then we had the Snavely report which was also discussed at length; and now there is the Gilson report. The three reports were presented to the House; all were discarded and

the Government came up with its own proposal. This led the people of western Canada to believe that something would be forthcoming from the Government but these hopes have been dashed.

I have to warn you, Mr. Speaker, that 30 years ago grain prices were almost the same as they are today. The only way farmers have survived in western Canada is through their efficiency. They have made their operations so efficient that they have been able to survive. But I have to tell you, Mr. Speaker, that they are approaching the breaking point. There is no room for them to stretch any more. The cost of their operations has gone up about tenfold in the last 30 years.

Hon. Members opposite do not seem to realize that ultimately the western grain producers has to sell his grain on the Third World market. The Third World is $600 billion or $700 billion in debt and cannot afford the extra cost of the grain. Just the other day the Hon. Member for Vegreville (Mr. Mazankowski) pointed out that a lot of the Government's premises are based on $8 barley and $12 wheat. That is fine; the western grain grower could stay in business with those prices but when he has to sell to the Third World countries at a price they can afford, there is no room left. The world market sets the price for grain.

The Government says that the railroads are going to assess the farmer exactly what they consider to be the cost of moving that grain. This is something which I never did like about the Snavely report because it simply took into consideration the figures which the railroad provided. My colleague, the Hon. Member for Edmonton West (Mr. Lambert), touched on that.

• (1200)

We cannot accept that, Mr. Speaker, because there has to be room in there somewhere for improvement. There must be a guarantee that there is going to be some improvement. For instance, when Dr. Hugh Horner was on the Grain Transportation Authority and he went out to examine what was happening on the West Coast, he mentioned—and I have confirmed with some railroad officials that it could happen—that there were 50 switches on one trainload of grain required in order to get that grain unloaded. To me, that is ridiculous. It is ridiculous for the CNR to pull their grain trains in, unhook its engines, and put on the CPR engines because the unloading facilities are on CPR tracks. That is absolutely ridiculous, Mr. Speaker, and there is no guarantee that the grain producer in western Canada is going to be protected against that. My goodness gracious, I would not be surprised if we could cut the cost of moving that grain in half if there were people in there who had the desire, the knowledge and were required to improve the system. That is what is needed. That guarantee must be in the system, Mr. Speaker. We cannot put our producers at the feet of the railroads, which is exactly what the Minister has done. He has turned his back on the western grain producers. We cannot allow that to happen, and to whatever extreme we must go in order to protect those producers, I hope you will understand we are doing it for their protection and we have the backing of 100 per cent of the western farmers.

I appreciate the opportunity, Mr. Speaker, of explaining this to you at this time and I hope that the Hon. Members opposite will be cognizant of what the real issues are—that the grain producers must have some protection and cannot undertake any extra costs at the present time because too many of them are going broke already.

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a sense of *déjà vu* today because it was in an all-night emergency debate involving western grain transportation that I first rose to speak in the House of Commons. I remember very well that it had to do with the Temporary Wheat Reserves Act. There was great indignation at that time about the Minister of Transport, the Hon. Otto Lang, having bypassed the Western Grain Stabilization Act, or having anticipated it, as I recall, bringing forward a policy which raised the ire and indignation of many Members on this side of the House, including Members from eastern Canada. I remember in those days—and the Minister of Transport (Mr. Pepin) will remember also—the famous LIFT Program, "Lower Inventory for Tomorrow". That was going to be the panacea for western grain producers. Actually, it turned out to be one of the worst programs which was ever implemented.

Mr. Mazankowski: "Lower income for tomorrow".

Mr. MacKay: It was lower income for tomorrow instead of lower inventory, as the Hon. Member for Vegreville (Mr. Mazankowski) has pointed out.

I get the feeling as I stand here today, Mr. Speaker, that we are seeing another Minister of Transport, this time from the eastern part of our country, dealing with western problems relating to transport and the growing of wheat who will also find that his policies are exactly what was not needed at this particular time. I ask as an interested Member of Parliament, how will we monitor the railways to see that the vast amounts of money which they are paid are expended for the purposes which this legislation envisages? At a time when we are still undergoing a very fragile recovery of our economy, how is this going to help the western grain producers and, indeed, the heavy equipment producers who are going to be victimized by increased costs of transportation?

I was here in the House the other day when the Hon. Member for Brant (Mr. Blackburn) pointed out, as I recall, that two industries with which he was very concerned, namely, Massey-Ferguson and White Farm Equipment, are going to be victimized because of the adverse consequences he sees as implicit in this piece of legislation. I believe many of us tend to look upon this as merely a piece of legislation dealing with the Crow, as the media and the public are wont to call it. It is really much more than that. It has to do with the fabric of our national transportation policy. The tendency of this Government to change and manipulate programs and institutions, often without a clear understanding of the effects and the proper perspective of the final product, I believe, is what is

causing some of the hesitancy and some of the difficulties in Members of Parliament accepting this piece of legislation at this time.

This administration in the past has instituted many reforms in the fabric of our Parliament and of our country. Without straying too far from the rules of relevance, Mr. Speaker, I cannot help but remember, and you can look it up in *Hansard*, when the Hon. Paul Hellyer said proudly that we were in the very forefront of the nations of the world in integrating our armed services. This was something else which was going to be a great innovation, but 15 years later approximately I do not know of any western nation which has followed our lead, or whose military and armed services have received less attention than ours.

Let us look at the National Transportation Act which used to be such a cause of concern in the House. I believe the Hon. Member for Vegreville can correct me if I am wrong, but I do not believe Part III was ever proclaimed. We have a mish-mash of conflicting and counterproductive regulations across this country which continue to hurt the trucking industry very badly. Let us look at VIA Rail, which the Minister announced in the House with such high hopes.

Mr. Mazankowski: Again avoiding Parliament.

Mr. MacKay: Again avoiding Parliament, as the Hon. Member for Vegreville has said. After the high hopes which were held out for solving another transportation crisis, not involving grain this time but involving people, what have the results been of the much heralded VIA Rail? I suppose the kindest thing one can say is that the reviews are very mixed.

Now we are coming to yet another great initiative of this Government. However, the Premier of Saskatchewan is on record as saying, after looking at the details of the program of the Minister of Transport, that he would have preferred to leave the existing program in place.

There are many anomalies which continue to surface about this particular piece of legislation. I see the "Western Grain producer" had a front page story quoting the Deputy Minister, Mr. Kroeger, as saying that the freight rate is going to go up about two cents a bushel. Then we have the 3 per cent of 13 cents formula which does not add up to that at all. Apparently there must be two kinds of inflation in this country, consumer inflation and railway inflation. I believe there are a lot of things which must be explained before this legislation receives the confidence of the people of Canada.

We have to look at what our competitors are doing, Mr. Speaker. The western grain producers are probably, if not the most efficient, certainly one of the most efficient sectors which contributes to our economic development and our export sales. However, what do other countries do to protect their producers? I believe that in Australia under the Victoria State Railway system the farmers pay less than 50 per cent of the average cost of moving grain.

In Argentina, which is a major competitor of ours, effective October 7, 1981 the National Grain Board of that country provided free rail freight for grain from the nearest station available to the shipping port.

What does the European Economic Community do? They make sure that wheat farmers receive a direct subsidy of $2.53 a bushel.

In the United States they are paid an average subsidy of $13.81 U.S. a ton for wheat and $6.84 U.S. a ton for barley. This payment-in-kind program will provide about $11.4 billion in further support to farmers.

The problem here, Mr. Speaker, in my opinion, is that this legislation is really a massive attack on one of the fabrics of Confederation. To put it in terms of eastern Canada, it is almost as if suddenly there was a dramatic change made in the guarantees which would provide water transportation to Prince Edward Island, it is that basic. It is almost as if suddenly the basic concept of equalization payments was questioned. It is compounded, of course, by the fact that the Government—and it is unfortunate for the country—does not have adequate representation in western Canada. Our Party does not have adequate representation in another region of Canada, in Quebec. These suspicions and these fears are fuelled by that kind of situation which exists in the country.

• (1210)

Don McGillivray, who is a very astute financial columnist, has an article in today's Ottawa *Citizen* which is quite relevant to this discussion. He says that:

—the Commons hasn't been shown the whole of the Crow rate legislation.

I am sure that is a matter of great concern to all of us. He says:

One key part that is supposed to protect Prairie grain farmers from unduly high rates is being kept back, only to be revealed after the Commons has given approval in principle.

That is a very poor way to do business, Mr. Speaker. He continues:

This secret provision is a link between the price of grain and the freight rate to be paid on the grain. When he brought in the bill, Pepin said this was an "important feature designed to protect grain producers from freight rates that would threaten their financial security."

Members representing Prairie farmers would, naturally, like to see the exact terms before the bill is given initial approval in the Commons.

The second reason for the present impasse is even more fundamental.

The proposed change in the Crow rate represents the attempt of a government to impose a historic change on a region from which it has no members.

That is the point I just made. He goes on to say:

The Liberals hold all but one seat in one region of the country—

The opposition parties hold all but two seats in another region of the country—

Such a polarized House deserves extra care by the government, especially where legislation concerns the established rights of that part of the country where the Liberals have no members.

It should move cautiously in wiping out something such as the Crow rate, which—rightly or wrongly—has been regarded as a "Magna Carta" of the West.

Surely the Government owes it to the House to spell out with great precision some of the effects before we pass this legislation. Let us not get into a situation such as we have seen

with VIA Rail or the unification of our Armed Forces where the cure has perhaps been worse than the disease. Let us have another very close look and take as much time as necessary before passing legislation as fundamental as this is to our country.

Mr. Simon de Jong (Regina East): Mr. Speaker, in the short time available to me in this debate I would like to cover a few areas which I think are pertinent to the debate on Bill C-155. I would first like to register my full opposition to the Bill. It will drain between $600 million to $1 billion out of the Saskatchewan economy every year. That means roughly $600 or $700 for every man, woman and child will not be spent in Saskatchewan. It means less wholesale and retail sales in Saskatchewan. It means less jobs in Saskatchewan. The social and economic fabric of my Province cannot stand such an assault on its economy. In my district alone, Mr. Speaker, in the Port Qu'Appelle area, assuming a 3 per cent average volume increase over the next ten years, that would amount to around $3 million taken out of the Port Qu'Appelle economy. That is something that area cannot afford. If we are to maintain the local economy, we need that $3 million circulating and supporting the implement dealers and garages, the local hardware store and grocery store which in turn create employment in the Port Qu'Appelle area. In terms of its social and economic impact on Saskatchewan, this legislation is madness.

Why is this assault taking place, Mr. Speaker? The Government justifies it because it claims these old rates are out of date. In fact, the Prime Minister (Mr. Trudeau) calls us reactionary because we oppose what the Government, rightly or wrongly, feels is a progressive measure. Well, let us have a serious look at this. The Government claims that the Crow gap, the difference between what the farmers pay to move wheat and what it costs the railroads, is so great that the farmers must begin to make a higher contribution to moving the grain. Yet all these figures are based on a study that a certain Mr. Snavely did at the beginning of the 1970s.

I would like to spend a few minutes examining some of his assumptions because they are at the heart of this proposed legislation. Mr. Snavely admitted in his report that his figures tend to favour the railroads. At page 236 of his report Mr. Snavely says this:

> Our selection of gross ton-miles and revenue ton-miles as physical measures of the inputs and outputs of railway operations tend to produce results which bias, to the high side, the contribution required of heavy loading, long-haul commodities such as statutory grain.

To go into a little more detail, Mr. Speaker, Mr. Snavely used figures based on the revenue ton-mile basis for the movement of statutory grain to determine the cost of moving grain. Using that basis accounts for an average of 19 per cent of the workload of CN and CP. However, it accounts for only 9.6 per cent of the workload when car loadings are taken as the unit of measure and 13.6 per cent when loaded car-miles form the basis of measurement. In other words, Mr. Speaker, it really depends on what measurements you are using. Mr. Snavely admitted using the ones that tend to favour the railroads and increase the cost of moving grain. He could have used other measurements which would have drastically reduced the cost of moving grain. But that is not all. Mr. Snavely also determined, and I quote:

> Donations and grants were treated as common equity in the development of the capital structure.

What does this mean, Mr. Speaker? It means that all the public gifts and subsidies that the railways have received in the past are used as a capital expenditure on which the railroads have a right to a return. In other words, included in the cost of moving grain is a capital return on gifts to, and public expenditures on behalf of, the railroads. This becomes acutely insane, Mr. Speaker, when we apply it to the branch line rehabilitation program. Under this program public moneys were used to rehabilitate existing branch lines. How does Mr. Snavely deal with these public investments or subsidies to the railroads? He claims they are part of the capital expenditures and so therefore the railroads are entitled to a rate of return of some 25.4 per cent on this money. For example, in 1980 the public paid the railroads some $67 million under this program. Mr. Snavely figured that about $39 million of this is a capital cost. Therefore, he grants them a rate of return of some $9.9 million on that sum. In other words, he is allowing them a rate of return on money they never spent. It is public money. That rate of return effectively increases the Crow gap by some $37.9 million.

Complicating the matter even more is the assertion by the railroads that they should receive higher payments under this program because of the enhancement of the value of their assets through the payments under the rehabilitation program. Snavely supports this position. In other words, the more we give them the more we owe them. It is insane, Mr. Speaker. It is a rip-off of the highest degree.

The final piece of lunacy, Mr. Speaker, is when Mr. Snavely deals with those branch lines where there were neither public investment for upgrading or maintenance and where the railways did not invest any money themselves. He subtracts the amount the railroads actually spent on maintenance from the amount he says they should have spent to keep the branch lines in proper repair, and he calls this amount the maintenance shortfall. He then grants the shortfall a cost of capital rate of 25.4 per cent to arrive at a figure of $34.6 million for 1980. The total is then charged to the cost of moving grain. These imaginary dollars effectively increase the Crow gap by $34.6 million. Snavely has gone beyond granting the railroads the right to a return on capital which they did not invest. He now grants them the right to a return on capital which no one invested, as well as a claim for reimbursement of maintenance that they did not do.

• (1220)

The Crow gap, the imaginary amount which the farmers are supposed to begin to make up to the railroads, is a false amount. We in this Party cannot accept it. No farmer in western Canada can accept it. The first requirement, if the Minister is interested in having an honest debate on the

question, is to have the books of the CN opened, and particularly those of the CPR, so that the public can determine what it really costs to move grain, and to come to some accepted definitions and measurements, again to determine the real cost of moving grain. When we have those figures, then we can sit down with the Wheat Pools and farmers' organizations across Western Canada and perhaps begin some serious discussions. However, as long as those figures do not exist, this exercise is an exercise of Alice in Wonderland, or perhaps it is really a ploy to give more money to the railroads at the expense of the economy of western Canada, Saskatchewan in particular.

We do not even know the effects of this proposed legislation. Concerning production of papers, on July 23, 1982 I asked for any documents the Government might have in terms of subsidies paid in the United States to American farmers compared to the subsidies we receive. My question was addressed to the Government as a whole and the reply was that the Minister of Agriculture (Mr. Whelan) was not aware of the existence of the documents requested. Unless the Government has not conducted any studies on the type of subsidies American and Canadian farmers receive.

The Acting Speaker (Mr. Corbin): Order.

Mr. de Jong: I was just beginning.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I heard my hon. friend, who had begun his speech in the short ten minutes allotted to him, say "I was just beginning", and I thought he was beginning rather well. I am somewhat sorry the rules of the House do not allow him to continue, but those are the rules to which we have agreed. All of us have a few moments in which to speak in the debate.

There are some in this country who regard Bill C-155, the Western Grain Transportation Act, as being a subject which is somehow only of interest to westerners. I do not agree with them. At this stage of the legislation we are discussing a Bill which is fundamental to the country. If there is any country in the world which depends for its existence, its advancement, and its enhancement on transportation, it is Canada. If we were to consider the importance of railroads to the country in opening up the West, ensuring that the West became part of Confederation and, equally, ensuring that the producers in western Canada depending upon the railroads could share in the development of the country, then I think we would suddenly see dawning upon us the realization of the importance of the Bill. I rise today to tell my colleagues, my friends and, indeed, my political opponents on the other side of the House that the Bill is not of significance only to western Canada.

It is important to say that the Bill has its genesis in a number of factors. In particular, I believe it has its genesis in the fact that not only is there no representation from western Canada on the Government's side, that is, representation which really matters, but there is also a complete lack of understanding of the importance of this matter to western Canada.

Someone has described the Crow rate as being the Magna Carta for western Canada. It was the basis upon which western Canada's part in Confederation was given strength and substance. It has gone on for a long period of time. People will wonder, of course, why there is an outcry against the removal of the Crow. Let us put the shoe on the other foot for a few moments. In terms of Bombardier in the Province of Quebec, let us imagine that the Government managed to so arrange its affairs that there would be an increase in the cost for Bombardier, therefore jeopardizing jobs, jeopardizing production, jeopardizing sales by a large percentage over a period of years, the Government then demanding, of course, that such legislation pass through Parliament by the end of June. Could one imagine the outcry in the Province of Quebec if that were the case? Yet that is what is happening in western Canada to a business and to an undertaking which is basic to western Canada.

Could one imagine the screams of outrage there would be in the Province of Ontario if the Government decided to go into the industrial heartland of Ontario and by statute, by Bill, by giving notice of closing off debate, rearrange and change the Province's economic life? Could one not hear the screeches and screams there would be from the Province of Ontario?

If the Government went into Atlantic Canada and tried to do that with the fisheries, would one not hear some screeches of outrage, especially if the attempt were to be coupled with a threat that if such legislation did not pass through Parliament within a short period of time, the Government would use the rules to push it through? Would there not be outrage as well if, in the face of the importance of it, the people were threatened that they would not be allowed to speak? That is the kind of importance western Canada attaches to this matter. I said it had its genesis in the fact that the Liberal Party is not represented in western Canada, and I believe that is true.

One night the Minister of Transport (Mr. Pepin) said publicly, within my hearing; "We have nothing in western Canada, and we have gambled everything on the Crow". That seems to be the attitude of the Government. The Minister says; "The words get the forum". It was taped and it was televised. It was a speech which he made with a television camera on both of us that night. It was therefore public. If it had been said privately, I would never mention it. If anyone is interested, call Ottawa Cablevision.

Mr. Pepin: Oh, I have said it in the West too.

Mr. Baker (Nepean-Carleton): There it sits. One will see the Member for Nepean-Carleton looking in disbelief at the Minister as he said it. I could not believe it. In any event, there it stands: "We have nothing to lose in western Canada, so we have gambled everything on the Crow".

What does the Crow mean? What did it do? The Crow rate, upon which people relied for years and years, meant that there would be a fixed rate for the transportation of goods.

Mr. Blais: Grains.

• (1230)

Mr. Baker (Nepean-Carleton): For grains. It was not a flexible rate; it did not have any elasticity in it. There could not be any rubber rule involved. We used to have a surveyor whom we called "Rubber Rule Rabinzky." He would produce a survey which would fit any dimension at any time. He could do it within five minutes.

An Hon. Member: He must have been a Liberal.

Mr. Baker (Nepean-Carleton): I do not know what he was but he certainly had elasticity. As the Crow rate currently exists, there is no elasticity. That high input cost of production is fixed. As a result, this fixed cost was translated to have an effect on every other aspect of the cost.

What is the effect of this Bill? It says for the first time that the principle of a statutory freight rate is not to be retained. In other words, there is elasticity and flexibility and all those other variables. While some may say that this situation exists for other businesses, I say that not every business had enshrined in its legislation, for a good quid pro quo, that element of fixed overhead or fixed cost. This cannot be changed overnight. It cannot be changed by saying that it must be done by June 30. Is there anything sacred in change? Is there to be a change for change's sake or is it to take place with understanding? Will it take place as a result of an understanding among those elements of the community that are affected by it?

I suggest to the House that the Minister of Transport has done what no other politician has been able to accomplish. He has united the West with the East. He has united the West and the East with the centre. He has managed to have everyone in the country oppose him. He will be known throughout western Canada, central Canada and eastern Canada as the great unifier; he has everyone against him.

Mr. Thacker: I thought only the Prime Minister could do that.

Mr. Baker (Nepean-Carleton): We thought that only the Prime Minister (Mr. Trudeau) could do that but he now has a rival.

That is the situation we find ourselves in today as we debate this matter. While the Government may have nothing to lose in the West, the country has a great deal to lose if the Government continues to ignore what is a legitimate regional concern in this country. If anything has been shown as a result of this debate, it has been the demonstration of the failure of the Government to understand Canada and those forces which bring it together and make it work. It has shown its failure to understand the differences so that it can reconcile them. This Bill should go.

Mr. Gordon Taylor (Bow River): Mr. Speaker, we are dealing with probably the most important Bill we have seen during this session. I say that in spite of the fact that we dealt with the Constitution.

This Bill deals with the production of food and the livelihood of those who work in the fields and raise livestock. Without food we cannot have a country. This Bill is doing more to destroy the hopes, ambitions and aspirations of those who produce food than anything which has been done in Canada in the last 100 years.

Last weekend I was at four meetings with grain growers, hog producers, livestock producers, processors and some consumers. There were over 200 people representing a cross-section of my riding of Bow River and not one person supports Bill C-155 as it exists. I wish the Minister would listen to that. Surely if not one person supports a Bill affecting the producers of western Canada, the Government should stop in its tracks and re-examine it.

It is being supported by the Quebec caucus but this is a western initiative. What has the Quebec caucus got to do with that? Why is it poking its nose into it? This Bill will not even hurt the Quebec farmers in the first place. It might help the Quebec Liberals but it will not help the Quebec farmers.

The Quebec farmers have a hog market now. They have their choice between barley and corn. They need not worry about the hog producers of Alberta and Saskatchewan because there is a potential market there as well which will not interfere with the Quebec market. However this Bill will prevent our farmers from obtaining this market. This Bill will make it impossible for the hog producers and livestock producers of Alberta and Saskatchewan to continue.

I see a Member from the Quebec caucus smiling. Is that your ambition? Do you want to destroy western Canadian agriculture? There must be something the matter with you if you talk like that. You are not talking sense. Why can we not try to build all of Canada instead of trying to destroy a part of Canada?

The Acting Speaker (Mr. Corbin): Order. I invite the Hon. Member to address his remarks to the Chair.

Mr. Taylor: Mr. Speaker, I am addressing the Chair. I am telling the Member that he has no sense at all when he is trying to destroy one part of Canada. He certainly has no right to smile about it in the House. I say that through you, Mr. Speaker.

Let us deal with the Crow benefit. It was not a transportation issue in the first place. It did not concern subsidies either. It is a rate that was found acceptable when it was put into legislation and it has been acceptable for many years.

It was only in the early 1960s that the contortions became evident. When these contortions began to show up, the Minister outlined them very well and he knows what they are. First, the railway was not getting a fair return on its investment. That was the railway's comment with which many people agreed. As a result of that the railways were not maintaining their lines and carrying out an efficient transportation system. That adversely affected the farmers.

The third contortion arose when it became cheaper for the farmer to ship the raw material from western Canada than to

process it. Processing in western Canada was being discouraged. Furthermore, it cost the livestock producers and hog producers money to feed their animals which created a disadvantage.

When the Minister set out the Gilson recommendations he pointed out these three contortions. The purpose of the Gilson study was to solve those problems. These problems would be solved if his recommendations were accepted. A total of $287,000 was spent for Gilson to find a solution to the problems. The Minister then changed that solution by cutting it in half. The vast majority of western Canadians would have supported the Gilson solution. Cutting that recommendation in half whereby the producer would receive half of the money and the railway the other half was a reasonable compromise, but the Minister has gone to the extreme and it is no wonder that he has lost all support from western Canada. Not one person from that cross-section in my riding, for example, will support Bill C-155.

That should bring home a message to the Minister. Surely he should withdraw this Bill and return to the Gilson report and perhaps even to the more favourable alternative presented by the Hon. Member for Vegreville (Mr. Mazankowski), who has suggested that we go back to freedom of choice, upon which this country was originally built. The farmers of Quebec, Alberta and Saskatchewan and across the whole nation could decide what they want to grow and how they would grow it, without Government interference. It is a freedom of choice issue. The Hon. Member for Vegreville has gone back to the very beginning, back to the people.

• (1240)

We would say to the producers: "You decide where this money will go; it is a shortfall in agriculture, but you decide. The choice is yours." Some may say: "We will pay it to the railway". That is fine. The farmer could get a card showing he paid the money to the railway and get the appropriate rate. Others may say: "I want to feed my hogs". That is just as much agriculture as shipping wheat to the export market. This person would get his payment. Another person may want to haul his grain to the feedlot. The choice is his. Why should the choice not be his? That is what Canada is all about, freedom of choice, not the Government telling people what is good for them, or the Government telling you what you have to do. It is not the Government telling you how it is going to spend your money. For once let us go back to the people and find out what the people want. The Government should go to the producers and find out what they want.

I challenge the Hon. Minister to go to meetings like the one I attended last weekend. I challenge him to ask the producer what he wants. The Minister will find there is not a producer—I say this with good reason—in western Canada who will support this Bill as it is today. The Minister and the Prime Minister (Mr. Trudeau) say: "We have the Wheat Pool behind us". I say to them that they have not got the Wheat Pool behind them. They have not got the Alberta Wheat Pool behind them. I do not think there are five out of 25 or one out of ten of the Wheat Pool members who are supporting this Bill. When the Minister says they have 130,000 members of the Wheat Pools, that is balderdash. It is nonsense.

When I mainstreeted in my riding last year, farmers came to me and one out of ten said: "Pay the money to the railway". In a meeting in Standard the other night the delegate for the Wheat Pool stood up and said: "I do not support paying the money to the railway; I support paying the money to the producer".

The Minister can do something if he wants for Canada. He can do something really good for Canada. He can withdraw this Bill and give the people a choice. Give the producers a choice. Let them decide how their money will be spent. Then you will see this country really do something worth while. We will see processors who can process. Give us a chance to process in the West. Give us a chance to raise hogs. Give us a chance to raise cattle. We have our own markets. We are not trying to interfere with the Quebec market. Already the Quebec market has a waterway all the way to Japan where it can ship its live hogs. Already the Quebec producers have a hold on the market in New York. But we are closer to California. We are closer to the western U.S.A. where there is a tremendous market for hogs and cattle.

Why is the Government trying to kill us? Why is the Government trying to kill agriculture in western Canada? Give us a chance to grow. Give us a chance to contribute and make this country a greater and better nation. That is all we ask the Minister to do. Give us a chance. Give us a fair deal. If you give us a fair deal, we will hold our own with anyone in this country or anyone in the world. Our producers will do that if they are given a chance. But if the Government is going to handcuff them and then expect them to raise hogs, handcuff them and then expect them to raise cattle, handcuff them and then expect to have processing, the Government is dreaming wildly. That is a wild dream that cannot take place because the Government is making it impossible for western agriculture to be competitive. This Bill makes it impossible for our cattlemen, our hog producers and our processors to be competitive. All we ask for is a fair show. We ask the Minister to withdraw this Bill and to bring in a bill that will build Canada, not destroy Canada.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to begin by saying that our position is clear. We do not intend to let this Bill pass through the House of Commons and become law. We will do whatever we must in order to stop it within the rules of Parliament. We are not going to enter into any kind of arrangements, other than arrangements to eliminate this threat to the Crowsnest Pass freight rate. I want to put on the record just a little bit of the history so that people will understand what it is we are talking about.

In 1881 the CPR syndicate accepted from the people of Canada land, cash, rail lines and other significant benefits in exchange for a commitment thereafter and forever efficiently to maintain work and run the Canadian Pacific Railway. Specifically the Crow rate was agreed upon by the CPR and

the Government of Canada and remains a valid and binding contract.

In 1925 Parliament put the Crow rate into a statute when the railways offered to keep grain on the Crow rate if they could be relieved of the agreement for low rates on other commodities. At the time the CPR made it clear:

> We are not asking for any change in the conditions established in 1897 in regard to grain and grain products.

The Crow rate has been the subject of considerable debate over the intervening years. The railroads surreptitiously attempted to influence Government to bring about change, with Government and Parliament hanging tenaciously to the original agreement.

This is not the first occasion on which the CPR has attempted to change the Crow. This will not be the last occasion on which it will attempt to change the Crow. But the CPR will fail this time as it has failed every other time.

Some Hon. Members: Hear, hear!

Mr. Deans: I want to read from the statement issued by Mr. Justice Emmett Hall when he studied the matter in 1980-81. In a statement dated November 24, 1981, he said that there is no position to take except to adhere through thick and thin that the Crow rate is not bargainable.

He also said that the railways receive full cost of transporting grain originating on lines covered by the branch line subsidy. The subsidy applies not only on the branch line but right through to the port terminal; so much grain is now carried at compensatory rate.

In 1981, he also said that the railways have been given the use rent-free of 14,000 hopper cars which cost roughly $700 million, besides money to rehabilitate their own fleet of boxcars and money to rehabilitate their neglected lines on which they have been collecting subsidy. He added that western grain producers now subsidize eastern bread and pass it on to the consumers to the tune of five cents a loaf by virtue of the interest and storage payment for sales made to eastern millers by the Wheat Board.

I put those passages on the record to show that this is not some idle preoccupation of the New Democratic Party and a few farmers in western Canada that the grain freight rate ought not to be changed. It was quite clearly, when originated, an agreement that gave to the CPR significant benefit and from which the CPR has derived ongoing benefit in terms of its availability of land; but even more important for the purposes of this discussion it has received significant cash benefits and product in lieu of cash intended to offset whatever it was the railways were losing by way of freight rate charges.

The Crowsnest Pass arrangement is quite clearly a subsidy of sorts. It is a subsidy paid for by all Canadians in an effort to make our grain competitive world-wide. I put it to you, Mr. Speaker, that if it were true that we were to change the Crow rate, then we would undoubtedly raise the price of grain. If we increase the price of grain we will reduce the competitive nature of our grain farmers. Either that or the grain farmers will have to absorb the additional cost brought about by the changes proposed by the Government. If they absorb the additional cost it means their cash flow will be diminished. If their cash flow is diminished then the amount of money they, the farmers, have available for the purchase of other products necessary either to maintain their farm operations or to maintain their families will in that way also be diminished. If that happens then eastern producers of farm machinery will not have a market for the sale of their machinery. Other of those who supply grain farmers will find that the grain farmer does not have the capital to meet either his bank obligations or to meet his purchase requirements.

• (1250)

We say to the Minister that whatever his motivation, it goes against the accepted agreement of the latter part of the nineteenth century and all things which have been attempted over the years and turned back by Parliaments. It goes against what Mr. Justice Emmett Hall indicated was the situation as it applied to the transportation of grain. It goes against the best interests of western Canadian grain producers inasmuch as it reduces their income capacity. It does nothing of consequence to enhance the economics of the rest of the country. Therefore it is unacceptable legislation.

We have asked that the Bill be divided into three distinctly different sections. We have asked that there be a section dealing with what happens to the coal lands, how we can best deal with them and how they can revert back to the Province of British Columbia in the event some changes are in fact undertaken. We have suggested that there should be a section dealing with the upgrading and maintenance of railroads, not only for the transportation of grain but for the transportation of all commodities which we hope at some point will be marketable world-wide and will be transported from where they are manufactured to the East and West Coasts and in that way gain access to world markets.

We agree that some changes can be made in the way in which CN and CP have not lived up to their obligations to maintain railroads suitable for modern requirements. If the Government wants to bring forward changes to the Crow rate, we guarantee that we will do all in our power to oppose them; but we suggest that those changes should be brought forward in a separate Bill dealing strictly with the changes and nothing else.

The linkage which is being made by the Government is unacceptable. Changes to the Crow rate have no direct bearing on whether or not the railroads should upgrade their facilities. They must maintain their facilities at a level to enable them to move Canadian products across the country to the various and many markets either within or outside Canada. A change to the Crow rate does not facilitate that.

It may well be necessary at this point to discuss the ownership of the coal lands and who should have jurisdiction over them. In our opinion it may be necessary that they revert to the Province of British Columbia rather than be left in the present situation. Therefore we think it is necessary for us to

take a serious look at the question in the House of Commons, unfettered by the entire question of the Crowsnest Pass freight rates. These matters are unrelated. To draw them together into one Bill does a disservice to the serious questions of compensation and ownership of the coal lands.

Finally, we have made a commitment. This commitment will stand. Nothwithstanding what the Government attempts, there will be no change to the Crow rate in this session of Parliament by this Government.

Some Hon. Members: Hear, hear!

Mr. Deans: I say that in the full recognition that the Government will attemp to bully us, to ridicule us and in every conceivable way to make it appear that we are obstructing useful and valuable things. We will suffer that in order to stop the Government from doing what will have immeasurable, long-term, harmful effects not only on western grain producers but on the majority of Canadians, regardless of where they live, who at this point in time do not fully understand the implications of Bill C-155.

This Bill will not pass. If the Government wants to see parts of it pass, it must withdraw it and bring it back in three separate parts. If the Government hopes to see other legislation pass, it had better reach an agreement not to proceed with any change to the Crow rate. If it wants to get ahead with other things that it believes are important, it had best sit down and discuss what alternative it can bring forward with which we are prepared to deal. But we will not allow this Bill to become law.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in joining in this debate and especially coming from eastern Canada, I feel I might be able to introduce a perspective which has been overlooked. As has been stated many times already, the Crowsnest Pass Agreement was negotiated by CP and the Government on behalf of Canadians. The intention was to induce settlement of the West in reliance on the Government's promise of a fixed freight rate. The Government of Canada and CP have made many agreements. Either in committee or in the House we will at least be able to refer to some of them.

Some people may not know about the very complicated dealings of CP with respect to its trackage. How many people, even those in the House, realize that the hundreds and thousands of miles of rail trackage, which are commonly referred to as the CP line, are owned by 14 subsidiary companies—and in one case it is not even a subsidiary company—having minority shareholders? For the benefit of those who have travelled by rail from Montreal to Toronto and even further west, whose rail lines are they riding, if they are lucky enough to obtain seats in a passenger car? They are not riding on CP trackage. It is trackage owned by the Ontario and Quebec Railway Company under a perpetual lease for 999 years. I want to familiarize the House—and hopefully in committee subsequently if the Bill ever gets that far—with how unfairly treated are the minority shareholders and debenture holders of such subsidiary companies.

I have letters from people whose ancestors invested in good faith in companies such as the Calgary and Edmonton Railway Company and the Ontario and Quebec Railway Company, only to discover today that they can obtain no meaningful information from CP concerning their ancestors' investment. In many cases the assets with which their security was secured have disappeared or simply been transferred to other CP companies or even to third parties. In short, when CP says that it is inequitable to hold it to the Crow rate, it is not telling us about the inequity it inflicts upon shareholders and bondholders in various subsidiary companies where rates were set as much as 100 years ago and which CP says it will never renegotiate under any circumstances.

For example, Mr. Speaker, how would you like to be the holder of part of a $3.7 million New Brunswick Railway Company bond with a 4 per cent coupon whose lease is due in 2880? That is a first mortgage bond CP is taking advantage of today. How would you like to have part of the $924,000 lent to the Toronto, Grey and Bruce Railway Company at 4 per cent, due on June 14, 2883, or part of the $1.8 million which was lent to Quebec Central Railway Company, due August 1, 2911? How would you like to have part of the $8.1 million lent to the Ontario and Quebec Railway Company at 5 per cent on a perpetual lease? Even the Government of Canada took its perpetual bond issue and made a termination date of 1996.

Mr. Speaker, do you remember the old 3 per cent bonds? When I have an opportunity to continue, I will indicate that if it is just to adjust the Crow rate, it must also be just to adjust all those things of a perpetual or long-term nature of which CP is taking advantage, to the detriment and disadvantage of shareholders and bondholders.

The Acting Speaker (Mr. Corbin): Order, please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

MINES AND MINING

FUNDING NEEDED FOR MILLING OPERATIONS

Mr. Ray Chénier (Timmins-Chapleau): Madam Speaker, in its April 19 budget the Government of Canada made the one-third depletion allowance for mine exploration more attractive to the junior mining companies. This initiative will help finance these firms and will encourage Canadian investment.

The new incentive was received with enthusiasm by many small mining companies in my riding.

At this time I would encourage the Government to look at including the mining sector under the Department of Regional Industrial Expansion. Many of the small mining firms need funding in order to establish their own custom-milling operations. If they had their own operation, it would reduce transportation costs, other related costs, and it would create additional jobs.

Funding is presently available to companies involved in the manufacturing of goods and they can obtain assistance for the construction of their plants. There is nothing of this sort available to the mining sector. If the Government were to introduce such an incentive under DRIE, this would further encourage the junior mining companies, and I am sure we would see jobs created in all parts of the country in all related industries.

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HOUSING

CANADIAN HOME OWNERSHIP STIMULATION PLAN—REQUEST FOR EXTENSION OF PROGRAM

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, Canada's economy is at a delicate point of balance and the question of government applied stimulus at this moment in time is a critical one. Consideration must be taken of the employment generating effect of the stimulus, the multiplier effect of the government funding, the public need met by the program, and so on.

One of the most successful such initiatives—and I congratulate the Government for it—has been the Canadian Home Ownership Stimulation Plan which provided a federal grant of $3,000 to new home buyers to stimulate both the purchase and the construction of new homes. It is proving to be the right stimulus, applied to the right sector of the economy, at the right time.

As part of his budget a month ago, the Minister added some $30 million to the program. So right was the program that within a few weeks the allocated funds were all paid out. Having stimulated demand in a major way, much of that demand was allowed to die because the allotted funds were spent.

When one considers the number of ill-advised and ill-conceived schemes through which the Government has blown the taxpayers' money to the four winds, it seems clear that a successful program like this one must be expanded, if necessary at the expense of some of the Government's less successful enterprises. I therefore call upon the Government to extend this program further by adding more funds to it immediately.

S.O. 21

MARINE TRANSPORT

UNITED NATIONS LINER CONDUCT CODE—DEMAND FOR CANADIAN SIGNATURE

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I wish to call to the attention of the House that West Germany and The Netherlands have signed the United Nations Conference on Trade and Development for the Code of Liner Conduct, and that this Code is now ratified. This development will allow trading nations to require that a portion of their international trade be carried in their own ships. It is hoped that this will reduce the scourge of flags-of-convenience shipping which has blighted international trade for many years.

There is disappointment, however, that Canada has yet to sign the Code, and there is every indication that the Government will not do so. In fact Canada has not yet issued a statement on what Canada's official response will be to those nations which do put the Code into practice. Canada's only response to date is a rather irresponsible statement made by an employee of the Canadian Transport Commission, threatening possible retaliation against nations which adopt and use the Code to ensure that at least a part of their trade is carried in their own ships.

A number of our important trading partners, including West Germany, have signed the Code. Furthermore, Canada would benefit greatly from signing the Code and adopting the position that a specific portion of our international trade must be carried in Canadian ships staffed by Canadian crews.

The Government must not declare a carrier as being Canada's carrier without any guarantees that the economic benefits would accrue to Canada in the form of work, shipbuilding, and taxes for the Canadian Government. Any attempt to declare a Canadian company with foreign flag vessels as Canada's flag carrier would amount to an incredible act of hypocrisy on the part of the Government. The Government must move immediately to sign the Code of Liner Conduct and ensure the development of a Canadian merchant marine.

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[*Translation*]

THE CONSTITUTION

POSITION OF PROGRESSIVE CONSERVATIVE PARTY—STATEMENTS BY LEADERSHIP CANDIDATES

Mr. Gaston Gourde (Lévis): Madam Speaker, I am sure all Canadians are aware that the Progressive Conservative Party is presently engaged in a leadership race. The candidates should remember, however, that Canadians are not easily fooled, and they will have to explain very clearly where they stand on the Constitution. For the time being, confusion reigns, since neither the candidates nor the party have taken a position. The ex-president of Iron Ore supported the position of the Liberal Party during the debate on the Constitution and does not seem to have changed his stand. The Member for Yellowhead (Mr. Clark) and former Leader of the Party has

been courting Quebecers and is trying again to get Quebec separatists on his side. The Member for Etobicoke-Centre (Mr. Wilson) stated recently that an alliance should be made between Quebec Nationalists and the Conservatives, an explosive mixture to say the least.

Finally, the Member for Rosedale (Mr. Crombie) who seems to be more candid than his opponents, stated recently that the Progressive Conservative Party has tricked Quebecers at the last constitutional talks, that the so-called overture to Quebec was made only to embarrass the Liberals, and that the real reason did not go beyond the desire to score some political points.

These gentlemen have proved that they are better at bringing about disunity in a party than at governing the country.

* * *

[*English*]

AGRICULTURE

INCREASE IN NUMBER OF FARM BANKRUPTCIES

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, the current Liberal depression continues to claim its toll in rural Canada in the form of staggering farm bankruptcies and plummeting farm income. Farm bankruptcies increased in 1982 by some 160 per cent compared with 1980. Total net farm income fell more than 19 per cent in 1982 to about $3.8 billion and is expected to drop below $3.7 billion in 1983.

Canadian farmers, despite tough economic times and bureaucratic obstacles, continued to contribute greatly to our economy. During the 1980s, agriculture generated 40 per cent of the nation's gross national product. Today one farmer produces enough to feed 67 persons as compared with only 11 in 1940. Surely such performance by this efficient sector deserves greater consideration on the part of this Parliament.

Instead, the Liberal Government continues to attack our farming community and fails to come up with policies which would ease their plight. The Liberal policy makers, tangled in the vicious circle of high deficits and spending, ignore the consequences of capital gains taxes imposed on farm land, high inflation rates and, most important, fuel taxes. We hear Government officials bragging about the low cost of Canadian food, some 17 per cent compared with 30 per cent spent by West Europeans.

Madam Speaker: Order.

[*Translation*]

EMPLOYMENT

GOVERNMENT'S DUTY TO ASSUME ITS RESPONSIBILITIES

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, unemployment has reached unprecedented proportions in Quebec, especially among young people. However, the Federal Government has failed to propose any employment strategy to cope with this social disaster. The Federal Government and the Government of Quebec must stop their useless bickering. Their sole priority should be to provide employment for 500,000 unemployed workers and 600,000 welfare recipients in Quebec. This week, thousands of Quebecers will be taking part in a great march to urge both governments to act according to the mandate they were given by the people who elected them. The New Democratic Party, with the Conference of Bishops, the unions and various social organizations, supports the objectives of the organizers of this demonstration of hope. Young people, women, union and non-union workers must be given decent living and working conditions.

* * *

• (1410)

[*English*]

HEALTH

SMOKING IN PARLIAMENTARY COMMITTEE ROOMS

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, recent clinical studies have dramatically illustrated the serious health effect of second-hand smoke, otherwise known as passive smoking.

Non-smokers exposed to a chronically smoky environment have been found to have respiratory impairment equivalent to that of smokers who inhale up to ten cigarettes a day.

Patients with heart disease manifested by chest pain, angina pectoris, showed increased risks of attacks by 22 per cent as judged by exercise tolerance after exposure to passive smoke in a well ventilated room, and by 38 per cent when exposed to passive smoke in an unventilated room.

Lung cancer mortality rates in non-smoking married women were 5.6 per 1,000 for wives of non-smokers, 9.3 per 1,000 for wives of light smokers, and 13.1 per 1,000 for wives of heavy smokers of 20 cigarettes per day or more.

These studies should convince us in the political field to prevail through you, Madam Speaker, to ask the Standing Committee on Management and Members' Services to regulate smoking in parliamentary committee rooms in order to improve the quality of our indoor air and thereby set an

example for the Canadian public to control smoking in public areas.

* * *

SHIPBUILDING

NEED OF HALIFAX SHIPYARDS

Mr. Howard Crosby (Halifax West): Madam Speaker, the Halifax shipyards have been suffering the malaise common to the Canadian shipbuilding industry but, in this case, the result could be fatal. In national terms, order books are at the lowest point in a decade and employment in Canadian shipyards was down to 9,000 at the end of 1982.

In its quest for work, Halifax Industries Limited sought the $20 million refit for HMCS Nipigon. Reports indicate this contract may be placed in a Quebec shipyard. The remaining hope for Halifax is the vessel construction proposed by the federal Government plus the HMCS Protector refit.

If the Government is serious about accelerating its construction project for the Canadian Coast Guard and finalizing the Patrol Frigate Program, the industry may be salvaged.

The Halifax shipyards need immediate attention. First, government policy must create economic terms and conditions that permit fair competition nationally and internationally.

Second, the Government must "fast track" its specific shipbuilding projects and programs to provide immediate work, otherwise a highly trained and capable work force will be lost and a labour intensive activity will vanish.

This is not just a local problem. A viable East Coast shipbuilding and repair facility is a national asset and resource, and must be protected.

* * *

WESTERN GRAIN TRANSPORTATION ACT

CALL FOR WITHDRAWAL

Mr. Gordon Taylor (Bow River): Madam Speaker, the Government appears to be hell-bent on pushing Bill C-155 through the House even though all indications are that the majority of the farmers do not want it. In four meetings held in the Bow River constituency over the weekend, namely, at Carbon, Nanton, Vulcan, and Standard, attended by more than 200 producers and consumers—producers of grain, pork and cattle—not one person wanted Bill C-155 to pass as it is. Ninety-nine per cent wanted the alternative presented to this House by the Hon. Member for Vegreville (Mr. Mazankowski) in which the producer, not the Government, not the railways, not the farm organizations, but the producer would have freedom of choice to decide whether the shortfall went to the railways or to the producer. If given all of the facts I believe this same result would happen all over Canada. The people want some say in Government; the people want some freedom of choice once again; the people resent this compulsion by Government, and resent the Government telling them what is good for them.

I urge the Government to heed the wishes of the people, withdraw Bill C-155, and replace it with a new Bill, a democratic Bill, giving the producers the opportunity to exercise their God-given right to choose and decide how their money will be spent.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

PROJECTIONS OF SUMMER STUDENT UNEMPLOYMENT

Hon. James A. McGrath (St. John's East): Madam Speaker, in the absence of the Minister of Employment and Immigration—I was given to understand he would be here today—perhaps I could direct my question to the Minister of Finance. It concerns an aspect of the unemployment problem which is causing a great deal of concern. There is a consensus growing among sociologists that it is the number one social problem in the country today. I am talking about youth unemployment and the impact it has on young people and, indeed, the impact it will have upon our society if we do not do something about it.

In 1982 officials of Employment Canada projected that the unemployment rate among returning students would be in the range of 16 per cent, whereas in actual fact it was 19.3 per cent. Given the fact that we have dropped 180,000 student jobs between April this year and April of last year, does the Minister have available to him projections of—

I see the Minister of Employment and Immigration is just coming into the House, Madam Speaker. Perhaps I can rephrase the question and put it to him.

The question concerns student unemployment and projections of student unemployment based on the inaccuracy of the projections last year. At that time it was projected that the unemployment rate among returning students would be 16 per cent, when in actual fact it was 19.3 per cent. The rate for non-returning students was 28.1 per cent. Since that time we have lost 180,000 jobs for young people. I want to ask the Minister if he has projections on what the youth unemployment rate will be in July of this year, which is supposed to be the peak month of student unemployment.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I should point out to the Hon. Member that projections are based upon historical trends. The reason for the experience of last year when the figures were less than the forecast indicated, was the general downturn in the economy as a whole. The employment rate across the board slipped substantially in that period. We hope that coming into the summer we will be able to encourage the private sector in particular, as we are trying to do now, to make a greater effort to hire students. That is why we have undertaken a fairly major "Hire a Student" campaign through our offices.

I hope that we can maintain the same level or better than last year. Reports coming in from some of our offices are reasonably encouraging, but it is hard to tell at this time as most of the students are in school. We really will not know what the actual figures will be until June or early July.

Mr. McGrath: Madam Speaker, my figures are based on the rate. For example, youth unemployment last year was 17.1 per cent but as of April this year it was 21.5 per cent, which represents 624,000 unemployed young people. That does not take into account the students who will be coming onto the job market this month. That is what prompted my question.

CONFERENCE SPONSORED BY NEWFOUNDLAND COUNCIL ON YOUTH

Hon. James A. McGrath (St. John's East): Madam Speaker, perhaps I can ask the Minister if the Government intends to assist, in any meaningful way, the Newfoundland and Labrador Youth Advisors Council on Youth which is sponsoring a national conference on youth unemployment in St. John's on August 26, 27 and 28. It intends to invite 20 delegates from each Province and Territory, and has budgeted for $150,000.

As the Minister knows, this is a Province where unemployment is critically high and the economy is as bad. The Minister has already indicated that he is prepared to support the conference with $40,000. Is he prepared to go a little further and contact his provincial counterparts so that this conference may become a real, meaningful dialogue on exactly what we intend to do about the phenomenon of youth unemployment as we get into the area of high tech?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, to put the historical record in perspective, I personally supported and recommended the idea for such a conference to the Newfoundland Advisory Council. I met with it some two months ago when I was in Newfoundland and we had a very good discussion about the report it had released. At that time it was simply proposing to undertake a conference within the Province. I felt, as the Hon. Member does, because of the importance of the issue, that we should attempt to get a cross-section of views, attitudes, and recommendations from young people across Canada.

At that time we undertook discussions with the Newfoundland Youth Advisory Council to see if it would organize a national youth employment conference for us. It agreed to do that and we are working together very closely with it and are providing financial support. We would undertake to recommend that, but I would want to assure the Hon. Member, seeing that it was our idea in the first place, we are obviously lending it our full support.

• (1420)

Mr. McGrath: No matter whose idea it was, it was a good idea and it is an idea whose time has come. I am happy to know it is receiving the support of the Minister.

OPENING OF YOUTH EMPLOYMENT CENTRES

Hon. James A. McGrath (St. John's East): The Minister referred to the fact that the statistics regarding student unemployment are not in yet. The Minister knows that the situation is so serious that it requires a bipartisan multi-Government private sector/public sector approach. For example, I have here a memorandum from the Regional Manager of Public Affairs in the Minister's Department to his manager in Charlottetown, regarding the opening of Canada Employment student centres. The memo lists those to be invited and states that Conservative MPs are not to be invited even if the CEC is in their riding. If that is the kind of approach which the Minister has taken to this very serious problem, which is a cause of a great deal of concern, then the Minister can only stand condemned by it. I would like to ask the Minister if that is his policy.

Is it the policy of the Government to exclude Conservative Members of Parliament from supporting young people in their endeavours to find jobs through student employment centres, or whatever? If that is the policy of the Government, then the Government should be widely condemned for it.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, before the Hon. Member begins to run off at another tangent, let me remind him that it was this Government which last year initiated a major national discussion on the question of youth employment. In fact I presented a policy paper to the provincial Governments, in which the Conservative Party is well represented, upon which we are now trying to base our youth employment strategy which was announced in the budget of the Minister of Finance. We are continuing those meetings with the provincial Governments to see if we can find, as he indicated, a broad based level of support to tackle what is unquestionably a major national priority to help young people get back to work.

As far as that individual memorandum is concerned, my office had nothing to do with it. In fact, if the Hon. Member would talk to his caucus more extensively, he would recognize that many Members of his own caucus have in fact been at openings of youth CEC's.

* * *

SOCIAL SECURITY

PLIGHT OF SINGLE ELDERLY RECIPIENTS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Prime Minister. The Prime Minister will know that the National Council on Welfare has just published the revised 1983 poverty line, based on Statistics Canada definitions. These figures show that the elderly poor, single elderly people, if they are receiving only the old age pension and the Guaranteed Income Supplement, are well below the poverty line. In fact these figures show that they would be more than $2,000 below the poverty line.

On March 29 the Minister of National Health and Welfare indicated in committee that $300 would be sufficient to bring these single elderly poor up to the poverty line. I would like to ask the Prime Minister whether or not the Government has abandoned the practice which it has always followed of accepting the low-income cutoffs provided by Statistics Canada as the poverty line. And what justification would the Government have for saying that $300 would be sufficient to bring these people up to the poverty line, when the National Council on Welfare says that it would take $2,000?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member indicated in her question that although she was using the expression "poverty line", the expression used by the National Council on Welfare is low income and not poverty line. As the Hon. Member is aware, there is a considerable difference between the two, and we could have quite a long discussion on what term should be used. In any case, the main thing is that the Government has undertaken to concentrate its efforts and assistance on those who truly need help. We made this clear when we introduced the 6 and 5 program and exempted from capping any payments made under the Guaranteed Income Supplement or the Child Tax Credit. These measures are fully indexed to allow for the special needs of people on low incomes. In addition, the measures contained in the budget were also aimed at assisting people on low incomes so as to maximize the effective use of public funds in the fight against poverty.

[*English*]

Miss MacDonald: Madam Speaker, whether the Minister uses poverty lines or low-income figures, I would like him to know, in case he has not realized it, that there are 500,000 elderly poor in this country who are living well below the poverty line, and the Government ought to make it one of its priorities to correct that situation.

GOVERNMENT PRIORITIES

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, in recent days the Government announced an expenditure of almost $300 million to bail out Canadair and de Havilland, two Crown Corporations. Again, the Minister of National Health and Welfare said in committee that the $300 million for the elderly poor, to bring them up to the poverty line, had been approved by Cabinet, and that it would be authorized for expenditure—and I use her words—"whenever we can afford it". I would like to ask the Minister how many Crown Corporations such as de Havilland and Canadair stand ahead of the elderly poor in the Government's list of priorities.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, one thing is certain, and that is that this Government will not make the mistake which the Conservatives made in the 1960s when they cancelled the Arrow program and put the aeronautics industry in this country behind by ten years.

Some Hon. Members: Hear, hear!

Mr. Lalonde: What the Government is doing is not only protecting thousands of jobs for Canadians, but it is also protecting a strong Canadian presence in the aviation industry, a high technology industry, and one which is important for the future of the country.

As far as the question raised by the hon. lady is concerned, she knows that the expenditures in question would be, indeed, expenditures which would not be on a recurring basis, year after year. As I have indicated in my budget speech, we are currently examining the situation on a current basis and we very much have in mind the problem raised by the hon. lady.

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AUTOMOTIVE INDUSTRY

TASK FORCE RECOMMENDATION—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Minister of Industry. The Minister knows that the American automotive companies are producing in Canada roughly 75 per cent of what they sell to Canadians. The federal task force on the automotive industry has recommended that the principle involved, namely, that automotive companies which make profits from Canadians ought to be creating jobs for Canadians, should be applied to all automotive companies and not just to the American companies. Does the Minister accept this sensible recommendation?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as I stated last Friday in response to the task force report, we think it is a very comprehensive report and it will receive serious consideration by the Government. My officials, are already working on a paper which will be discussed with my Cabinet colleagues.

REQUEST THAT MINISTER INSIST ON JOBS BEING CREATED IN CANADA

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Minister did not answer the question specifically. I agree it is comprehensive, and I also agree in principle that it is saying essentially the right thing. However, I would like to ask the Minister if he accepts the principle in the report. More specifically, since the major import which is causing a loss of Canadian jobs in that sector right now happens to be from Japan, and since the Japanese have agreed to produce cars, or parts, in the United States, Australia, Mexico, Great Britain, amongst others, and if they met the minimum 60 per cent standard here in this country, we would have an additional 35,000 jobs, will the Minister agree with the principle in the report? Secondly, will he, in his discussion with the Japanese industry, insist upon their acceptance of the principle?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion):

Madam Speaker, with respect to the principle, I believe the Prime Minister answered more than adequately the question of the Hon. Member last Friday. Obviously Canada, a major trading nation which relies on merchandise trade surpluses should not on a *quid pro quo* basis, adopt the principle as the Prime Minister responded to the Leader of the New Democratic Party on Friday. However, as the Prime Minister stated, in very specific cases, such as the trade imbalance in the automotive industry, there is some justification room to negotiate with other countries.

• (1430)

Mr. Broadbent: Madam Speaker, as with most questions recently, the Prime Minister answers one way on one question and another way on another question. In short, the Government's position is by no means clear on this issue. Since thousands of Canadian jobs are at stake I hope the Government will soon make up its mind.

PRINCIPLE OF CANADIAN PRODUCTION QUOTA

Hon. Edward Broadbent (Oshawa): Madam Speaker, since the task force correctly points out that General Motors, Chrysler, and Ford, currently meeting 74 per cent production in Canada, are likely to drop to the 60 per cent minimum for competitive reasons if companies from other countries are not forced to comply, does the Minister recognize that, if they do that, we could lose some 22,000 existing jobs and, if so, will he now give us a commitment to negotiate on this principle with the Japanese so Canadians can get the jobs in this sector that they deserve?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I do not know what stronger commitment the Hon. Member wants, as I have already indicated that we will give serious consideration to the recommendations in the task force report. I have also stated that I will be sending a letter to the chief executive officers of the Japanese automotive manufacturing companies inviting them to Canada for discussions, as I requested on previous occasions when I was in Japan.

* * *

[*Translation*]

HOUSING

INQUIRY WHETHER GRANT APPLICATIONS WILL BE ACCEPTED

Hon. Roch La Salle (Joliette): My question is directed to the Minister responsible for Housing.

Recently, the Minister announced on the radio that the Canada Mortgage and Housing Corporation still had 16,000 applications pending for the $3,000 grant. The Minister also said that it was almost certain that applications made before April 30 would be accepted, and this of course would benefit all applicants who made their requests before April 30, according to the Government's initial commitment. Within this context, could the Minister inform the House today whether Canadians who applied for the $3,000 grant before April 30 will receive a positive reply from CMHC?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I do not remember having said 16,000, but it is quite clear that the problem whose extent we are now determining is quite considerable, and that there was a flood of requests during the last two weeks of April and in the first week of May.

Right now, we are looking at ways of meeting the needs of Canadians who applied before April 30, and if possible, of those who applied before May 5. I hope to have an answer for the Hon. Member within forty-eight hours.

Mr. La Salle: I have a supplementary. If I understood correctly, the Minister just promised that he would tell us within forty-eight hours that applications for the $3,000 grant will be accepted up to April 30. He could also provide some clarification regarding the rash commitment made by the Minister of Finance who raised the hopes of Canadians by saying that the grant might be extended until the end of May.

In any case, is the Minister prepared to repeat that Canadians will be told once and for all about the commitment made regarding April 30, and could he also, within forty-eight hours, inform the House whether the Minister will be able to meet the commitment made by his colleague? Madam Speaker, I am not accusing the Minister but his colleague, the Minister of Finance, of raising the hopes of Canadians. The Minister has given us the assurance today that within forty-eight hours, Canadians will know whether grant applications made before April 30 will be honoured, and what is going to happen regarding the commitment for the month of May.

Mr. LeBlanc: Madam Speaker, the Minister of Finance made it quite clear that after adding $100 million to this program in October, he was adding $30 million in his April 19 budget, especially to assist Canadians in isolated and northern areas where construction cannot start before the end of April.

As I said before, we have received a flood of requests, far more than could be expected according to the statistics for even the best years for housing in Canada. I cannot blame the Minister of Finance (Mr. Lalonde) for having put a ceiling of $30 million on this program, since the housing industry is doing very well at the present time and interest rates have dropped considerably thanks to his predecessor's budget and the measures taken by the present Minister of Finance.

What I would like to say to the Hon. Member, if he could perhaps refrain from taking this unusually aggressive stance, is that we shall do everything in our power to accommodate Canadians who applied before April 30, and if possible, up to May 5.

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF THE SENATE OF TRINIDAD AND TOBAGO

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of the Hon. Wahid Ali, the President of the Senate of Trinidad and Tobago.

Some Hon. Members: Hear, hear!

[*Translation*]

PRESENCE IN GALLERY OF MR. MOUMIN BAHDON FARAH, REPUBLIC OF DJIBOUTI MINISTER OF EXTERNAL AFFAIRS

Madam Speaker: I also have the honour of drawing the attention of the House to the presence of His Excellency Mr. Moumin Bahdon Farah, Minister of Foreign Affairs of the Republic of Djibouti.

Some Hon. Members: Hear, hear!

* * *

[*English*]

NATIONAL DEFENCE

INCIDENCE OF CF-104 AIRCRAFT ACCIDENTS

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of National Defence. During the last week we lost two more CF-104 Starfighters, for a total of four in the last six months, with the loss of three pilots and now, unfortunately, five civilians killed in Germany. Has the Department of National Defence formed any early conclusion as to the causes of these latest two crashes? Were they caused by pilot error, or mechanical failure in these aging aircraft?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, it goes without saying that it was indeed a very regrettable accident in Germany, and in the name of the Government of Canada. I expressed our sincere condolences to the families of those persons in Germany who lost their lives. This Government very much regrets this accident.

As for the airplane itself, the 104, as far as fighter aircraft is concerned, has a very good safety record. It is—

Some Hon. Members: Oh, oh!

Mr. Lamontagne: Well, what do you know—Madam Speaker, these people who are laughing, what do they know about the safety of a warplane? I think I am more aware and more knowledgeable about what airplane safety is than most of those people who are laughing on the other side.

Some Hon. Members: Hear, hear!

Mr. Lamontagne: Madam Speaker, we have the record of all accidents which happened to 104s since 1961. In some years, like 1972, we lost none. In 1965 we lost—

Some Hon. Members: Oh, oh!

Mr. Lamontagne: Well, in 1965 we lost 12. It is part of the ups and downs of any war plane.

Mr. Broadbent: Up and down is right.

Mr. Lamontagne: They have to be involved in exercises, Madam Speaker, in very difficult missions with low and high flying. It is a warplane which has to be exercised in very difficult situations. Germany flies the 104, some other European countries fly it, and we can match their record and our record in so far as our good safety record is concerned with this warplane. I am not talking about commercial airplane safety; I am talking about warplane safety. These are two different worlds, Madam Speaker.

Mr. McKinnon: Madam Speaker, I must say that to claim the CF-104 has a good safety record brings the answers of the Minister to a new level of unlikelihood.

REQUEST THAT REMAINING CF-104 AIRCRAFT BE GROUNDED

Hon. Allan B. McKinnon (Victoria): Madam Speaker, in 1979, when an F-16 crashed, every F-16 then flying was grounded until the cause of the crash was made known. Has the Minister in any way considered grounding the Starfighters because of their attrition rate, which to many of us is already unacceptably high? While he is on his feet, could he tell us whether the CF-18A, the new fighter aircraft, will replace the Starfighter first, or will priority be given to replacing the CF-101 Voodoo, which is even older than the Starfighter?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, if there were any unreasonable risk in letting our pilots fly any of our planes I would stop them from flying right away. We are checking everything we can to make sure the planes we are flying have a good safety record and can be flown in safety, and can help our allies in every eventuality.

You have many reasons why a plane can crash, Madam Speaker, we have here the reasons for every crash of the 104. It could be personnel, it could be the material, it could be the environment, it can be operational, foreign object damage, or the reasons could be undetermined. All accidents have been investigated and we know why 95 per cent of the accidents occurred. Unfortunately in the case of some others we were not able to discover the exact cause of the accidents. But we are following matters very carefully. I think the last accident was among the most unfortunate, and one we regret greatly, but I do not think that this is any reason to stop the 104 from flying, because Germany and several other countries fly it, too.

• (1440)

INDUSTRY

APPOINTMENT OF PETRO-CHEMICAL TASK FORCE

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. The oil based petrochemical industry welcomed the announcement of the Minister about assistance to Petromont and the loan guarantees to Petrosar, which the shareholders applauded. However, the second part of the Minister's press release indicated that there would be a task force established with two co-chairmen. I wonder if the task force is expected to be in place soon or if the co-chairmen have been selected. If so, I would like to know their names and when the task force is expected to be mobile.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, first I want to apologize to Hon. Members. I have been a little tardy in putting together the task force, contrary to what I originally intended. However, the co-chairmen are in place and will be having a meeting this week with our officials. We have asked the co-chairmen to suggest competent people from the industry from across Canada to be represented on the task force. I do not think it is appropriate to announce any individual names until such time as the whole task force is finalized.

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NATIONAL DEFENCE

REQUEST THAT CF-104 AIRCRAFT BE BANNED FROM AEROBATIC DEMONSTRATIONS

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I would like to follow up on the comments about the absolutely unjustified carnage which has come about as a result of crashes involving the CF-104 Starfighter. My question is directed to the Minister of National Defence. If the Minister and the Government are not prepared to stop the carnage, would they be prepared to change the operational role of the aircraft in its operational procedure by not allowing it to participate in any more aerial demonstrations, any more aerobatic demonstrations, and to keep the aircraft out of civilian airports where it must approach or depart over heavily populated areas such as Vancouver and Winnipeg? Would he be prepared to make some operational changes in the use of the aircraft so that the danger is minimized in its use?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I think that some people are trying to make a tragedy of this, which, of course, is regrettable. However, in this instance we were flying in Germany, accompanied by the German Air Force. We were both doing some exercises. An accident happened which, again, is very regrettable. That does not mean that the aircraft is no good and should be put out of service. It has great utility as an air mission aircraft. It must be used in all kinds of training circumstances.

Unfortunately an accident happened, and I agree that it was very tragic, and I regret it. It was because we were requested by the Germans to fly with them in a low level mission practice. Obviously, the Germans were flying the same kind of aircraft we were flying, so it was strictly an unfortunate accident. For example, if the Hon. Member drives the same kind of car as I do and he has an accident and I do not have an accident, does that mean that his car is no good? It could depend on many causes. Why does the Hon. Member not wait, because the investigation is currently being carried out by the German Government and our people in Germany, see what in fact was the real cause, and stop making it appear to be so dramatic?

Some Hon. Members: Hear, hear!

Mr. Skelly: Madam Speaker, when 600 aircraft out of a total manufacturing component of 1,900 crash, there is absolutely no excuse for the Minister's response. There is no excuse for the Government to continue to tolerate an accident rate like that anywhere.

REQUEST FOR DOCUMENTATION ON ACCIDENTS

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, would the Minister of National Defence be prepared to provide the House with the documentation on the remainder of the Canadian accidents back since the beginning of production, so that the public can have an examination into other civilian aviation expertise as to a common thread in the kind of accidents which have occurred? Would he be prepared to table in this House the results of the other accident findings, instead of keeping the material secret?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, there is no question of keeping information secret. Of course, the investigation is still secret because sometimes we ask opinions in confidentiality. However, the causes of all the accidents which have occurred since 1962 are all well known to us. I will in due course be able to supply the Hon. Member with the reasons why the accident happened.

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LABOUR CONDITIONS

REQUEST FOR ESTABLISHMENT OF PARLIAMENTARY TASK FORCE ON YOUTH UNEMPLOYMENT

Mr. Albert Cooper (Peace River): Madam Speaker, my question is directed to the Minister of Employment and Immigration and relates to the questions which were asked earlier by my colleague, the Hon. Member for St. John's East, involving the whole area of youth unemployment which has now hit almost crisis proportion. Is it not now time for a parliamentary task force on youth unemployment and youth issues in this country?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, just to remind the Hon. Member, we put forward a very clear set of proposals under the youth employment strategy at the time of the budget debate. We referred that document for examination in front of the Committee on Labour, Manpower and Immigration. In the meantime we have introduced a number of new proposals. The new proposal for wage subsidies for work experience programs would provide a brand new program to bring people into their first time jobs. There has been the proposal for youth job corps across Canada and proposals to provide substantially for more people in the Katimavik program and the DND program. We have those programs in place as well as the training programs. My attitude at this point is to get things happening rather than just go into further study.

REQUEST FOR EARLY STUDY

Mr. Albert Cooper (Peace River): Madam Speaker, the Minister well knows that criteria for programs like the youth internship program, which are desperately needed today, are not even in place yet. Students are coming on the job stream right now, this month and in the next month, and the Government will not likely have those criteria in place until Fall, at the very earliest. Can the Government not explore this very serious problem, which is not only an immediate problem but also one which will be going on for the next few years? Can it not be explored through a parliamentary task force?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I return to the point that the programs we introduced need some proper preparation, which means discussion with those in the private sector in particular, who would be the major sponsors and users of the wage subsidy program. We do not want to rush into something before it has been properly discussed and there have been consultations with that particular group, which is what we are now doing.

In terms of the longer range issue, as I have indicated we put forward a paper last January which laid out the dimensions of the problem and referred it to the provincial group for study. As I say, we are prepared to discuss it with colleagues in the House of Commons through the Standing Committee on Labour, Manpower and Immigration, which we have already initiated. Therefore, I am not sure why the Hon. Member would want to duplicate what has already been initiated.

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METRIC CONVERSION

ABOLITION OF COMMISSION

Mr. Bill Domm (Peterborough): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. For approximately four years the Conservatives have been arguing that we should abolish the Metric Commission and follow the course set by the U.K. and the United States in abolishing their metric boards and returning to a voluntary process of implementation. Would the Minister now be able to confirm to the House that the Metric Commission has been notified that it is being abolished?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I am surprised to hear the Hon. Member saying that he has been asking for the abolition of the Metric Commission for four years, according to his own words. The Hon. Member may recall that the Progressive Conservative Party was in power for about ten months, and not only did it not abolish the Metric Commission but it even passed an Order in Council to put into effect part of the compulsory metric program. It was a Conservative Cabinet that approved this Order in Council, which is certainly not in line with the views of the Member for Peterborough. As for the Commission's duration, the Commission is doing its work, and despite the systematic opposition of the Progressive Conservative Member, it is about to finish its work, and as soon as it has, it will of course be dismantled according to plan.

[*English*]

Mr. Domm: I should point out that it was the Conservative Government in 1979 which abolished the Order in Council that brought metric into the retail food sector. It was the Liberal Government, in March of 1979, when it still held Cabinet position, which gazetted the order in council that brought metric into the floor covering business.

USE OF IMPERIAL MEASUREMENT IN STOCKYARDS

Mr. Bill Domm (Peterborough): Madam Speaker, my supplementary question is directed to the Minister of Agriculture. Would the Minister confirm to the House that, under pressure from provincial Governments, from agricultural associations and organizations, and from consumers, the federal Government has decided to return to imperial measurement in the weighing of beef on import and export and that all the stockyards from Montreal through to Prince Rupert will remain or return, if they have converted, to imperial measurement?

Some Hon. Members: Oh, oh!

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I do know that at the present time agriculture, in total, is about 85 per cent metric. There was a delay by the previous Government, in the short-term, in converting the total beef operation into metric. There has been a delay in that. I believe the arrangement that the Hon. Member is talking about has been made.

• (1450)

NUCLEAR ARMAMENTS

PRIME MINISTER'S ROLE AT WILLIAMSBURG SUMMIT

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, my question is directed to the Prime Minister. Recently, in his answers to me in the House on May 18, and in his *Toronto Star* interview, the Prime Minister appears to be casting himself in the role of an honest broker or mediator between the United States and the Soviet Union. Is it his intention to push that role at the forthcoming Williamsburg Summit in the hope that the United States can be persuaded of his expertise in that direction, in spite of his public musings about the warlike propensities of President Reagan?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker.

INVITATION TO PRIME MINISTER TO VISIT MOSCOW

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, the Prime Minister will recognize, of course, the difference between the musings that he may have had in private with Mr. Gorbachev during his recent visit here and his public criticism of the President of the United States. Can he tell us whether the private stance that he took with Mr. Gorbachev was in any way responsible for the invitation that he received to visit Moscow, and while answering that could he say whether he intends to accept that invitation?

While he is still on his feet, might he also say whether he has received any indication with respect to the manner in which his statement about President Reagan's warlike propensities have been received in Washington?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, there is a whole series of questions there and I am not sure that I can deal with them all. As far as the invitation to Moscow is concerned, it would please the Hon. Leader of the Opposition to know that most heads of Government or senior members of Government who come to Canada invite me to visit their countries, knowing full well that it will please the Opposition that I be absent some days from this place. So it is nothing new.

In the case of the Soviet Union, I think we have been receiving visits for at least the past half dozen years on the basis that the last bilateral exchange with the Soviet Union at the level of heads of Government was when Premier Kosygin came. That was almost ten years ago, if my memory is correct. It would normally be Canada's turn to visit the Soviet Union if one considers past records. I should not be surprised that the Right Hon. Member for Yellowhead (Mr. Clark), when he was Prime Minister, would also have been invited to the Soviet Union with as much urgency.

The other part of the question concerned my musings. I merely want to say that I am happy that the Hon. Leader of the Opposition finds them amusing.

PRIME MINISTER'S INTENTIONS

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, with respect to the Prime Minister's comments concerning the reaction of the Opposition, his inferential forthcoming visit to Moscow, and his statement that we would like to see him go from time to time, is he inferentially saying by that answer that he is threatening us with his return or promising that he will stay there?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is a rather singular question, coming from a man who, we know, will no longer have his job in about three weeks from now.

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CANADIAN NATIONAL RAILWAYS

OFFER TO PURCHASE UNITED STATES RAILWAY

Mr. Les Benjamin (Regina West): Madam Speaker, my question is directed to the Minister of Transport. Both Canadian railways are holding Canadian grain producers and taxpayers up to ransom by refusing to upgrade their rail systems unless they get more money from both. Even if they get five or six times the Crow rate, both railways have said they will not even buy hopper cars. They expect the taxpayers to do that.

In light of that, I wish to ask the Minister about Canadian National's bid of $300 million to buy 3,100 miles of the bankrupt Milwaukee Road Railway's lines in the United States, and CNs offer to take on the $180 million of debt owed by the Milwaukee Road to the United States Government. Why is he asking farmers and taxpayers to give CN and CP more money to rebuild rail lines in Canada when these companies apparently have enough resources to bail out American investors and the United States Treasury?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, with respect to the first part of the question, the adequacy of the compensation given to railways, I thought that this is one of the items of the Crow reform which was generally accepted in the West. In particular I remember a study made for the Saskatchewan Wheat Pool on the adequacy of the compensation, and the figure arrived at was not very much different from the one recommended by Gilson. This is really a problem on which there is general agreement.

With respect to the purchase of the Milwaukee road by CN, that possibility still exists. It has not yet been approved by CN or the Canadian Government. We will discuss that in due course.

Mr. Benjamin: The United States Justice Department has already approved these. They are only waiting for the approval of the Interstate Commerce Commission in the United States.

CANADIAN PACIFIC RAILWAY

INVESTMENT IN UNITED STATES RAILWAY LINES

Mr. Les Benjamin (Regina West): Madam Speaker, the question concerns CP's $150 million expenditure and CN's $300 million expenditure. Would the Minister answer the question? How can railways in Canada insist on moneys from grain producers and taxpayers to build lines here while they can afford to invest in over 4,000 miles of United States railway lines, to the tune of about $600 million in Canadian funds?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I already answered the question the other day when I ventured the opinion that the presence of Canadian owned railway companies in the United States was beneficial to Canadian exports. These are services rendered by companies and consequently it is a form of export which is very beneficial to the country as a whole. Would my hon. friend prefer to have U.S. railways operating in Canada?

Mr. Benjamin: No.

Mr. Pepin: Consequently it is beneficial for Canada to operate these railways in the United States because it is part of Canadian services and Canadian exports to the United States.

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INDIAN AFFAIRS

NATIVE ECONOMIC DEVELOPMENT FUND

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Approximately two years ago the Minister announced a fund of $345 million, as I recall, to be used for various Indian programs across Canada. The Minister has not yet announced any specific payments out of that fund.

A few weeks ago the Minister announced a committee to help dispense those funds. As I recall, it was to be composed of Members of the Liberal caucus. Once again there have been no payments as a result of that. One committee in particular, the agricultural committee of Ontario for the natives, has been waiting. I have been talking to the Minister and his staff for almost two years. When will we see some of that $345 million which was promised so long ago?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, with regard to the $345 million, the Minister responsible for that is my colleague, the Minister of Industry, Trade and Commerce, essentially because it deals with the Métis, Inuit and all Natives, not just status Indians for whom I am responsible. In particular, the Métis have an interest in this matter. That is why it is not only a concern to the Indians but to the people for whom the Hon. Member is concerned. Therefore I would suggest that he direct his question to my colleague, the Minister responsible for small business.

• (1500)

ALLOCATION OF FUNDS

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, if I had time I would ask everyone over there. Obviously in order to get that answer the Minister of Indian Affairs and Northern Development had to ask the Prime Minister. Because it is an agricultural problem I have already employed not the small but the great help of the Minister of Agriculture. Since I do not yet have any money, would the Minister of Industry, Trade and Commerce or the Minister responsible for small business tell us when and if, or if it is ever going to be spent, namely the $345 million that was promised by the Minister of Indian Affairs and Northern Development?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I am told that my colleague, the Minister responsible for small business, is not in the House. Let me just assure the Hon. Member that although undeniably there have been delays in making announcements under this particular fund, the Minister responsible for small business will be in the House shortly. I can assure the Hon. Member that attention will be given to this matter and announcements will be forthcoming relatively soon.

* * *

PETITIONS

MR. SKELLY—ABSENTEE BALLOTING

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the report of the Clerk of Petitions stating that he has examined the petition presented by the Hon. Member for Comox-Powell River (Mr. Skelly) on Friday, May 20, 1983 and finds that the petition meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

RETENTION OF CROWSNEST PASS RATE

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have the honour to present to the House of Commons a petition signed by a significant number of western Canadian farmers who want to bring to the attention of the House the problem that western Canadian farmers will face in the event that the proposed changes to the Crow rate take place. They have humbly prayed that western Canadian farmers now paying $131 million to move export grain under the Crow freight rate will have to pay significantly more than they can afford.

The undersigned petitioners humbly pray and call upon Parliament to maintain the present statutory grain or Crow rate, and as in duty bound your petitioners will ever pray.

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I have the honour to present to the House a petition from the residents of Langham, Saskatchewan. The petition is addressed to the Honourable the House of Commons in Parliament assembled. The petition of the undersigned residents of Canada who now exercise their right to present a grievance humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow rate in the 1981-1982 crop year. This grain, in turn, contributed $6.3 billion to the balance of trade. The undersigned believe that this is the farmer's contribution to the Canadian economy and that western farmers will pay one times Crow, that is, no change.

Wherefore the undersigned petitioners humbly pray and call upon Parliament to maintain the present statutory grain, this is the Crow, rate. This petition is signed by some 36 petitioners from Saskatchewan.

Mr. Rod Murphy (Churchill): Madam Speaker, I have a petition signed by residents of Saskatchewan expressing their concern with the Government's intention to change the Crow rate. In their petition these western Canadian farmers who paid $131 million to move export grain under the Crow freight rate in the 1981-1982 crop year claim they have contributed over $6.3 billion to this nation's balance of trade. The undersigned believe that this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times Crow, which is no change.

Wherefore the undersigned petitioners humbly pray and call upon Parliament to maintain the present statutory grain or Crow rate and, as in duty bound, your petitioners will ever pray.

BUSINESS OF THE HOUSE

MOTION TO PROCEED TO ORDERS OF THE DAY

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I move, seconded by the Minister of Transport (Mr. Pepin):

That the House do now proceed to Orders of the Day.

Madam Speaker: That motion, of course, is in order, pursuant to Standing Order 50. All those in favour of the motion please say yea.

Some Hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Madam Speaker: Call in the Members.

[*And the division bells having stopped at 6 p.m.*]

[*Translation*]

Madam Speaker: The bells are ringing to call in the Members for a vote on a motion that the House now proceed to Orders of the Day.

It being six o'clock, and since the House would normally stand adjourned at this time, the motion has therefore lapsed. Consequently, in terms of Standing Order 8(1), I do now leave the chair, pursuant to Standing Order 2(1), until two o'clock tomorrow afternoon.

At 6.02 p.m. the House adjourned without question put pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, May 25, 1983

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

AGRICULTURE

SITUATION IN QUEBEC—POSITION OF OPPOSITION PARTIES

Mr. Gaston Gourde (Lévis): All Quebecers involved in the agri-food business have welcomed the changes made by the Minister of Transport (Mr. Pepin) in his plans for improving the Crowsnest Pass rate.

On the Opposition side, both the Progressive Conservatives and the New Democratic Party have been filibustering in order to prevent passage of Bill C-155, either by refusing to appear in the House for a vote, as was the case yesterday with our Progressive Conservative friends, or by presenting a staggering number of petitions—there were 92—as our friends from the New Democratic Party did.

Both parties have been courting the Quebec electorate for many years without ever making any serious commitments. I therefore challenge the Progressive Conservative Party and the New Democratic Party to explain before the House the positions of their respective parties on the transportation of grain as it effects the Quebec agri-food industry.

We shall then hear, in public, in front of the television cameras, what our colleagues opposite have to say to Quebec farmers.

It is the truly controversial issues that are a test of character.

I therefore ask the Members of the New Democratic Party and the Progressive Conservative Members to rise and speak frankly to Canadians in the Province of Quebec.

* * *

[*English*]

POLITICAL PARTIES

ELECTION OF PROGRESSIVE CONSERVATIVE CANDIDATE IN BRANDON-SOURIS BYELECTION

Hon. Jake Epp (Provencher): Madam Speaker, yesterday, May 24, an event of national importance took place in the federal riding of Brandon-Souris. The overwhelming victory which resulted in the Progressive Conservative candidate, Mr. Lee Clark, receiving 62.1 per cent of the votes cast, was confirmation of support for the Progressive Conservative Party and an expression of the desire of thousands of electors, when given an opportunity, to pass judgment on the Government.

Some Hon. Members: Hear, hear!

Mr. Epp: The result is a tribute to the late Hon. Walter Dinsdale who faithfully represented Brandon-Souris for 31 years, and was a positive endorsement of an excellent candidate, Mr. Lee Clark. It was a response by thousands of citizens to get involved in the electoral process and, through that process, send a message to the Government. The Liberals sent in Cabinet Ministers, its Party President, and workers who offered jobs, airport extensions, and a voice in Government if their candidate would be elected. For their efforts the Liberal Party received 17 per cent support. It is the hope of all Manitobans that the Liberal Party will conduct itself in an uncharacteristic manner and keep the election promises it made.

The NDP, too, should take no comfort from the results. It tried to hold its vote in the city of Brandon, and especially in the provincial riding of Brandon East. The electorate judged the NDP and recognized that that Party, which has supported the Government on major issues, is certainly no spokesman for the western Canadian farmer. The NDP is not an alternative to the Government, and consequently was rejected absolutely.

Lastly, the byelection in Brandon-Souris gave the voters an opportunity to state in clear terms—

Madam Speaker: Order.

Some Hon. Members: More!

* * *

AVIATION INDUSTRY

EXPRESSION OF SUPPORT

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, Canada has an international reputation for excellence and reliability in specialized aerospace systems and products. This has resulted in Canadian aerospace industry sales of $3 billion a year in a highly competitive international export market. To sustain this worldwide reputation and to achieve the potential foreseen for the Canadian aerospace industry through the 1980s and the 1990s requires a very positive attitude on the part of prospective buyers. With that in mind it is with great

concern that I mention the recent criticism of one of Canada's outstanding high technology products, the Canadair Challenger Executive Jet. It is one of the finest aircraft of its class ever produced. It only requires a chance to work out some of its developmental problems.

Because of Government funding the aerospace industry is always going to come under public questioning. In this regard Canada is no different from any other nation. But, to achieve growth, the marketability of our aerospace products must be maintained and not be undermined by destructive expressions of opinion. As the editor-in-chief of the *Aviation Week & Space Technology* magazine commented editorially, "Canada's aerospace industry has served the national interest better than its critics allow. Canada should look at both sides of the issue and not drift into an anti-aerospace mode that would lose the economic and technical benefits generated by this industry."

* * *

PORTS

MOVEMENT OF GRAIN THROUGH PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Madam Speaker, I would like to make a statement on behalf of the New Democratic Party, which is the only Party in this House to support the Port of Churchill consistently. Senator Argue recently offered to give $50 million to the Port of Churchill if the advisory board to the Canada Wheat Board would guarantee 700,000 tonnes of grain for export through the Churchill Port. Yet the Liberal Government has taken a number of steps to hurt that Port.

The Government has cut off grain sales to Poland, one of the main users of the Port of Churchill, on the basis of less than credible arguments—first of all, that Poland is a bad credit risk, yet we continue to deal with countries which have worse debt records; secondly, that Poland has a poor human rights record, yet we continue to sell grain to Chile and Brazil; thirdly, that we are punishing the U.S.S.R., while the U.S., pushing for a de facto embargo of Poland, recently sold 22,000 tonnes of wheat to Poland.

In the past the Government also failed to make improvements to the railway and port facilities necessary for the Port of Churchill. The Liberal Government has also refused to provide icebreakers to lengthen the shipping season on a regular basis.

However, the major concern of the people in western Canada is that the proposed changes to the Crow rate will kill the Port of Churchill. Once variable rates come in, then no grain will go through that Port. How can Senator Argue ask for—

Madam Speaker: Order.

AGRICULTURE

INCREASES IN FARM INPUT COSTS

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, Canada is one of the few countries exporting food, and therefore food production must be doubled on available arable land in order to feed the expected world population of about seven billion in the year 2000. Technology exists to double our food production by less summer fallow and applying fertilizers and pesticides. However, this would involve a threefold increase in energy use by farmers. As the price of oil and gas keeps rising, the cost of farm inputs increases.

Recent oil product price hikes will cost our farmers more than $70 million a year. Last February's increase in the price of natural gas will directly raise the Prairie's fertilizer bill by approximately $2 million annually. The cost of pesticides and other natural gas based chemicals is also rising.

The federal farm fuel tax accounts for 44 per cent of the cost of fuel paid by farmers. The PC Party has consistently pointed out the need for elimination of taxes on fuel used to produce food. However, the Government continues to turn a blind eye to the plight of farmers already hit by low commodity prices and high interest rates.

• (1410)

If the Government's irresponsible policy toward the cost of energy for agriculture persists, future generations may well find themselves desperately short of food.

* * *

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE LEADERSHIP CANDIDATE'S REACTION TO CBC NEWSCAST

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, it is interesting to note the reaction of Brian Mulroney to a CBC news item which suggested his organization was making some efforts to rally the non-Clark supporters around Mr. Mulroney. The story so irritated Mr. Mulroney that he is reported to be considering suing both the CBC and Michael Duffy, the CBC's highly respected parliamentary correspondent.

Such a sensitivity and overreaction can only be explained by Mr. Mulroney's lack of political experience. Had Mr. Mulroney run and won in 1979, 1980, or in any of the numerous by elections since the last election, he would long since have become immune to these slings and arrows which those of us who have actually taken the plunge are subjected to regularly.

If this is Mr. Mulroney's reaction to the gentle and even-handed Mike Duffy, I fear he will become apoplectic when the likes of Allan Fotheringham is turned loose on him. Those of us on this side of the House who would welcome his entry into electoral politics, urge him to remain calm and to press steadfastly on to the convention lest this attack of the media jitters turns out to be the big mistake of 1983.

EXTERNAL AFFAIRS

BOMBING OF MOZAMBIQUE BY SOUTH AFRICAN AIR FORCE—CALL FOR CONDEMNATION

Mr. Dan Heap (Spadina): Madam Speaker, the statement made today by the Prime Minister (Mr. Trudeau) and the Secretary of State for External Affairs (Mr. MacEachen) about the bombing of Mozambique is a weak statement which does not begin to meet the occasion. The fact is that South Africa has admitted bombing a city of a neighbouring country; it has claimed to have killed guerillas, which claim is disputed; and it has used as an excuse a bombing in Pretoria which was neither proven against Mozambique nor has been admitted by Mozambique. Yet the statement by the Prime Minister and the Secretary of State for External Affairs appears to lay equal blame on all parties for the violence that is occuring there.

The fact is that the source of the violence, both the violence which we condemn among the terrorists and the violence of the Government of South Africa against a neighbouring state—the source of all that violence is the violent regime of South Africa against the majority of its people, which is carried out through murder, starvation, and enslavement. Therefore the Government of Canada ought to condemn not only apartheid in South Africa but its blatant act of war against a neighbouring state and its continued murder of its own black people.

Madam Speaker: Order.

* * *

POLITICAL PARTIES

POLL RESULTS ON SUPPORT FOR FREE ENTERPRISE SYSTEM

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, in Brandon-Souris yesterday, Lee Clark, a university professor, defeated the NDP candidate, a corporation president, in all but eight out of 200 polls. Apparently there was also a Liberal candidate in the race.

Permit me to focus today briefly on the myth in a few quarters that the Liberal Party is still on the free enterprise side of the political spectrum. Last week an extremely interesting Gallup poll was published on the question, "Do you think the future development of Canada should depend more on private enterprise, more on Government control, or on the same mixture of private and Government control as we have now?"

The result showed that, across Canada, of those surveyed only 10 per cent favour more Government control and 40 per cent favour the present mix. For the Prairies and B.C., the percentages favouring more free enterprise are, respectively, 56 per cent and 57 per cent. Across Canada, 61 per cent of PC supporters favour more free enterprise and 41 per cent of NDP supporters, but only 30 per cent of Liberal supporters.

In other words, Madam Speaker, Liberal partisans across Canada appear to be more hostile to free enterprise than both the NDP and the Canadian population as a whole.

Madam Speaker: Order.

• (1415)

ORAL QUESTION PERIOD

[*English*]

AUTOMOTIVE INDUSTRY

TASK FORCE RECOMMENDATIONS

Mr. Otto Jelinek (Halton): Madam Speaker, my question is directed to the Minister of State for International Trade. For over a week we have known the thrust of the report of the automotive task force on the industry. We have heard from the Minister of Industry, Trade and Commerce who has not said anything that would instil confidence in the unemployed workers, and the Minister responsible for international trade has been conspicuously absent on this extremely important matter affecting his portfolio.

Is the Minister in a position to tell the House and the industry today whether he—not Cabinet—as Minister and International Trade at least supports in principle the recommendations contained in the report? If so, what is he doing about it?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, I can tell the Hon. Member that I have been more conspicuous by my absence since I have been out of the country on a very successful trade mission to the ASEAN countries during the time since that report of the task force came forth.

I think that this was an extremely well qualified task force. The report that they have presented to my distinguished colleague, the Minister of Industry, Trade and Commerce, is one that will be studied very carefully by Government in relation to determining whether it provides the best method of assuring that our industry will be competitive and able to provide the necessary jobs for Canadians. I believe that is the goal that we all seek.

MINISTER'S POSITION

Mr. Otto Jelinek (Halton): Madam Speaker, I am simply trying to find out where the Minister stands on this very important issue.

Notwithstanding the task force report, could the Minister tell the House whether he is in agreement in principle with the position that I, for example, have been taking for the last two years, which involves two basic principles—one the provision of incentives for offshore importers to invest in Canada and

therefore create jobs in this country, and the second, to establish content regulations for all offshore importers as we do with the Americans, also to create jobs in our country? Forgetting about the task force report, does the Minister believe in principle in those two viewpoints, or does he categorically oppose them?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, I would find it unusual if I were in agreement with the usual right wing reactionary views of the Hon. Member. In this particular case I certainly am in agreement with the principle of providing incentives for offshore producers to invest and produce in Canada when such investments are in the Canadian interest. That has long been the stand of the Canadian Government.

When the Hon. Member says that we should be strict on content on all types of products—

Mr. Jelinek: Automobiles.

Mr. Regan: —and require that production occur in Canada, I think that would go to the absolute heart of destroying the multilateral trading system. Since we are a country that depends upon our exports for over 30 per cent of our GNP, we of all people would stand to lose. I think the Hon. Member must keep in mind that whenever we sell locomotives overseas, or boilers overseas, or power stations, or anything else, that means jobs in Canada just as much as the goods that are sold in Canada. Indeed, it is a very important part of our economy.

We must find solutions that will protect the existing jobs, those that relate to sales in Canada and those that relate to our export sales, and not throw away one or the other. If we erect protectionist barriers we have to expect that we will be countered by retaliation in those markets.

Mr. Jelinek: If I understood the Minister correctly in the long speech that he just made in answer to my question, he is categorically opposing content regulations for automotive imports. Therefore he is opposing the thrust of the tax force report on the automobile industry.

VOLUNTARY RESTRAINTS ON IMPORTATION OF JAPANESE MANUFACTURED VEHICLES

Mr. Otto Jelinek (Halton): Madam Speaker, on a related matter, as the Minister knows, voluntary restraints on Japanese auto imports under last year's agreement run out in just over a month, on June 30. Once again the industry is being kept in the dark in this regard.

Could the Minister shed some light on this matter and relieve the anxiety that exists in the minds of many unemployed automotive workers and their families, in my riding and right across the country?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, I want to say first to the Hon. Member that I am not rejecting any of the recommendations of the task force at this point. I think they need to be carefully studied. If the Hon. Member will reflect on the words I said, he will find I said that we cannot have a general system of that type. But GATT itself has recognized that, from time to time, for the protection of a vital domestic industry temporary conditions can be arranged.

• (1420)

If you want to refer to the Auto Pact with the United States, that is a question where two parties entered into an agreement. There well may be agreements that we can enter into with the Japanese. There are interesting areas there to be discovered and I think the work is worthy of very careful examination.

In relation to the state of the negotiations for a continuation of an agreement level beyond July 1, these are continuing. We as yet do not have an agreement. We are hopeful that an agreement on figures for an ongoing period of time will be achieved before July 1. If it is not, then I will recommend appropriate steps to the Government.

CANADIAN CONTENT REQUIREMENTS

Mr. Scott Fennell (Ontario): Madam Speaker, my question is addressed to the Minister of Industry, Trade and Commerce. I trust I will get more succinct and shorter answers. First I would like to commend the Minister and the authors of the task force report. However, there is one concern which many auto workers have, namely, the content under the Canada-United States pact at the present time is approximately 74 per cent. Is it possible for the Minister to keep the Auto Pact for the North American automotive manufacturers separate from any other foreign manufacturers so that their content of 74 per cent will be kept intact, and the 60 per cent mentioned would only apply to the new outside foreign manufacturers who set up business in Canada?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I am sure the members of the task force will appreciate the Hon. Member's compliments. The matter, however, will depend on what can be negotiated. The Auto Pact was something that was negotiated between the U.S. and Canada. Therefore, the answer to the second part of the Hon. Member's question will depend upon what could be negotiated with a third country.

ENCOURAGEMENT OF PARTS MANUFACTURERS

Mr. Scott Fennell (Ontario): Madam Speaker, could we leave the 1965 Auto Pact in place and deal country by country on the other ones? A new agreement is not going to be as beneficial to Canada as the one we have now that was arranged in 1965.

In many other countries there is tremendous assistance for small business related to the automotive industry, namely, grants, tax write-offs, and high technology assistance. Could the Minister address himself to encouraging those industries that are supplemental to the major automobile manufacturers?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, with respect to the first part of the Hon. Member's question, because it should be negotiated obviously it would be predicated on what the two countries could negotiate. Second, I hope the Hon. Member was here on April 19 when my colleague, the Minister of Finance, announced a substantial number of investment incentives for Canadian companies to expand and to modernize. There is also the $25 million ILAP program for the auto parts industry. The Hon. Member knows that an expansion has been requested. The new Industrial Regional Development Program which was announced during the budget will provide further financial incentives for industry right across Canada in the manufacturing and processing sectors in order to expand and modernize, or even to establish new industries, Madam Speaker.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF STATE ENTERPRISES AND OF MINISTER OF INDUSTRY, COMMERCE AND CONSUMER AFFAIRS, OF TRINIDAD AND TOBAGO

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery today of Mr. Ronald Jay Williams, Minister of State Enterprises for Trinidad and Tobago, and of Mr. Desmond Hugh Cartey, Minister of Industry, Commerce and Consumer Affairs, of Trinidad and Tobago.

Some Hon. Members: Hear, hear!

* * *

AUTOMOTIVE INDUSTRY

IMPORTATION OF JAPANESE MANUFACTURED TRUCKS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of State for international trade. It is clear the Government's vacillation on the principle of the task force report on the automotive industry has given the upper hand to the Japanese in these negotiations. No one can have any doubt about that.

Will the Minister confirm that the level of imports for trucks from Japan is up over 50 per cent this year compared to last year? And while the Minister is answering that, will he acknowledge that a clear commitment by the Government to accepting the principle of the report would strengthen his hand immeasurably in negotiations with the Japanese?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, in response to the Hon. Member, again I have difficulty in dealing with the premises to his questions. It seems to me again and again that Hon. Members, of all Members in the House, fails to show any concern about the jobs of people who work in plants that depend upon export orders. He never takes the trouble to think through the consequences as to whether every other country would lamely lie back and buy our goods regardless of how we treat its goods. I ask the Hon. Member to take just a little time to learn a bit about the multilateral trading system which means so much to the workers of our country.

• (1425)

The next thing I say to the Hon. Member is, no. I think our negotiations with the Japanese, with reference to the levels of car imports, are going well. I am confident that we will be able to reach a settlement. In relation to the number of trucks coming into the country, which was his third question, the Hon. Member will recall that we can only make judgment on how many automobiles come in, at the end of the year, because in the first portion of the year there is often a surge in products coming in at that time.

Mr. Broadbent: When it comes to lying back, one can just observe that the Government has performed that way for the past ten years, and that is why we are short some 35,000 automotive jobs today. That is a result of the Government's actions.

COMPARISON WITH SITUATIONS IN AUSTRALIA AND UNITED STATES

Hon. Edward Broadbent (Oshawa): Madam Speaker, considering that we in this Party are interested in maintaining exports in resources, as well as having a manufacturing nation, would the Minister tell the House how it has been possible for the Australians to continue to sell resources to Japan and also obtain automotive plants from Japan? Could he tell us how the Americans have been able to obtain the commitment of the three largest automotive companies to put plants in the United States, and continue to sell resources? Why is it that every other industrial country with an automotive sector and resources is able to achieve success in both, while this Government fails in both?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, it is obvious the Hon. Member has never had the experience or the responsibility of carrying out office and has only been in the comfort of opposition, and I am afraid he never will. I think if he did have that experience it would be very sobering to him very quickly.

Let me just tell him about the differences between the United States and Canada. The difference is that we sell a great deal more to the Japanese than we buy from them, while the Americans have the reverse situation. Therefore the Americans are in a different negotiating position. The same thing applies in relation to trade relations between Europe and Japan.

Having said that, we are selling a great deal more to the Japanese than we are buying from them, and we are in the position that we have now received a task force report, which was called for by the Minister of Industry, Trade and Commerce. That report has been in our hands for a very short period of time. The Japanese are cognizant of its existence.

They are fully aware of our concern about having greater Canadian content. The Hon. Member is not on sound ground when he says that this Government is not proceeding in a way to best protect not only automotive jobs but all Canadian jobs.

CANADIAN NEGOTIATING POSITION

Hon. Edward Broadbent (Oshawa): Madam Speaker, continuing the Laurel and Hardy routine, I will direct my question to the Minister of Industry, Trade and Commerce. Would he tell the House whether in his view, as a person who should be interested in the preservation of jobs in this key sector, it would strengthen his amateur colleague's negotiating position with the Japanese if we had a bill in the House which indicated that all foreign producers selling cars in the Canadian market had to reinvest their profits to produce Canadian jobs?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as I indicated to the Leader of the NDP when my colleague, the Minister of State for International Trade, was out of the country, as he has throughout his illustrious career, I am sure the Minister will be very successful in his negotiations with the Japanese.

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LABOUR CONDITIONS

PROPOSAL TO ESTABLISH COMMITTEE ON YOUTH UNEMPLOYMENT

Mr. Albert Cooper (Peace River): Madam Speaker, my question is directed to the Minister of Employment and Immigration. Yesterday I talked with the Minister briefly about having a task force formed on youth issues. He should know now that his colleague, the Secretary of State, has indicated his plans for a parliamentary committee to deal with youth issues. Will the Minister advise when the two of them will be getting together to sort out whether or not we will be having such a committee?

• (1430)

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the position put forward by my colleague, the Secretary of State, is to look at a broad range of issues relating to young people. I presume that because employment is a matter of continuing concern it will be one of the issues referred to that parliamentary committee. I look forward to any deliberations. Considering that the Secretary of State has over-all responsibility in the Government, for youth matters, obviously we will continue our concern with their employment prospects.

REQUEST FOR EARLY ESTABLISHMENT

Mr. Albert Cooper (Peace River): Madam Speaker, is the Minister saying that we can expect the formation of this committee very soon, that he will support it, and that we can begin on it in the next couple of months?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I think the Hon. Member should refer that question to the Secretary of State.

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LABOUR RELATIONS

THREAT OF WEST COAST PORTS STRIKE

Hon. Don Mazankowski (Vegreville): Madam Speaker, I would like to direct a question to the Minister of Transport. It arises out of the current dispute between the grain handlers and the elevator companies which could lead to a strike or a lock-out as early as this week, thereby curtailing the flow of grain out of the western ports. What action is the Minister taking to ensure that such a work stoppage will not occur? In other words, can he give the producers of Canada assurance that grain will continue to flow through the West Coast ports in an orderly fashion?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in the absence of the Minister of Labour, who is presently representing the country at ILO meetings, I am the Acting Minister of Labour. I can inform the Hon. Member that the Department of Labour has kept in constant communication with the two parties to the dispute. We have received the proposal for some form of mediation at this particular time, but no decision has been taken on the issue because that may prolong the strike rather than have it come to a proper settlement, which we would all like to see.

INQUIRY RESPECTING POSSIBLE APPOINTMENT OF CONCILIATOR

Hon. Don Mazankowski (Vegreville): Madam Speaker, I have a supplementary question for the Acting Minister. Since the dispute centres around the Government's six and five program and the issue of wage parity with the longshoremen, has the Minister had any consultation with his colleague, the Minister of Labour, and has the Minister of Labour been actively involved? Also, is he considering the appointment of a conciliator to ensure that this matter will be resolved in an orderly fashion, having regard to the fact that there seems to be two government policy issues that are directly related to this issue?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, that question could be more properly handled by the Minister of Labour on his return. According to the briefings we have received, they have been in very close contact with both parties. The question of whether to appoint a commissioner of conciliation was raised. It was

felt that at this particular time it would delay a settlement. The facts of the case are clearly known. Certainly all the facts are on the table. The concern of the Government is to get a resolution of the problem as quickly as possible and not to intervene at this time as it could simply appear to prolong the problem.

EASTERN PROVINCIAL AIRWAYS DISPUTE—SAFETY AUDIT REQUESTED

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question for the Minister of Transport concerning the airline pilots' strike at Eastern Provincial Airways. The Minister knows that the matters in dispute must be resolved by the Canada Labour Relations Board, but in the meantime EPA continues to fly its aircraft with management and new pilots, at 70 per cent capacity. My question relates to air safety.

There are reports of incidents involving potential accidents, long flying hours, and overworked pilots. Has the Department of Transport made an audit of safety regulations at EPA? If not, will the Minister ensure that a safety audit is made? Also, will he assure the House that the situation will be closely watched and that EPA will not be allowed to reduce safety standards during the strike?

Hon. Jean-Luc Pepin (Minister of Transport): Frankly, Madam Speaker, I have been told by the Minister of Labour that problems concerning labour are his responsibility and I should stay out of them. I am doing that now. I am sure he is attending to this problem. The subject of safety is indeed my responsibility. My Department has assured me repeatedly that all precautions are being taken to prevent a loosening up of safety rules by the company.

Mr. Crosby: Madam Speaker, the Minister did not indicate whether he was aware of breaches of any safety regulations by EPA during the course of the strike. He knows that the strike creates a very difficult situation in relation to safety measures.

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AIR TRANSPORT

ANNOUNCEMENT OF JOINT EPA-CP AIR SERVICE

Mr. Howard Crosby (Halifax West): Madam Speaker, I want to ask the Minister another question involving EPA. It does relate to the Ministry of Transport. EPA and CP Air have proposed a joint service in Atlantic Canada and have made a presentation to the Canadian Transport Commission. How can EPA announce that this service will be instituted in early June in the absence of any approval from the CTC? Will he look into that situation and advise the House how EPA can promote this service during the course of a strike, and without the approval of the Canadian Transport Commission? Will he look into that and advise the House of what is going on?

Hon. Jean-Luc Pepin (Minister of Transport): As I said previously, Madam Speaker, and I was laughed at to a certain extent, it is very difficult for me to know when the CTC announces a decision that is made or when it makes it. Indeed, I was informed of that today. For the moment I can only say that the possibility of EPA operating from Montreal to Halifax appears to be a very favourable one.

* * *

EMPLOYMENT

EXTENSION OF WORK SHARING PROGRAM

Mr. Roy MacLaren (Etobicoke North): Madam Speaker, the Work Sharing Program of the Government expires on May 27. I wonder whether the Minister of Employment and Immigration is able to indicate to the House whether there are any plans for the future of the Program?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I thank the Hon. Member for the question. I hope to have an opportunity to discuss the issue in committee later on today. I can inform the House, because I know the Hon. Member is anxious about this very positive Program continuing, that it may be extended for a further year so that some 13,000 agreements signed up until now will continue to have that kind of security in the workplace. I can also indicate that we will be undertaking a number of controlled pilot projects to use work sharing to help industries affected by job dislocation to retrain workers, and also to help permanent lay-offs. We will be undertaking additional modifications to the Program which, I believe, will be of great benefit to Canadian workers.

* * *

LABOUR RELATIONS

DISPUTE AT WEST COAST PORTS—REQUEST FOR APPOINTMENT OF CONCILIATOR

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Prime Minister. It concerns the possibility of a grain port shutdown or lockout as early as midnight tonight on the West Coast, and the importance of our $5 billion grain export trade, as well as the fact that a conciliator was involved, but the talks broke down about a week or ten days ago. I would like to ask the Prime Minister precisely whether he would agree to the appointment of a conciliation commissioner, or a board, since my understanding is that both parties agreed to this procedure. If they both agree, why does the Prime Minister not agree to the appointment of a conciliation commissioner?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in reply to the Hon. Member I would only repeat what I indicated in a previous answer. The Minister of Labour has been in constant touch with the situation in Vancouver. While a strike vote has been taken, full authority has not been given by the membership. The judgment at this time is that we would like to see the parties arrive at an agreement through the collective bargaining process

without introducing an additional factor that might only prolong the disagreement and, therefore, add to the problem. At this time the best situation for the Government, in the judgment of the Minister of Labour, is to continue a close monitoring of the situation without having any direct intervention.

GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, there is also the possibility of a lockout. In light of the fact that both parties have called upon the Government and are willing to agree to a conciliation commissioner being appointed, why does the Government not try to get an agreement from both sides to keep the operation going while the conciliation commissioner or the board does its work, and thereby keep the ports open for that period of time? In that way grain could continue to be exported and, hopefully, there could be a satisfactory settlement. Why does the Government not follow that procedure since it makes sense to both sides?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, there is a very basic principle involved in the whole system of collective bargaining. Each side to a dispute must accept its own public responsibilities. It is not up to Government to intervene at every point in time. It is our sincere hope that both sides in this dispute will recognize their public responsibility and come to a settlement without in any way injuring the public interest.

* * *

• (1440)

CORPORATE AFFAIRS

INVESTIGATION OF NATIONAL HOCKEY LEAGUE'S REFUSAL OF SASKATOON FRANCHISE

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Yesterday, Ralston-Purina, the owners of the St. Louis Blues hockey team, launched a lawsuit in the United States under American anti-trust laws. The National Hockey League is a type of public trust, Madam Speaker. Numerous benefits have been granted by Canadians to the League, including the amateur draft, a virtual monopoly status, and public money for arenas and television rights. More than that, hockey is central to the Canadian identity.

In view of the Minister's undertaking to launch an investigation under the Combines Investigation Act, and in view of the fact that legal proceedings have now commenced in the United States, can the Minister indicate to the House when this examination and investigation will be concluded?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I understand that the Director of Investigation and Research is pursuing the matter. He has been in touch with some of the Governors of the NHL. I understand that he has also been in touch with the directors of Ralston-Purina and he is looking into the matter. No decision has yet been reached as to whether there is any breach of the Combines Investigation Act, but as soon as the Director terminates his fact-finding search, I will report to the House.

REQUEST THAT COMBINES INVESTIGATION ACT BE AMENDED

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I appreciate, and the Minister will understand, that time is of the essence in this matter because there was a real question raised as to whether the Saskatchewan application was given a fair hearing. According to all reports, the hearing was merely a charade. There should be some principles of natural justice that apply to these particular applications.

Under the present provisions of the Combines Investigation Act, the matter of transfer and operation of professional sports franchises is specifically excluded from the operation of Section 32, the Freedom of Trade Section. Has the Minister given consideration, or will the Government give consideration to amending this provision in order to make it applicable to the transfer of franchises within the National Hockey League?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, it may be a little premature to deal with this aspect of the law at this time. I hope in the near future to be able to introduce a series of amendments to the Combines Investigation Act. I hope that at that time the Hon. Member will support my initiatives.

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HEALTH

QUERY RESPECTING INTRODUCTION OF LEGISLATION

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is directed to the Minister of National Health and Welfare. I wonder if the Minister can tell us today when we will see the Canada Health Act. Could she also tell us whether the Canada Health Act will be centred on more control for Ottawa or on better Health care for Canadians?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, we will see the Canada Health Act as soon as possible and, of course, its purpose has always been to strengthen the best social programs Canadians have ever had.

Some Hon. Members: Hear, hear!

MEETINGS OF FEDERAL AND PROVINCIAL MINISTERS

Mr. Jim Hawkes (Calgary West): Madam Speaker, under the British North America Act, jurisdiction over health and welfare is shared with the Provinces. I wonder if the Minister could share with us any information she has as to when she last met face to face with any provincial Minister in terms of the preparation of this Act.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, in terms of the negotiations I have had, no, I do not think that it is a good practice for me to show my hand before the time comes, but I will be meeting face to face with Mr. Russell in Alberta tomorrow.

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CANADIAN HERITAGE

RELOCATION OF HMCS "BRAS D'OR"

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, my question is directed to the Minister of Supply and Services. While I have not had time to give him the courtesy of notice, the Minister is aware that I am concerned about the final resting place of HMCS *Bras d'Or*. May I ask the Minister of Supply and Services whether or not, when making the decision to move the *Bras d'Or* from Halifax, or from a logical site at the Alexander Graham Bell Museum on Bras d'Or Lake, the federal Government undertook to expend any federal money for the transport of that vessel, for its relocation, and for its maintenance?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, as the hon. gentleman knows, we have recently made an announcement to the effect that the *Bras d'Or* will be brought to an exposition centre at L'Islet-sur-mer which is down the St. Lawrence River from Quebec City. Had I received notice of the question, I would have been able to provide the hon. gentleman with more details in terms of the expenditure of funds in order to transport the *Bras d'Or*. I will have to take his question as notice and provide him with more details at a subsequent time.

ARRANGEMENTS FOR MOVING VESSEL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, it had been a very clear undertaking on the part of the federal Government that it would provide no funds to any interested group with respect to a final resting place for the *Bras d'Or*. In checking as to whether or not there were any federal funds involved in this, because if there had been, the Minister would be aware that many other places, including the Bell Museum on Bras d'Or Lake where in fact it should be, would have wanted it, would the Minister undertake very clearly to expose to the House, to the Canadian people, and particularly to those members of the Canadian Armed Forces who had the privilege of serving on H.M.C.S. *Bras d'Or*, just what arrangements were entered into with respect to the *Bras d'Or*, and tell us just exactly how many other areas were explicitedly or implicitedly interested in receiving the *Bras d'Or* as a museum piece?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I might say that my Department has been asked to provide help in moving the ship to its final destination, which is the museum already referred to by my colleague. No decision has been made yet, but I understand that there are precedents to that effect where the Coast Guard has helped such ventures.

* * *

EMPLOYMENT

EXTENSION OF WORK SHARING PROGRAM—EFFECT ON TRAINING

Hon. James A. McGrath (St. John's East): Madam Speaker, at one o'clock the Minister of Employment and Immigration sent me a statement on work sharing and said that it was embargoed until he was to meet the press at three o'clock. Obviously the embargo only applies to Conservative Members of the House. Now that we know just exactly what the Minister's word is worth, I want to ask him questions that I was unable to ask before because I gave my word.

Now that the Minister intends to extend the Work Sharing Program, what are the extent of the changes in the Program with regard to training, and how will these changes and the extension of the Program affect those who are already in the Program under contract?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, let me explain first that there was no intention to have any embargo on the statement. I indicated that we would be presenting further elaboration on the concept at the committee at three o'clock, and we intend to do that, but certainly there was no intention to restrict the Hon. Member's to ask questions to which I would be very glad to reply. I hope he will not take any serious umbrage at that. That was not the intention. I think that we were simply giving him advance notice of statements that we would be making at committee this afternoon.

As far as the question on training is concerned, as indicated we want to undertake a number of controlled pilot projects in relation to using the Work Sharing Program to provide for a training alternative in firms which see themselves facing a possible change in technology and equipment. Rather than having workers simply take the extra day away from work, they would use that day to be retrained over a period of time. We would have the Manpower Consulting Services work out the terms and conditions under which that training would take place as an alternative, with each company and its employees. This is a matter which the Hon. Member has raised several times. He has asked how we intend to deal with the problems of industrial change. I point out to him that this is one potentially very effective answer, but we do want to test it out first to see if it can be fully applied.

Mr. McGrath: Madam Speaker, I want to tell the Minister that I phoned his office and I was told by one of his senior aides that the statement was embargoed until three o'clock, and that I was not to ask questions in the House. That is all I can say, Madam Speaker, but I am glad that the Minister is at least prepared to answer questions in the House.

EFFECT ON PARTICIPANTS

Hon. James A. McGrath (St. John's East): Madam Speaker, perhaps the 1415;-1 Minister can address the latter part of my question. How will the changes in the Program and the extension of the Program affect those who are already under contract? Will they be able to take advantage of the new changes? Could the Minister tell the House as well, since he will be telling the press at three o'clock, just exactly how much money the Government intends to spend over and above that which has already been allocated, and how much will go into the training aspects of the Program?

• (1450)

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, on the specific question of the training allocation, the contracts which we already have under way would hold firm. This is a new extension of the Program which we want to try on a pilot project basis. Therefore, existing contracts would be honoured under the existing conditions, but I believe the development of alternative ways of training are to be tried out in a new phase which would be subject to the kind of negotiation which I have described. It would take place between a firm and the Manpower Consultative Services which we presently employ. The over-all budget for the Work Sharing Program has been increased to $250 million over the life of the next year's agreement. We have not a specific target for the training portion of it, although we have set a $15 million target for those contracts which would be entered into, to avoid permanent lay-offs.

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BANKS AND BANKING

PENALTIES IMPOSED FOR RENEGOTIATION OF MORTGAGES

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is directed to the Minister of Finance who will be aware that thousands of Canadians who are attempting to renegotiate their mortgages are finding that lending institutions are asking them to come up with penalty payments far in excess of the three-month standard clause. The Minister himself said two months ago that he would undertake to take such cases and submit them to the institutions involved, either through the Inspector General of Banks or any other appropriate agency, so that they would be closely scrutinized in an effort to prevent financial institutions from being unfair to some citizens. There is no question, Madam Speaker, by any definition, that the excessive penalties being requested of these people are unfair. Has the Minister of Finance followed through on this promise?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member refers to thousands of Canadians. I would like to refer him to the millions of Canadians who would like to see this House debate the Crow issue and ensure that we will modernize railway transportation in this country. This House is prevented from doing so by the New Democratic Party. In effect it is preventing Parliament from working, and preventing Canadians from having an opportunity to have their views heard in this Parliament.

I want to tell the Hon. Member with respect to the issues with which he is concerned, that indeed, all the representations I have received have been referred to senior officers of the corporations concerned so that they may be examined and the people concerned could get a fair hearing and a fair review of their situation.

REQUEST THAT MINISTER TAKE ACTION

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I want to tell the Minister of Finance that most of us in the House of Commons, I am sure, have sent along to him dozens and dozens of letters over the last two months. I would be surprised if any of us have even heard a response from the Minister's office, let alone from any of the financial institutions. In other words, if he believes that the financial institutions are examining each case and adjusting them in order to be fair, he has been misled.

I would ask the Minister of Finance not to provide us with a little discussion on the Crow debate and the proceedings in this House.

Is he now prepared to take some action and himself approach the financial institutions in an effort to have them stop this usurious practice of requiring people to pay out penalty payments far in excess of the traditional three-month penalty clause?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am not arguing about the Crow debate. What I am arguing against is the tactics of the New Democratic Party in preventing this House from debating the Crow, and preventing Parliament from working in a normal way.

As far as his specific question is concerned, I must tell my hon. friend that he is probably not reading his correspondence because, indeed, Hon. Members who have written to me have received answers reasonably quickly. If he has not received his answer, I would certainly want to check with him. I want to point out also that I have sent the list of reviewing officers in the corporations concerned to all Hon. Members who have written to me, and if the Hon. Member has the interest of his constituents at heart he will do his own job and pursue the matter himself with the reviewing officers of the corporations.

* * *

DISARMAMENT

PURPOSE OF VISIT BY U.S.S.R. DELEGATION

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, my question is directed to the Prime Minister. Can the Prime Minister explain what Canadian Government policy purpose is served by the presence in Canada of a delegation, I

believe called the "Peace Committee", from the U.S.S.R., apparently sponsored by the Canada-U.S.S.R. Association, perhaps the Gorbachev visit, whose chief purpose appears to be the dissemination of propaganda to Canadians with respect to the high degree of freedom to be found in, and the peaceful intentions of, the U.S.S.R.?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member asks me what purpose is served. I know of no direct purpose which the Government has sponsored. I suppose, if there is a general purpose, it would be that Canadians feel free to invite people from other countries who have other views so they would be exposed to a debate on disarmament, which is very important for Canadians. It is not in the traditions of this country, and certainly not of the Liberal Government, to prevent Canadians who want to hear varying points of views from listening to those points of views.

GOVERNMENT POLICY

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, may I ask the Prime Minister if it is the policy of the Government to encourage the propagation of such propaganda in Canada by such groups from the U.S.S.R.? If that be the case, is the Canadian Government requesting reciprocal courtesies from the U.S.S.R. so that Canadian peace groups can similarly demonstrate the peaceful intentions of Canada and the high degree of freedom in this country, to the citizens of the U.S.S.R.?

Mr. Hnatyshyn: As they say in the Ukraine, fair is fair.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member asks me if it is the purpose of the Government to encourage. The Government, as far as I know, and I have just consulted with the Secretary of State for External Affairs, has not done anything in particular to encourage or discourage. Canadians in this country are free to invite people of other lands, if they do not come here for subversive or illegal purposes. They are free to invite people from anywhere to come and espouse points of view. This Government does not propose to interfere with that.

INQUIRY RESPECTING POSSIBILITY OF RECIPROCAL VISITS

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, the Prime Minister failed to answer that last half of that question, namely, whether the Canadian Government was encouraging reciprocal courtesies from the U.S.S.R. so that Canadian groups could travel to Russia for similar purposes.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member asks a question which is not reciprocal. There is no parallel here. I know of no invitation extended to Canadian groups to go and talk peace in the Soviet Union. That is a reflection on the Government of that country, not on the Canadian Government.

IMMIGRATION

ADMISSION OF POLISH PROFESSOR TO TEACH AT UNIVERSITY OF BRITISH COLUMBIA

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, my question is directed to the Minister of Employment and Immigration. I would like to ask the Minister about the appointment of Professor Jerzy Wiatr to teach an introductory course in political science at the University of British Columbia this summer. There have been complaints that Professor Wiatr should not be admitted to Canada because he is an adviser to the Polish Government and is the director of the Marxist-Leninist Institute of the Polish Communist Party. Will the Minister investigate the acceptability of Professor Wiatr for admission to Canada, in view of his position in Poland and in view of allegations that he was refused admission to the United States, and in view of the fact that many other academics are capable of teaching the introductory course which he has been invited to teach?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, if the Hon. Member would be good enough to submit the information he has, to me I would be glad to look into the case.

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SHIPS AND SHIPPING

PROTEST AGAINST USE OF FOREIGN-OWNED VESSEL ON ATLANTIC COAST

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is directed to the Minister of Transport. It involves Canadian content, and shipping used to develop the offshore resources in Atlantic Canada. The Minister probably knows that a formal protest has been entered by Ferguson Industries Ltd. of Pictou, Nova Scotia, which company spent a great deal of money developing a vessel for offshore standby and rescue purposes. At the same time the Department is permitting foreign-owned and built vessels, like the *Rescue Kim*, a 1957 whale chaser of Norwegian manufacture, to come into Atlantic Canada, without any Canadian content, and take charter, presumably, away from this vessel built by Ferguson Industries Ltd. Will the Minister use whatever powers he thinks he has under Section 22 of the Canada Shipping Act and protect some of the shipping interests in Atlantic Canada from this kind of incursion from foreign-owned vessels?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, Canadian ships are protected on coastal trade at the moment. It is only when no Canadian ship is available that foreign ships can come and take contracts, and that necessitates the approval of the CTC. However, I will check into this particular incident to ensure normal procedures have been followed, but I have no doubt that they have been followed.

• (1500)

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, May 24, 1983, meet the requirements of the Standing Orders as to form.

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METRIC CONVERSION

USE OF IMPERIAL MEASUREMENT IN STOCKYARDS

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, yesterday when the Hon. Member for Peterborough (Mr. Domm) put a question to me, I misinformed him. On page 25683 of *Hansard* he said that:

—under pressure from provincial Governments, from agricultural associations and organizations, and from consumers, the federal Government has decided to return to Imperial measurement in the weighing of beef on import and export and that all the stockyards from Montreal through to Prince Rupert will remain or return, if they have converted, to Imperial measurement?

I stated:

I believe the arrangement that the Hon. Member is talking about has been made.

It has not been made, Madam Speaker. There are ongoing meetings. All the meat packing firms are on metric in Canada at the present time, and they are encouraging the livestock yards and dealers to go metric also.

Mr. Doug Lewis (Simcoe North): Madam Speaker, I would like to thank the Hon. Minister of Agriculture (Mr. Whelan) for his correction but I point out that the Hon. Member for Peterborough (Mr. Domm) is not in the House and he may want to reply at a later date.

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POINTS OF ORDER

MR. DEANS—APPLICATION OF STANDING ORDERS 50 AND 28

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have two points of order arising out of yesterday's proceedings. I would like to deal with them in a way which does not reflect necessarily their relative importance but simply for ease of handling.

Yesterday afternoon, during that time normally referred to as Routine Proceedings, specifically that part dealing with petitions, on page 25686 of *Hansard* there appears the following under the heading "Business of the House":

HON. YVON PINARD (President of the Privy Council): Madam Speaker, I move, seconded by the Minister of Transport (Mr. Pepin):

That the House do now proceed to Orders of the Day.

MADAM SPEAKER: That motion, of course, is in order, pursuant to Standing Order 50. All those in favour of the motion please say yea.

I rose at that point, Madam Speaker, but was not recognized. That is incidental. However, my point of order is that the motion was not in order.

Madam Speaker: I just want to tell the Hon. Member that if he did rise at that point and say that he wanted to raise a point of order, I know that some time lapsed because I was waiting for the sheet of paper to be brought to me, but I did not see or hear the Hon. Member. I am very sorry but I did not see or hear him.

Mr. Deans: Madam Speaker, I accept that you did not see me. I am not suggesting that I was intentionally ignored. I just make the point that I attempted to rise at that point to raise with you my concern about the procedure. I also attempted to rise, as you may recall, at the point of adjournment to raise the matter I am now going to raise.

Madam Speaker: The Hon. Member has to understand that I did see him after six o'clock yesterday, but I had just adjourned the House and therefore I could not listen to his point of order at that point.

Mr. Deans: That is fine; I am not quarelling with that either.

Mr. Hnatyshyn: That is two strikes, Ian.

Mr. Deans: Now that we are in agreement about something, let us get to the disagreement.

Standing Order 50, Madam Speaker, under which the Minister moved his motion, says:

When a question is under debate, no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the Orders of the Day; for proceeding to another order; to adjourn the debate; to continue or extend a sitting of the House; or for the adjournment of the House.

Now, the portion I want to refer to is that which says:

When a question is under debate, no motion is received—

Unless it does one of the things listed. There have been numerous rulings, Madam Speaker, including by yourself, that there can be no debate during the presentation of petitions. Yours is not the first ruling in that regard; there have been numerous others going back to the beginning of the practice of presenting petitions. It is therefore clear that Standing Order 50 is not applicable inasmuch as no matter could be under debate during the time when petitions are being presented.

Debate, Madam Speaker, is quite clearly spelled out in a number of different ways going back over many, many years. I do not want to bore the House with all the definitions but I think it is important to set out clearly how debate takes place. In Beauchesne's Fifth Edition, Citation 295 says:

The proceedings between the rising of a Member to move a motion and the ascertainment by the Speaker of the decision of the House constitute a debate—

There was no motion moved at the beginning of the part dealing with petitions, nor was there any debate taking place. Beauchesne goes on to say:

The interval between the proposing and the putting of the question, which is usually used for discussion, gives an opportunity for further proceedings such as the moving of an amendment—

Or the moving of a motion. This is equally clearly set out in the standard Oxford Dictionary which says "debate" means "dispute about; discuss (a question); hold formal argument. Generally in legislatures or public meetings. To consider; to ponder; to contest." That quite clearly sets out what debate is. Neither of those things was taking place, nor can they take place during the consideration of petitions.

The Nineteenth Edition of Erskine May, Chapter XVIII, says at page 358:

The proceedings between the rising of a Member to move a motion and the ascertainment by the Chair of the decision of the House constitute a debate—

Going back to your rulings, Madam Speaker, and the rulings of others in the chair, there can be no debate during the presentation of petitions. There are many other arguments to be made, but based on just that and that alone, Standing Order 50 cannot possibly be used during that period of the day reserved for petitions. That Standing Order, as I said, says quite clearly that when a question is under debate these motions may be made. Quite clearly, by every ruling of every Speaker I have been able to find there is no question under debate at the time petitions are being received. Therefore, for the Government House Leader to rise at that point and, using Standing Order 50, move the motion he attempted to move would be quite out of order. The motion could not be received at that time.

However, Madam Speaker, in the event that the Chair should believe there was perhaps an error in citing Standing Order 50 and that it was possible to move it under another Standing Order, I refer the Chair to Standing Order 28 which says:

A motion for reading the Orders of the Day shall have preference to any motion before the House.

Again under the provisions set out for dealing with petitions, quite clearly there was no motion before the House. Standing Order 29 deals with a motion to adjourn, and a motion to adjourn shall always be in order. If Standing Order 28 said that a motion for the reading of the Orders of the Day shall always be in order, then, of course, a motion at the point of petitions would be acceptable, I submit. But it does not say that. It says simply " . . . shall have preference to any motion before the House".

• (1510)

I suggest that yesterday, as every other day, at that part of the Routine Proceedings that deals with petitions, there was no motion before the House. So neither under Standing Order 50, I submit, nor under Standing Order 28 is it possible to move a motion for the reading of the Orders of the Day.

I suggest, Madam Speaker, in addition to that, that a motion for the Orders of the Day, being a privileged motion, falls into a category that has been dealt with by many other Speakers but not necessarily in this way. I can find no precedent for this having happened in exactly this way, although perhaps the Speaker may be able to find one and point it out to me. But Speakers have moved that other privileged motions, such as a motion to adjourn the House, are unacceptable under certain conditions even though the Standing Orders quite clearly state that they are always in order.

This Standing Order has been interpreted by many Speakers, including the Speaker immediately preceding the present occupant of the Chair who ruled quite clearly on a number of occasions that even a motion to adjourn, which might be considered a privileged motion, cannot be accepted during the Question Period. The Speaker ruled that at that point in time it was unacceptable.

That ruling was based, I contend, on a decision made many, many years ago that the Speaker has the right, even in a privileged motion where the motion may appear to be in order under the Standing Orders, to refuse to accept the motion. It is the prerogative of the Chair, even if the motion appears to be in order under existing Standing Orders, to refuse to accept that motion.

I raise this with you, Madam Speaker, because you can imagine the consequences if this were to be established as a precedent. You can imagine the consequences if yesterday's actions were to be established as a precedent. It would then be possible for the Government to rise at two o'clock on any day and move that we go to Government Orders and to forgo all the normal proceedings of the House, including the Question Period, the moving of motions by Private Members, the introduction of bills, the making of motions by Government Members or other Members, all those things that normally fall under routine business.

I contend that to allow that precedent to stand would be to deny Members of the House their rights, long established by Parliaments long before this Parliament, to take part in the proceedings and properly to represent their constituents. It is a right of Members of Parliament to present petitions in the House, standing in their place, on behalf of their constituents. That right goes back to a point in history before Parliaments were even established. That right goes back to the right of citizens to present their petitions to the Crown and was subsequently adopted by Parliaments as a right. Initially it was not even in writing; it was initially an accepted right and as an accepted right I agree with Philip Laundy, who in his book when discussing matters such as this said as follows:

The right of petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principle of the Constitution. In considering the history of the petition it should be realized that law originated as unwritten custom and as such could not be changed.

I put this argument to you succinctly, Madam Speaker. Under Standing Order 50 it was not possible for the Minister to rise on other than a petition. Anything other than a petition at that point in time was out of order. On rising during the petition part of the Routine Proceedings, the Minister was recognized for the purpose of presenting a petition or, if he was not recognized for the purpose of presenting a petition, then he should have advised the Chair in advance that he was rising on

another matter. I do not believe that was true. If he was not rising on a petition he would have had to advise that he was rising on another matter. If he was rising on another matter it was clearly out of order. If it was his intention to rise under Standing Order 50, that was out of order for the reasons that I have stated.

I ask you, Madam Speaker, in the interests of preserving the integrity of Parliament, in the interests of protecting the Opposition from a Government that would steam-roller over rights that have been long established, to find in a ruling that these proceedings were completely out of order and do not constitute a precedent to which reference can be made on any future occasion.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I do not think that the Hon. Member's interpretation of Standing Orders 50 and 28 is correct. His interpretation is restrictive as to the appropriate time for presenting the motion I moved yesterday to proceed to Orders of the Day. I think there is no justification for a restrictive interpretation, which is not supported by Standing Orders 50 and 28 because of our parliamentary practice and also because of the nature of the motion presented. First of all, I think that the title of the motion clearly indicates its nature, and we can therefore conclude that it can only be moved at a certain time of the day. It is a motion inviting the House to proceed to Orders of the Day, so that logically, if we had reached Orders of the Day, the motion could not have been moved. However, it is my view that at any time before reaching Orders of the day, this motion, which is provided under Standing Orders 28 and 50 and which invites the House to proceed to Orders of the Day, is entirely in order. I think this is eminently logical. Standing Order 50 says, and I quote:

When a question is under debate, no motion is received—

With some specific exceptions, it does not exclude a motion inviting the House to proceed to Orders of the Day before that stage has been reached. The same applies to Standing Order 28, which says, and I quote:

A motion for reading the Orders of the Day shall have preference to any motion before the House.

That does not mean that if a motion is not before the House, we do not have the right to move a motion inviting the House to proceed to Orders of the Day. On the contrary, if, as it says in Standing Order 28, a motion for reading the Orders of the Day has preference to any motion before the House, all the more reason for it to have preference during Routine Proceedings to any other item before the House. This is particularly true, and the implications of Standing Order 28 are so far-reaching, that our conclusion is that we can present a motion to proceed to Orders of the Day, even when the House is not actually debating a motion, since this motion is far more important than any other item under Routine Proceedings.

To justify this interpretation of the Standing Orders, I think it would be useful to see what the experts have to say, and to consider the nature of the motion itself. Yesterday's motion was basically a dilatory one, but it was not moved to prevent debate but to enable the House to get on with the Orders of the Day and consider the main question. It was dilatory in that it was meant to postpone other items preceding the Chair's call for Orders of the Day. And if we look at the reference work whose title in English is:

[*English*]

"Dubroy, Bourinot, Rules of Order":

The term "dilatory" is used by most writers on parliamentary law as a convenient means of grouping together motions that postpone a question for the time being. For instance, motions for reading the orders of the day, for proceeding to another order of business, for the adjournment of the House or debate, have the effect of superseding or delaying the consideration of a question. Such motions must be decided forthwith without debate or amendment.

[*Translation*]

Bourinot says that the motion in question, that is, a motion inviting the House to proceed to the Orders of the Day, is in fact a dilatory motion and takes precedence over any other question—not only motions but any question before the House—before the Chair has called Orders of the Day, and that this motion must be put forthwith, without amendment or debate.

I think it is therefore clear, Madam Speaker, that the motion I moved yesterday to enable the Opposition to consider a major piece of legislation—an opportunity that was turned down by the Opposition—clearly conformed to our Standing Orders. The Chair called a vote on this motion and also had Members called in. Unfortunately, the vote could not take place for reasons we all know.

Finally, I have a subsidiary argument. I would like to refer the Chair to Beauchesne's *Parliamentary Rules and Forms*, Fifth Edition, Citation 282, where it says under the following heading, and I quote:

Motions to Pass to the Orders of the Day

When an Order of the Day is under debate, a motion "That the Orders of the Day be now read" is a nullity as the House has already reached that stage of its proceedings—

Upon reading this citation, and in the light of what I said earlier, I must conclude that although this kind of motion cannot be called once the House has reached Orders of the Day, the motion is, by its nature, acceptable at any other time. Madam Speaker, that is why I must conclude that the objection made by my learned friend from the New Democratic Party has no basis in law. He certainly cannot complain about the fact that we moved to give his party an opportunity to consider Bill C-155. He had the privilege of voting on the motion. He also had the privilege of considering the Bill. However, they preferred to obstruct the proceedings and to prevent Parliament from considering an important issue. That was their choice, but it does not strengthen the Hon. Member's

case, because the motion was moved at the right time, that is, just before we reached Orders of the Day.

• (1520)

[*English*]

Mr. Doug Lewis (Simcoe North): Madam Speaker, I followed with interest the remarks of my friend from the New Democratic Party with respect to Standing Order 50. I will be interested to hear the Chair's comments on his remarks.

I point out that if the tactic that was used yesterday is available under Standing Orders, that very same tactic might very well have been used by the Government during the constitutional debate when various questions of privilege, points of order and other parliamentary items available to the Opposition were used. I would be interested to hear if the Chair could differentiate between the situation that existed then and the situation which existed yesterday.

In joining the discussion on the ruling, it would also be interesting to note Citation 417(b) at page 151 where there is a definition of a dilatory motion. It refers to the motion "that the House do now proceed to . . . " That motion is described as being one which is:

—though independent in form, are moved in the course of debate on questions which they seek to set aside.

The Chair may also want to draw that into the discussion on the argument. It would seem to me that Routine Proceedings must be defined. If there are questions to be decided, I would be interested in knowing exactly how the Chair would deal with Citation 417(b) under those circumstances.

Mr. Laverne Lewycky (Dauphin-Swan River): Madam Speaker, I wish to make my small contribution to this particular item under discussion. Yesterday I had a petition from my constituents which I was prepared to present. The Government House Leader (Mr. Pinard) is normally a very reasonable person and I have found that when he makes mistakes in the House he rises to correct them. I submit that the hon. gentleman erred greatly by affecting my privileges as a Member.

I submit that it is a privilege of the House to present a petition. Citation 666 of Beauchesne clearly indicates:

The right of petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principle of the constitution and has been exercised without interruption since 1867.

Furthermore, with respect to the method of presentation, Citation 692 makes it very clear that:

(1) While a Member may, if he desires, present a petition from his place in the House during Routine Proceedings and before the Introduction of Bills—

That is the part of the sentence that concerns me. I was standing in my place prepared to present a petition during the Routine Proceedings. This was during the time provided to make representations in the House on behalf of my constituents.

I submit that as a result of the Hon. House Leader bringing in his motion, he infringed upon my privileges to present a petition. That is the only time when I can present a petition. I had a petition on behalf of my constituents, mainly on behalf of those in Swan River, that I wanted to present at that time.

I submit again that the House Leader greatly erred and affected my privileges as a Member of Parliament representing my constituents. I wish to present that argument, Madam Speaker, for your consideration and hope that in the future the Hon. House Leader and others in the Government would not violate privileges of Members to present a petition on behalf of their constituents.

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I wish to make two points. The first is in response to the President of the Privy Council (Mr. Pinard) when he cited Citation 282 of Beauchesne. It states:

When an Order of the Day is under debate, a motion "That the Orders of the Day be now read"—

And it goes on. The citation reads "When an Order of the Day is under debate", and I remind the chair that we were not under Orders of the Day yesterday, we were under Petitions. I think that is an important point. I do not think the House Leader can use as support Citation 282 of Beauchesne which describes what he can do once we are on Orders of the Day.

The second point he made concerned when Orders of the Day are under debate. I believe there is a number of precedents of previous Speakers as well as yourself that said we were not engaged in debate at that particular time. I refer to a ruling that you made on October 24, 1980, as reported at page 4069 of *Hansard*. I quote:

Order, please. I believe I have a number of petitions today. I must remind Hon. Members that they are allowed to present their petitions but not to enter into debate. The presentation should be kept extremely short—and when I say extremely short, I mean generally within a minute.

In other words, no debate is allowed during the presentation of petitions. I am sure you are referring to Standing Order 71(3) of our green book on rules of the House.

I think it is very clear, Madam Speaker, that we had not reached Orders of the Day. There was no question before the House and there was no debate before the House.

The last point concerns Standing Order 50 itself. I think it is very clear. It states:

When a question is under debate, no motion is received unless to amend it—

It goes on from there. I remind you that we were not debating a question yesterday. I think it is very clear that we were discussing petitions yesterday and there was no question before the House. If there was no question before the House, I do not think a Member can get up to propose a motion.

As has already been mentioned by our House Leader, the Hon. Member for Hamilton Mountain (Mr. Deans), we were not conducting a debate. I have already referred you to your own ruling of October, 1980 when you supported that position at that particular time. As a result I wish to argue that the motion presented by the House Leader yesterday was out of order. Indeed, if that motion was in order, I suggest this whole place could become very chaotic as Members of the House could rise at almost any time to move a motion that we proceed to Orders of the Day or something else.

Point of Order—Mr. Deans

• (1530)

Madam Speaker: I think I have to dispose immediately of the arguments brought forward by the Hon. Member for Yorkton-Melville (Mr. Nystrom) because he did use—I do not think it was a ruling but an admonition I was making to Hon. Members as they were presenting their petitions. I reminded Hon. Members that they should not debate while presenting a petition. I was simply admonishing their Members who go on for an excessive period of time describing petitions, debating in fact, when the only thing they are allowed to do when presenting a petition to the House is to give the title of the petition or something of the substance of it. That argument I have to dispose of because I do not think it is relevent to the situation we are discussing.

Mr. Les Benjamin (Regina West): Madam Speaker, I rise on the same point of order. Should this occurrence of yesterday prevail, as my colleague from Hamilton Mountain (Mr. Deans) has already said, a member of the Treasury bench can eliminate the Question Period, Questions on the Order Paper, Private Members' Bills, Government Bills, Petitions and even motions.

Mr. Pinard: The House can.

Mr. Benjamin: Routine Proceedings, Madam Speaker, by their very definition mean routine. They are firm and they are fixed, except the House by unanimous consent can do anything it wants with Routine Proceedings or with anything else in this Chamber.

If this practice were to prevail, then the Government or anyone else can say that Parliament cannot exist when Members on all sides are prevented from exercising a right, as my colleague from Hamilton Mountain said which is inherent by practice and by history. Only Members of the Treasury benches need to be in this place if what I heard yesterday is to prevail. All other Members from both sides of the Chamber may as well proceed to their home constituencies and stay there.

The Government House Leader mentioned the word "dilatory". What is dilatory about an authentic petition with the actual signatures of citizens who exercise the right to petition their Parliament and their Sovereign through their Parliament?

Madam Speaker: Order, please. I have to stop the Hon. Member because I want these arguments to be put to me so I can decide on the question. I will not allow Hon. Members to go beyond the scope of this discussion. The Hon. President of the Privy Council (Mr. Pinard), when he spoke of dilatory practices, was not saying that petitions were dilatory. He was saying that the motion to proceed to Orders of the Day had to be considered as a dilatory motion or the contrary, a motion to advance to Proceedings of the House.

Mr. Pinard: That is what I said.

Madam Speaker: I do not think the Government House Leader referred to petitions as being dilatory.

Mr. Lewis: That is right.

Madam Speaker: As we all know, it is the right of Members to present petitions.

Mr. Benjamin: Madam Speaker, you have helped me very much with what you have just said. Whether the presentation of petitions is dilatory or whether the Minister wants to be dilatory himself in terms of how he deals with the Routine Proceedings of this Chamber, it seems to me the Minister is drawing a very long bow without an arrow in it. May I remind Hon. Members on the other side that when—I did not say if but when—they are in opposition, as they will be whether after the next election or ten elections from now, they will regret what happened yesterday because then any member of the Treasury benches can prevent anything from happening under Routine Proceedings in this Chamber. If Routine Proceedings do not mean Routine Proceedings, why are they on the Order Paper every day?

An Hon. Member: Why don't we all go home?

Mr. Benjamin: Where does this stop, Madam Speaker? If 280 Members of this Chamber—I will leave out Madam Speaker and I will leave out the Prime Minister—by some accident each had a petition to present on a given day, it would take up the remaining time of the Chamber that day, the following day and the day after. Would the House Leader then rise in his place and move to proceed to Orders of the Day, interrupting the presentation of petitions of citizens of our country by Members of Parliament from all sides of the House? Surely, Madam Speaker, yesterday's occurrence, which because it was the first time—and I submit it was illegal—caught Members on all sides, except the Government House Leader, with some degree of surprise and shock, cannot be allowed to prevail unless you want this Parliament to become impotent, a shambles and chaotic.

I submit the points made by my colleague, the Hon. Member for Hamilton Mountain (Mr. Deans), and the House Leader for the Conservative Party are well taken. I ask on behalf of Members on all sides that that kind of motion should not be allowed. The very presentation of it means debate at a point where debate is not allowed and it is totally out of order. Just the presentation of the motion is debate, and that is not allowed during the presentation of petitions.

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I too was on my feet yesterday to present a petition when the Government House Leader put forward his motion which was accepted by Your honour pursuant to Standing Order 50, as you then stated. I certainly want to concur with the remarks of the House Leader of my Party and other speakers who have indicated that we are talking about a motion which goes right to the nature of Parliament and indeed to the nature of parliamentary democracy itself.

There are three relevant Standing Orders here. The most important is Standing Order 50 to which the Speaker herself referred. That Standing Order talks about a question being under debate and then refers to a series of possible motions which might be received under appropriate circumstances. One of those motions is to read the Orders of the Day. Yet another motion is to proceed to another Order, including Orders of the Day.

There is a point which has not yet been raised but one which I believe is very important in the context of what the Government House Leader has said. The Government House Leader referred to Standing Order 28. Standing Order 28 refers to a motion for reading the Orders of the Day which shall have preference to any motion before the House. The fact of the matter is that that was not the motion that was before the House yesterday. Why the Government House Leader would make reference to Standing Order 28 which refers to a motion for reading the Orders of the Day, and then go on to refer to a citation from Beauchesne, which also refers to a motion for reading the Orders of the Day, I do not know. With respect, that is completely irrelevant.

That was not the motion before the House yesterday. The motion before the House yesterday was that the House do now proceed to Orders of the Day, not that Orders of the Day be read. How the Government House Leader can argue that a motion which refers to reading the Orders of the Day somehow applies to a motion that refers to proceedings of the Orders of the Day, which is also entirely separate and comes under Standing Order 50, when both are distinct and separate motions, is certainly beyond me. I suggest, Madam Speaker, that any purported reliance on Standing Order 28 is entirely without foundation.

The final point is once more with respect to Standing Order 50. Standing Order 50, as has been noted by a number of my colleagues, starts out with the words "When a question is under debate". Madam Speaker rose at one point to indicate in response to a submission from my colleague from Yorkton-Melville (Mr. Nystrom) that there was no real issue in terms of the Speaker's earlier ruling on the question of debate, that she merely indicated that there should not be debate. With respect, the issue goes beyond that. Standing Order 71(3) does not leave any discretion. It indicates very clearly:

• (1540)

On the presentation of a petition no debate on or in relation to the same shall be allowed.

How could it possibly be argued that Standing Order 50, which refers to a question being under debate, is relevant when pursuant to Standing Order 71(3) there can be no debate? Therefore I suggest that Standing Order 28 is not relevant in the circumstances because that was not the motion on the floor. Standing Order 50 is not relevant because there was no question under debate. We were dealing with petitions which pursuant to the Standing Orders cannot be debated.

I strongly urge you, Madam Speaker, to recognize that what was attempted yesterday was an undermining of the parliamentary process itself which must not be allowed to be repeated.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Madam Speaker, I do hope that when you announce your decision in a few moments you will act as you did on many previous occasions, namely render your ruling not only in keeping with the intent of the Standing Orders, but also in light of the circumstances surrounding the events.

Upon hearing the arguments just made by some of my colleagues opposite, a visitor in the gallery might come to the conclusion that someone on this side of the House is attempting to question the right of any Member to present a petition. Obviously, such is not the case.

As the Hon. Member for Dauphin-Swan River (Mr. Lewycky) has said, the privilege of presenting a petition is one that I have as much as he has, as have all other Members in the House.

However, what some Members may object to and, in my opinion, what Your Honour must object to, is the abuse of that privilege. In addition to the number of Members who rose yesterday to present petitions, we now have a few who take the floor today to shed tears over the fact that, unfortunately, they were deprived of that privilege. Since I simply want to prove my point—

Mr. Deans: Be honest!

Mr. Guilbault: Ah, that hurts. I guess it hurts, because they are trying to prevent me from speaking.

I must point out that when someone imputed motives to the Government a moment ago, when the Member opposite said that the Government was trying to do away with Routine Proceedings, they were on a witch hunt. The Hon. Member who is at fault wants to blame somebody on this side of the House, and that is quite amusing. They impute motives to the Goverment, and yet yesterday they did try to delay the business of the House.

What I am asking you, Madam Speaker—and I am convinced that you can and that it is your duty indeed to do so—is that in your interpretation of the Standing Orders you do not take into consideration the academic arguments which were made earlier about the Standing Orders without reference to the circumstances, but on the contrary that you keep in mind as well the incidents which have occurred when the situation first came up. You cannot really make a judgment without keeping the circumstances in mind and concluding that even what is going on today could be interpreted by some Members, including myself, as being an attempt to slow down the debate and keep us from reaching the Orders of the Day. Some Members want to pursue the debate and proceed with Government Orders.

Mr. Deans: I will stop your Bill, but that is not the way I will be doing it.

Mr. Guilbault: I can see that some of my remarks must have an element of truth since a few Members opposite are trying to cut me off.

I can say that the rights and privileges of this House will always command better respect when individual Members enjoy the privilege of taking the floor without their colleagues making attempts to prevent them from debating the real basic issues, which is what we have been elected for.

[*English*]

Madam Speaker: Presumably the Hon. Member is rising on the same point of order, because we cannot have a new one until this one is settled.

Mr. Kilgour: On the same point of order, Madam Speaker.

Madam Speaker: I will allow only a very brief commentary because I think I am now in a position to rule on this particular point.

[*Translation*]

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I will be quite brief. You have already made a decision and delivered your judgment almost 45 minutes ago. Today is allotted to private members to allow them to introduce private Bills. The left wing of the Liberal Party is trying to encroach on the rights of the Members to introduce their legislation. Would you kindly allow us to proceed without delay?

An Hon. Member: You have no lesson to give to anybody.

[*English*]

Madam Speaker: I have listened with great care to all the arguments which have been presented on this particular point of order. I thank the Hon. Member for Hamilton Mountain (Mr. Deans) for raising it because he saw some grounds on which it was possible to do so. It is always good for the House to have someone explore the meaning of the different Standing Orders so that we can be guided by those arguments for the present and for the future.

I listened very carefully to the arguments and I must say that to a certain degre the Hon. Member for Hamilton Mountain is right in saying that Standing Order 50 is not applicable. That is true in one sense because quite obviously there was no debate going on in the House at the time at which the motion to proceed to Orders of the Day was proposed. However, it is very difficult to say under which Standing Order a motion of this particular nature could have been moved because there are no other references concerning motions to proceed to Orders of the Day in the Standing Orders. One cannot conclude it cannot be used because it has been used innumerable times in the House. We know that a motion of this nature can be moved.

The Hon. Member for Hamilton Mountain referred to Standing Order 28 which reads:

> A motion for reading the Orders of the Day shall have preference to any motion before the House.

There is reference to the circumstances surrounding the moving of a motion to proceed to Orders of the Day, but it does not completely enlighten us on the particular point which the Hon. Member raised. Nowhere in the Standing Orders is it indicated that we cannot move it at any other time but when something is under debate. Standing Order 50 says "When a question is under debate", and then refers to motions to proceed to Orders of the Day. It is not indicated anywhere in the Standing Orders that at any other time one cannot move a motion to proceed to Orders of the Day.

Also the Hon. Member pointed out that, contrary to what we have in the Standing Orders concerning a motion to adjourn, where the Standing Orders indicate that it is always in order, we do not have that either in the case of a motion to proceed to Orders of the Day. I think the Hon. Member for Hamilton Mountain will follow the logic of the Hon. President of the Privy Council (Mr. Pinard) in his presentation. It cannot be said that it is always in order, for once we have reached Orders of the Day we cannot move that we should proceed to Orders of the Day. There is a logic there which allows me to retain the idea that the motion to proceed to Orders of the Day was in order. The logic of the President of the Privy Council suggests that it has to be moved before we get to Orders of the Day, that is to say, before debate commences.

• (1550)

I have to conclude that Standing Order 50 refers only to the fact that use can be made of such a motion but does not explain—

Mr. Deans: Under certain conditions. It says so quite clearly.

Some Hon. Members: Order.

Madam Speaker: No, I do not think that means that when a question is under debate, it has to apply to every possible motion that is enumerated in Standing Order 50. That preface is relevant to certain of the motions described in Standing Order 50, but not to all of them.

The basic point that we are discussing is whether a motion to proceed to the Orders of the Day can be moved before we reach Orders of the Day. In the particular circumstances we are discussing, if it can be moved when a Member was presenting a petition, I have to say to the Hon. Member that we have a precedent which goes along with what I have explained about a motion to proceed to Orders of the Day.

A motion to proceed to Orders of the Day was moved in the course of the Question Period at a time before which my predecessor, in an agreement with all of the leaders of this House, determined that the Question Period could not be interrupted by any kind of dilatory motion. It was decided that even questions of privilege would be considered only after the Question Period. But prior to that time a motion was moved

during Question Period to proceed to Orders of the Day. That was on November 13, 1970. That motion was moved by the Hon. Member for Winnipeg North Centre (Mr. Knowles) and was accepted by the Chair.

Based on that precedent and on my interpretation of the particular situation, I have to say that the motion presented by the President of the Privy Council was in order.

To refer to the arguments presented by the Hon. Member for Burnaby (Mr. Robinson) and others as to the sacredness of the right of a Member to present a petition, that right is not affected by using a dilatory sense motion, or as in this particular case a motion to advance the proceedings of the House. That right is not affected because, to quote Standing Order 71(1), Members may present a petition to the House during the sitting of the House "by filing the same with the Clerk of the House". There are other ways of presenting a petition. I do not feel the right of Hon. Members to present a petition has been affected, other than what is acceptable in this House. We all know that dilatory motions are an acceptable procedure which is confined by certain rules which we look at when a certain dilatory motion is presented to the House. In this particular case I have to say to Hon. Members that the motion presented by the President of the Privy Council yesterday was in order.

Hon. Edward Broadbent (Oshawa): Madam Speaker, I listened to your ruling with a great deal of care because our House Leader presented what I thought was a totally cogent argument about an unfortunate ruling that came yesterday. I heard you make two points, Madam Speaker.

Madam Speaker: Order. I am very sorry, but I could not hear the Hon. Member for Hamilton Mountain on a point of order today because I did not make a ruling yesterday. I did certain other things at six o'clock. I adjourned the House on the basis of the logic of certain circumstances, but I cannot allow Hon. Members now to discuss this particular ruling. I just caution the Hon. Member about that.

Mr. Broadbent: Madam Speaker, I do not want to quibble on the point. We are faced with an extremely important matter in this Parliament. I am talking about a decision to accept a motion yesterday and the ruling which you have perhaps made or are about to make. If I understood what you said, you said that if there is not a rule in the book that prohibits something, then it will be permitted, which is, to understate it considerably, quite dubious. Second, you cited the one case to support your ruling—

Madam Speaker: Order, please. It is quite true that I did mention the fact that sometimes if there is nothing to prohibit something, we might consider that it is permitted. It is permitted through the practice of this House. We have had these kinds of motions before in circumstances that were quite similar. I have quoted a precedent which goes back to 1970, a time when a motion was moved by one of the Hon. Member's colleagues who is very conversant with the procedures of Parliament. I am really sorry but I will not accept any further commentary on the ruling.

Mr. Deans: Madam Speaker, I must say I do regret the ruling. I wonder if I might ask a question.

Madam Speaker: Order. If the Hon. Member regrets the ruling, he knows what he can do. There are procedures whereby a Member can express regret about a ruling by the Chair. There is no way that this Parliament will work if we proceed by insinuations about the validity of the Speaker's ruling. I do ask Hon. Members to be careful about this particular point. It has nothing to do with me personally, but it does have to do with the office and the function that I have in this House.

MR. DEANS—OUTCOME OF VOTE TO BE DETERMINED BY MEMBERS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I want to raise a separate point of order. Last evening at six o'clock the Speaker determined, I assume as a result of consultation although I must confess I was not party to it, to adjourn the House. This is the second occasion on which this has occurred, having occurred last week during a motion to adjourn. The bells were ringing and the Speaker determined at six o'clock that the motion to adjourn was in fact enforced by the Standing Order which requires the House to adjourn at six o'clock.

Last evening the motion before the House was quite different. It was not a motion to adjourn but a motion to adjourn, the outcome of which required a vote of the House of Commons to determine.

I submit it is inappropriate for the speaker to adjourn the House while the bells are ringing on a matter other than a motion to adjourn. The Speaker has considerable latitude in suspending the sitting, if it is the desire of the occupant of the Chair to do so, until such time as she is satisfied the House is ready to vote, as whoever the Speaker may be is entitled to do.

I suggest with all the respect that I can muster that the Chair does not have the authority to determine the outcome of a vote that has nothing to do with adjournment itself. The only people who can determine the outcome of a vote are the Members of the House of Commons. The Chair does not have that authority. It may well be that by some extension of logic, and I must confess this afternoon leaves me with some question as to logic in this place, the Chair may decide that by allowing the vote to take place it would simply take time and nothing much else could occur. That, however, is not for the Chair to decide. That is not the Chair's prerogative. The Chair's prerogative is only to ensure that a vote once called for takes place. The Members of the House of Commons who determine that a recorded division should occur should be given the opportunity to have that recorded division occur.

I suggest, without asking for any particular ruling at the moment, that the Chair consider the implications of such an act. The implications of such an act are that the Chair will now be put in a position of deciding the import of every motion

that is up for a vote. The Chair will have to determine on every occasion at six o'clock whether or not the motion is of sufficient importance, not to the Members but to the Chair, to justify waiting until the Members are prepared to vote.

• (1600)

I do not believe that it is the prerogative of the Chair to make that kind of judgment. I do not believe that it is the prerogative of the Chair to evaluate the worth of a motion before the House of Commons. I considered yesterday's motion to be out of order and the bells ought not to have been ringing at six o'clock anyway, and I still feel that way. However, regardless of what the Chair may feel is the value of a motion, if a motion is duly moved, the only ones who can dispose of that motion, unless there is a specific Standing Order that intervenes, are the Members of the House of Commons by recorded division.

I ask, Madam Speaker, in the interests of the House operating with any degree of fairness and common sense, that the Chair please not put herself in the position of having to make judgments about the relative values of motions that are standing before the House awaiting disposition by Members of the House of Commons.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I think that this is a very simple matter. The Hon. Member wrongly stated that you, Madam Speaker, cannot stop the bells the way you did last night at six o'clock because there is no Standing Order authorizing you to do so. I respectfully submit that that is very wrong. Standing Order No. 1 is very clear. It states:

1. In all cases not provided for hereafter or by sessional or other orders, the usages and customs of the House of Commons of the United Kingdom of Great Britain and Northern Ireland as in force at the time shall be followed so far as they may be applicable to this House.

There is no Standing Order in our book, Madam Speaker, that states that you have the right to stop the bells at six o'clock. Just because there is no Standing Order does not mean that you have no authority to do so, because Standing Order 1 refers to practice followed in the United Kingdom. The other day you referred quite rightly to May's Nineteenth Edition at page 295 where it reads:

Dilatory motions, i.e. motions for the adjournment of the House or of the debate, or that the chairman do report progress, or do leave the chair, pending at the moment of interruption, lapse without question put.

Since our Standing Orders are silent on this subject, the passage I just read is applicable because Standing Order 1 refers to practice in the United Kingdom and the case referred to happened in the United Kingdom.

It now becomes important to know what a dilatory motion is, and that is why I say that the matter is simple. If the motion I moved yesterday is a dilatory motion in the sense understood by May, then that solves the matter.

Let me quote from Bourinot's Fourth Edition, page 322:

There is a class of motions, common to all parliamentary assemblies, intended to have the effect of superseding or delaying the consideration of a question. For instance, motions for the adjournment of the house or debate, for reading the orders of the day, and for the previous question, are all in this direction.

Therefore, Madam Speaker, it is obvious that the motion to go to Orders of the Day is, in a sense, a dilatory motion as understood by the authors May and Bourinot. It was a dilatory motion to move to something else, something which was the main subject of discussion and is so important, something which we want to debate and which the NDP does not want to debate.

What I am saying is that the motion moved yesterday was a dilatory motion in that sense. It is covered by the precedent in the United Kingdom that you have referred to, Madam Speaker, and which is quoted in May's Nineteenth Edition at page 295. It seems obvious to me that logic is important but understanding and knowledge of the rules and practice of the House is also most important before judgment is passed on any situation.

Some Hon. Members: Hear, hear!

Mr. Doug Lewis (Simcoe North): Madam Speaker, I have two points to make. I followed the argument of the Member for Hamilton Mountain on the question of vote with interest. Referring to page 25686 of *Hansard*, you make the statement, Madam Speaker:

That motion, of course, is in order, pursuant to Standing Order 50. All those in favour of the motion please say yea.

I submit, Madam Speaker, that at that point we have gone beyond a debate and are now into the putting of the motion which, under Standing Order 12, gives Members an opportunity to be recorded as to where they stand on whether or not they should move to Orders of the Day.

It was perhaps missed in the discussion last week, but the motion last week that the House do now adjourn was in fact won by the Opposition on the verbal division and was so declared by the Chair. We are sure that the Government felt it was very important that it have an opportunity to have a recorded division on that vote. It did not have that opportunity, but that is a question that I believe should be addressed, the question of whether or not, once the question is called for on the yeas and nays, the House does not move out of debate and into the question under Standing Order 12 of a vote. That is one point.

The other point I would make, Madam Speaker, is this, the Government House Leader has referred to Standing Order 1 which provides that under the rules, if the House finds that something is not covered by our Standing Orders, it can refer to the Standing Orders of the United Kingdom. Standing Order 1 and Standing Order 27 of the United Kingdom make reference to what can be debated and what cannot be debated. I am by no means an expert, and I do not know who in this House is an expert, on what the Standing Orders of the United Kingdom say with respect to debate on this type of motion, but it would appear that under the Standing Orders of the United Kingdom the House can debate the question whether the

House shall now adjourn. In fact, under Standing Order 27 of the United Kingdom, it suggests that the debate shall be confined to the matter of such a motion.

I suggest, Madam Speaker, that that would indicate that there is a difference in how a motion that the House do now adjourn should be treated between Canada and the United Kingdom. I would draw that to the attention of the Chair.

If the Government House Leader wants to use part of the Standing Orders of the United Kingdom, I suggest that the Chair, in ruling on the matter, must refer to the Standing Orders as a whole, and I know that the Chair would not want to pick and choose between different parts of the Standing Orders of the United Kingdom in order to support the Government House Leader.

Madam Speaker: I thank Hon. Members for their contributions. I want to say to the Hon. Member for Simcoe North (Mr. Lewis) that I will look into these matters, but the other day when I acted upon those motions at six o'clock, I did not fall back on Standing Order 1 which says that when the Standing Orders do not provide for something, one can use the Standing Order of Great Britain. I think that must be done very carefully because those Standing Orders could in some ways be contradictory to our own Standing Orders and should only be used when there is no other way of interpreting a particular situation.

I relied on Standing Order 8(1) when I adjourned the House the other day and explained that after six o'clock, when the House was indeed supposed to adjourn, a motion to adjourn had lapsed and had become a nullity. A motion to adjourn made no sense any more because the House is supposed to adjourn at that time.

Now, if that logic is accepted, and I know that the Hon. Member for Hamilton Mountain (Mr. Deans) has accepted that logic, the same logic must be accepted pertaining to a motion to proceed to the Orders of the Day. After six o'clock there is no way to proceed to the Orders of the Day, so the motion again lapses; it becomes a nullity and has no meaning. It cannot be applied and it cannot be acted upon because it is past the time at which the House can consider the Order of the Day.

• (1610)

The Hon. Member very briefly mentioned that he was not part of the consultations which took place before I acted upon the situation which occurred in the House yesterday. I want to remind the Hon. Member that on the floor of this very House I did discuss with him, and asked him if the Members of the New Democratic Party were intending to come to vote; and I did say that something will happen at six o'clock, in the way of a warning. The Hon. Member had his comments at that time and I had my own comments. However, we did discuss briefly on the floor of this very House, right in front of these steps.

There were no consultations, I want to tell the Hon. Member, with other Parties except for a phone call which I made, as I have on other occasions, to the Whip of the Conservative Party, who I could not reach, to the Deputy Whip, who I could not reach, and then I spoke to the Leader of the Opposition (Mr. Nielsen), who I reached immediately, and asked the simple question; "Are the Members of your Party prepared to come and vote?" Very simply, there were no consultations. Of course, the Speaker does not consult before making a ruling except if she needs some clarification.

The Hon. Member for Hamilton Mountain is quite right. The Speaker may not evaluate a motion. I believe I can comply with that plea entirely. I did not evaluate a motion in another case. The Hon. Member will remember that on a certain day when Hon. Members were not coming in to vote on a motion to introduce a Bill, I did not adjourn the House but simply suspended the sitting, precisely because the House has to resolve these matters. The motion to adjourn, or a motion to proceed to Standing Orders, was not disposed by the Chair. It was disposed by our Standing Orders, and I refer to Standing Order 8(1). That is quite different. The Speaker should interpret the Standing Orders and should inject certain logic into the proceedings of the House, referring herself to the Standing Orders; and that is what I did on those two occasions. However, when there was a matter of evaluating a motion, the Chair did not do that but simply suspended the sitting.

Mr. Les Benjamin (Regina West): Madam Speaker, I rise on another point of order. The Chair, and the Chair's predecessors, have ruled frequently in the presentation of petitions that there shall be no debate. May I ask the Chair, on a point of order, if the moving of a motion during the presentation of petitions constitutes debate, either the entering into or the starting of a debate? And if it does constitute a debate, Madam Speaker, I would like to have your advice on this matter.

Madam Speaker: The Hon. Member is discussing the ruling which I made nearly an hour ago.

Mr. Benjamin: No, I am not.

Madam Speaker: The Hon. Member may not do that. I believe he knows the rules.

Mr. Benjamin: I did not do that.

Madam Speaker: I even disposed of his argument, which he is now repeating, before I ruled. In answer to the Hon. Member, I did not rule, and I did not have to rule, on whether or not debate was permissible in the course of presenting a petition. The Standing Orders are quite clear. No debate is allowed in the course of presenting a petition. Simply, the reading out of the title or the substance of that petition is allowed. I have often reminded Hon. Members that they were taking too long in presenting their petitions, and some of them were in fact debating them. I only reminded Hon. Members that they could not debate their petitions. Therefore, the Hon. Member is referring to something which is quite outside of this particular question. I did dispose of that argument and I will not allow him to come back to it.

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a point of order. I would like to seek some clarification. I do not in any way challenge the earlier ruling of the Chair, but I wish to seek clarification with respect to a reference to a precedent from 1970 involving the Hon. Member for Winnipeg North Centre (Mr. Knowles). The Chair did, I believe, indicate that that particular incident occurred following consultation and agreement involving all House Leaders. Perhaps the Speaker might indicate whether that is the case, because if that is the case—

Madam Speaker: Order. The Hon. Member did not hear me correctly. I am not going to start giving clarifications about my ruling, but the Hon. Member is a bit confused. I did say that this precedent occurred in 1970. That was prior to the time at which my predecessor, Mr. Speaker Jerome, in consultation with all the Leaders of the Parties, determined that during Question Period no other proceedings could occur. It was meant to preserve the Question Period as a bloc which would not be interrupted by any other proceedings. That, in a sense, is a bit illogical because, for example, we have the right of an Hon. Member of Parliament to raise a question of privilege. A question of privilege supersedes everything; the House is not supposed to be able to function if there is a real question of privilege to be discussed. However, even a question of privilege, it was determined, would be delayed until after the Question Period. That is all I said.

Mr. Benjamin: Madam Speaker, I fully accept your ruling and I am not questioning it or debating it, not in this Chamber. I would like to ask, Madam Speaker, if the moving of a motion constitutes debate in any way, shape or form under the rules. Just the action of moving a motion, does that constitute debate?

Madam Speaker: Is the Hon. Member saying the moving of a motion or of a petition?

Mr. Benjamin: The moving of a motion. Does that constitute debate?

Madam Speaker: The Speaker is not here to answer questions from Hon. Members. If they want a course on procedure, I can indicate many places where they can receive a course on procedure. I am not here to answer questions on procedure.

* * *

PRIVILEGE

MR. ANGUISH—RIGHT TO PRESENT PETITIONS

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I rise on a question of privilege. If you find it in order, I would like it referred to the appropriate committee, the Committee on Privileges and Elections, because I feel there has been an infringement on Hon. Members' rights within this House. I refer to Beauchesne's Fifth Edition, Citation 275(1), and I quote:

> It is a fundamental rule that, with the exception of certain matters dealt with under Routine Proceedings, no question can be considered by the House unless it has been previously appointed either by a notice or a regular Order of the House. The paper known as *Order Paper and notices* is the official agenda printed on the responsibility of the Clerk of the House, containing all the proposed questions set out in accordance with the Standing Orders. All the proposed proceedings of the House are recorded in abbreviated form in that paper. To add to, or suppress from it, any proposal which the House has ordered would constitute a serious infringement on the privileges of the House of Commons. If any serious errors are made they may be corrected by the House only in open sitting with the Speaker in the Chair.

End of quote.

Madam Speaker: Order. Order, please. I have this particular reference in Beauchesne. It is quite long. I do not believe the Hon. Member needs to read it out to me. I would just like to know what his question of privilege is.

Mr. Anguish: Madam Speaker, if you would allow me, I said I had come to the end of the quote, or that section which I—

Madam Speaker: Order. I would like to know, so I will understand the reasons for the Hon. Member quoting this particular article, what the question of privilege is. Because the Speaker has to rule immediately after the question is posed, the Hon. Member should give the Speaker a chance to know what it is all about. If I lose two or three minutes listening to quotes, that is time in which I cannot reflect on the Hon. Member's particular problem. Therefore, if Hon. Members would like to accommodate the Chair by telling the Chair immediately what their problem is, then I can reflect upon it.

Mr. Anguish: Coming directly to the point, Madam Speaker, many of my constituents in Saskatchewan had submitted to me a number of petitions which I had every right to expect I would be able to present in this House of Commons. I have reason to expect that because of the ancient and historical right of presenting petitions—

Madam Speaker: Order, please. Order, please. There will be occasion to do that in the course of Routine Proceedings. Alternatively, under Article 71(1), I believe, if for some reason or other the House does not reach that particular time in the Routine Proceedings, an Hon. Member may file the petition with the Clerk. I suppose that answers the Hon. Member's question.

• (1620)

Mr. Anguish: Madam Speaker, please allow me to finish my question of privilege.

Mr. Cousineau: Sit down!

Mr. Anguish: Madam Speaker, my question of privilege is that up until yesterday I had every reason to presume that I could present these petitions on behalf of the petitioners yesterday in this House. Some of these petitioners were told that their petition would be presented in this House yesterday.

Some Hon. Members: Oh, oh!

Mr. Anguish: I have every right to expect to be able to tell them—

Madam Speaker: Order. If the Hon. Member felt that it was an absolute necessity to present those petitions yesterday, he could have filed them with the Clerk of the House of Commons. I understand the Hon. Member's predicament. He would prefer to read them out to the House because it does give some publicity to the problems his constituents want to address. But there are two ways of doing it and the Hon. Member could have resorted to that other means yesterday. On other days the Hon. Member will have a chance to present those petitions. That right has not been affected.

Mr. Anguish: Madam Speaker, unless I am in error there was debate entered into during that period and there was no opportunity to do that yesterday in this House after I had told my constituents these petitions would be presented in the House.

Madam Speaker: Order, please. There was no opportunity because the proceedings of the House turned out differently from what the Hon. Member expected.

Mr. Nystrom: That is right.

Madam Speaker: Well, yes, but that is a predicament we all have to face at certain times in the House. The Speaker has no opinion on these particular circumstances, but the Speaker does have an opinion on that particular point which the Hon. Member is raising. He may have presented those petitions yesterday by filing them. If he still wants to read those petitions in the House, he will have further opportunity at another time.

Mr. Benjamin: A point of order, Madam Speaker. Since Rule 71 says there shall be no debate, Madam Speaker, my colleagues were unable to present petitions yesterday—

Mr. Kilgour: The same point.

Mr. Benjamin: —because there was debate entered into.

Madam Speaker: Presenting reports from Standing and Special Committees.

Mr. Anguish: You are a corrupt bunch.

Madam Speaker: Tabling of documents.

Mr. Cousineau: Repeat that.

Mr. Anguish: You want your petitions—

Madam Speaker: Order, please.

Mr. Anguish: There is the greatest lack of democracy we have ever seen in this place, and I repeat that in this House.

Madam Speaker: Order, please.

Mr. Anguish: You are a shame to the whole system and to the country of Canada. All of you, including from that half over.

Madam Speaker: Order.

Mr. Anguish: When your back is against the wall, you change the rules so you can never lose.

Madam Speaker: Order. I have to remind the Hon. Member that, as during proceedings for a vote and during Routine Proceedings, it is not considered proper to interrupt the Speaker in the fashion the Hon. Member is now doing.

ROUTINE PROCEEDINGS

[*Translation*]

CANADA DEVELOPMENT INVESTMENT CORPORATION ACT

MEASURE TO ESTABLISH

Hon. Pierre Bussières (Minister of National Revenue) moved for leave to introduce Bill C-158, an Act respecting the Canada Development Corporation, Canada Development Investment Corporation and certain other corporations.

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

* * *

[*English*]

TAX COURT OF CANADA ACT

MEASURE DO ESTABLISH

Hon. Mark MacGuigan (Minister of Justice) moved for leave to introduce Bill C-159, an Act respecting the Tax Court of Canada and to amend the Federal Court Act, the Judges' Act and the Unemployment Insurance Act, 1971.

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

* * *

[*Translation*]

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

CONCURRENCE IN TWELFTH REPORT OF STANDING COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa-Vanier) moved that the Twelfth Report of the Standing Committee on Miscellaneous

Private Bills and Standing Orders, tabled in the House on Friday, May 13th, 1983, be concurred in.

Motion agreed to.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,404, 4,415, 4,774 and 4,850.

[*Text*]

EMERGENCY PLANNING ORDER

Question No. 4,404—**Mr. Mitges:**

1. Did the Cabinet give directives to all Departments to implement any or all parts of the Emergency Planning Order, passed as Order in Council P.C. 1981-1305, and, if so, to what extent has (a) the Department of (i) the Solicitor General (ii) Agriculture (iii) National Defence (iv) Employment and Immigration (v) Communications (vi) Energy, Mines and Resources (vii) Industry, Trade and Commerce (viii) Transport (b) the Prime Minister's Office implemented the provisions of the Order?

2. Does the Government plan to introduce legislation to enact the Order and, if so, on what date?

3. Did the Government receive any legal opinion from Department of Justice lawyers or from lawyers outside the Government that implementing the Order without first having passed appropriate enacting legislation through Parliament may be "extra legal" or illegal?

4. Has the Government sought legal advice as to whether or not the Order conflicts with the newly proclaimed Charter of Rights and Freedoms and, if so, what was such advice?

Hon. Yvon Pinard (President of the Privy Council): I am informed by Emergency Planning Canada and by the Departments named below, respectively, as follows:

1. Order in Council P.C. 1981-1305 directs Ministers to prepare emergency plans to respond to those peacetime or wartime emergencies that are within or directly related to their areas of responsibility. The Order is an administrative tool only which assigns responsibility for the preparation of plans. It does not authorize the implementation of action pursuant to those plans.

(a) (i) The Ministry of the Solicitor General has reviewed all its existing contingency plans, formed an intraministry steering committee and a working group, whose tasks are, in consultation with other concerned departments and agencies, to modify, update or develop where necessary contingency plans for all possible types of emergencies within or directly related to the Ministry's area of responsibility.

(ii) In the Department of Agriculture, the limited currently available staff participates in international and national planning related to the new responsibilities.

(iii) In the Department of National Defence, a draft has been completed for review by senior management of updated resource allocation guidelines to permit expeditious and proper allocation of funds during periods of emergency or increasing international tension.

The Department has assisted a number of other federal Government departments in preparing their respective planning documents which could, in an emergency, lead to the establishment of National Emergency Agencies.

In addition, DND continues to: participate in exercises testing, inter alia, the adequacy of its defence plans in the event of an emergency; maintain emergency Government accommodation and facilities for which it is responsible; support the civilian Radiological Defence (RADEF) System; and operate and maintain the Canadian Forces Warning and Reporting System, including support for that portion of the CFWRS (i.e., sirens) which warns the public in the event of an attack until such time as the Department of Communications develops an alternative public warning system.

(iv) In the Department of Employment and Immigration Canada (EIC), updated Emergency Planning guidelines have been prepared and were distributed throughout EIC during November, 1982. They provide advice and guidance on planning for emergencies at the local, community level.

(v) The Department of Communications has a number of emergency response programs in existence related to their area of responsibility. They were largely developed as a reaction to P.C. 1965-1041 but fit the requirements of P.C. 1981-1305. They range in completion levels from 10 per cent to 80 per cent.

Documentation expanding on Part I of the Emergency Planning Order specifying the role, functions and structure of the National Emergency Agency for Telecommunications has been completed to final draft form. The release of this document in the near future will initiate expanded department emergency planning and co-ordinating activities.

Some policies, procedures and regulations applicable under the National Emergency Agency for Telecommunications are completed in draft form and others are under development.

The Department has completed studies and made recommendations for a National Warning System which has been approved by the Interdepartmental Committee on Emergency Planning.

The preparation of plans for telecommunications censorship await development of over-all censorship policies.

(vi) The Department of Energy, Mines and Resources has prepared and approved a three-year program to develop plans for the establishment and operation of a National Emergency Agency for Energy. This agency would be activated only in the event of a declared emergency. In addition, this planning includes making necessary arrangements so that the NEAE will be able to operate effectively within 30-days notice. The program is progressing on schedule.

(vii) In the Department of Industry, Trade and Commerce/Regional Economic Expansion, one Emergency Planning officer has been hired to meet the Minister's national and international planning responsibilities to the extent possible.

(viii) In the Ministry of Transport, the Order in Council is considered to be a re-emphasis of Government interest in emergency preparedness. Emergency planning activity is therefore continuing much as it has in previous years.

(b) The Prime Minister's Office is not responsible for undertaking any of the planning indicated in the Order.

2. No; see 1. above and 3. below.

3. Legislative authority is not required in order to assign the planning responsibilities set out in the Order. Any authority to implement planned emergency response measures during an actual emergency, where not already provided for by law, would be sought from Parliament.

4. See Beauchesne's *Parliamentary Rules and Forms*, Fourth Edition, Citation 171(gg).

STATUS OF INTERNMENT CAMPS

Question No. 4,415—**Mr. Gilchrist:**

1. What is the state of development of the internment camps approved for construction by the May, 1981 Order in Council?

2. Have any camps been created and (a) if so, how many (b) if not, how many sites have been chosen and at what locations?

3. How many and which prisons have been selected and assigned for replacement of criminals by political detainees?

4. Will the military or police forces be the designated guards?

5. Have manuals of procedure and instruction been draughted and published for the procedures of detention of prisoners?

6. What provision under the law has been made to define the rights of citizens who have been chosen for detention and to what courts or judicial bodies will a detainee be permitted to appeal for release?

7. Has a manual (a) of censorship control and procedure (b) of fuel rationing (c) of farm production (d) of food rationing (e) outlining the registration, movement and allocation of civilian manpower (d) for the management and control of national information services (propaganda and censorship) been developed?

8. Are any of the above-mentioned manuals available for inspection and, if not, when will such outlines of procedures be ready and available?

Hon. Yvon Pinard (President of the Privy Council): I am informed by Emergency Planning Canada and by the Department of the Solicitor General as follows:

1. Emergency Planning Order P.C. 1981-1305 dated May 21, 1981, assigns only planning responsibilities to federal Ministers in areas of either peacetime or wartime emergencies. The Order does not approve the construction of any internment camps and this part of the question is, therefore, not applicable.

2. Not applicable: See 1. above.

3. None: See 1. above.

4. Not applicable: See 1. above.

5. No.

6. As the Order clearly indicates, planning responsibilities for civilian internment camps relate only to their use in the case of war. In the event that Canada does become involved in a war and civilian internment camps are established in accordance with the provisions of the War Measures Act, anyone detained in such facilities would have the legal right to have the validity of the detention determined under Section 10 of the Canadian Charter of Rights and Freedoms.

7. The schedule to the Emergency Planning Order assigns to 19 federal Ministers responsibilities to plan certain emergency response functions for use in periods of national emergency. With regard to the development of manuals on the response functions identified in the question, I am informed that the situation is as follows:

(a) Censorship control and procedure: No manuals have been developed. (b) Fuel rationing: The regulations provided for fuel rationing were published in November, 1980. (c) Farm production: No manuals have been developed. (d) Food rationing: No manuals have been developed. (e) Outlining the registration, movement and allocation of civil manpower: No manuals have been developed. (f) Management and control of the national information services: No manuals have been developed.

8. (a) Censorship controls: See 7 (a) above. No forecast can now be made as to the completion date of such a manual. (b) Fuel rationing: See *Canada Gazette*, Part I, November 8, 1980. (c) Farm production: See (d) below. (d) Food rationing: See 7 (d) above. No date can be forecast by which outlines of procedures will be ready and available. (e) Civilian manpower: See 7 (c) above. No forecast can be made concerning the time of availability of such a publication. (f) National information services: See 7 (f) above. No forecast can be made as to the completion date of such a manual.

DVA—BEDS AVAILABLE AT VICTORIA HEALTH CENTRE

Question No. 4,774—**Mr. Howie:**

In the fiscal year (a) 1980-81 (b) 1981-82 (c) 1982-83, was consideration given by the Department of Veterans Affairs to acquiring more beds to supplement the beds available at the Victoria Health Centre in Fredericton, New Brunswick?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): (a) 1980-1981, yes, (b) 1981-1982, yes, (c) 1982-1983, yes. Waiting lists for admission are monitored on an ongoing basis and, as veterans' needs are now frequently age-related, efforts are being concentrated on providing beds closer to centres of veteran population where none have existed previously.

ASSISTANCE IN TEACHING OF SECOND LANGUAGE IN NEW BRUNSWICK

Question No. 4,850—**Mr. Howie:**

For the fiscal year (a) 1980-81 (b) 1981-82 (c) 1982-83, what amount was paid to New Brunswick to assist in the teaching of a second language?

Hon. Serge Joyal (Secretary of State): Under the federal-provincial agreements pertaining to the official languages in education, contributions to the Province of New Brunswick in fiscal years 1980-1981, 1981-1982 and 1982-1983 for the teaching of French as a second language were:

Private Bills

Fiscal year	Amount
1980-1981	$1,317,605
1981-1982	$1,261,066
1982-1983	$1,541,979

Note: Figures reported include payments totalling $225,750 in 1980-1981, $227,552 in 1981-1982, and $228,000 in 1982-1983 respectively which apply to both minority official language education and second official language instruction. No further breakdown is available.

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

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

[*Translation*]

Madam Speaker: Shall all Notices of Motions be allowed to stand?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—PRIVATE BILLS

[*English*]

AN ACT TO INCORPORATE THE EPARCH OF THE EPARCHY OF SAINTS CYRIL AND METHODIUS OF SLOVAKS OF THE BYZANTINE RITE IN CANADA

Mr. Jesse P. Flis (Parkdale-High Park) moved that Bill S-35, an Act to incorporate the Eparch of the Eparchy of Saints Cyril and Methodius of Slovaks of the Byzantine Rite in Canada, be read the second time and referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders.

He said: Mr. Speaker, with the agreement of the Official Opposition, the New Democratic Party and the independent Member for Edmonton East (Mr. Yurko), and since this Bill has been considered in the Senate and in the Standing Committee on Miscellaneous Private Bills and Standing Orders, I move, seconded by the Hon. Member for Hamilton West (Mr. Hudecki), the Hon. Member for Edmonton North (Mr. Paproski) and the Hon. Member for Saskatoon East (Mr. Ogle):

That the House adopt all stages of Bil S-35 this afternoon without debate.

With the co-operation of the three Parties, I believe there is unanimous consent for adopting all stages of this Bill at this time.

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, we do not intend to debate this Bill. It has been long coming to the House and we hope it will get quick passage.

The Acting Speaker (Mr. Corbin): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

• (1630)

Motion agreed to, Bill read the second time, considered in committee, reported, read the third time and passed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Corbin): Shall all orders listed under Private Members' Public Bills preceding order No. 396 be allowed to stand by unanimous consent?

Mr. Smith: Mr. Speaker, I rise on a point of order. The Hon. Member for Terrebonne (Mr. Comtois) had arranged to be here for a little over the first hour but due to the procedural debate which occurred he had to leave to attend the founding meeting of the new Committee on Senate Reform. He asked me to request that his Bill be stood and his position on the Order Paper protected.

The Acting Speaker (Mr. Corbin): The House has heard the proposal of the Hon. Parliamentary Secretary. Is it agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Corbin): Shall all items preceding No. 482 under Private Members' Public Bills be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

CRIMINAL CODE

AMENDMENT RESPECTING ASSISTANCE TO VICTIMS OF CRIME

Mr. David Kilgour (Edmonton-Strathcona) moved that Bill C-682, an Act to amend the Criminal Code (victims of crime),

be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, it is a pleasure to speak on this Bill which, I am told by the National Association for the Victims of Crime, is the first measure ever introduced into the House to do something for the deplorable condition of the victims of crime across Canada. It is a measure whose time has long since come for many reasons.

First, most of the provisions in the Criminal Code come from the pre-1960 era when crime was a much smaller problem in Canada than it is today. Victims were mere witnesses in the whole procedure. They had no institutional status whatsoever nor even any effective institutional position in our criminal justice system. They are now the forgotten people as any judge, crown attorney, defence attorney, probation officer, or anyone who has ever been in a criminal court would surely agree.

Second, there are unfortunately a great many victims of crime in the country today. Statistics Canada indicates that in 1980, the most recent year for which statistics on reported crimes are available, more than 160,000 Canadians were victims of Criminal Code offences. There were 632 homicides; 836 attempted murders; 124,000 non-sexual assaults; 25,000 robberies; and 12,787 sexual assaults. At this yearly rate we obviously have more than 1.6 million Canadian victims of crime every decade. Unfortunately, the rate is increasing. A lot of crimes are never reported, and I am thinking particularly of sexual assaults. I believe part of the reason for that is that the victims know they will get very harsh treatment in our criminal justice system as it is at present. In January, 1982 the Gallup pool reported that one in four adult Canadians were victims of a Criminal Code offence during the previous 12 months. If that is correct, there were obviously more than 160,000 victims in 1980 or in the current year.

Third, the raw statistics are often not very helpful. Let me give a couple of examples in more real terms. A rape victim is normally obliged to sit in the witness room with friends of the accused attacker. I am told that six in ten fathers of murdered children turn to alcohol; whether or not they become alcoholics, they certainly turn to drink. About six in ten families in which one of the parties has been sexually assaulted break up.

A mother in a northern Alberta town, listening to the untruths spoken by an accused man in court charged with murdering and raping her daughter said, "There was no one even to give me a kleenex. Everything is for the criminal. They are allowed to get on the stand and lie—absolutely lie all they want. You are listening while they are trying to make your daughter out to be a slut and you can't say a thing. I was sick and disgusted. I have no faith in the justice system any more because of what happened at that trial. The justice system doesn't give a damn about the victim."

Don Sullivan, President of the National Association for the Victims of Violence, had a similar experience in the trial of the man who was charged with raping and murdering his daughter. He said, "When the trial is over and the jury hands down the decision, you suddenly realize you sat through 14 months of court and you have heard the murderer talk, the lawyers talk, everybody talk, and you haven't had a chance to say one word."

As someone who has acted in the criminal courts for more than a decade as defence counsel and Crown attorney, I believe the problems of the victims can be reduced to three major ones.

First, they should be given a say in sentencing. This is not illegal at the moment but in practice it is almost unheard of in most criminal courts in Canada. It seems to me the victim or survivor of a deceased victim should at least have a chance to say something in the sentencing process.

Next, I think we should give them a better break in terms of protection from intimidation by accused persons. They should at least have a separate room to sit in while waiting to give testimony.

• (1640)

Third, I believe that we should give victims of crime a chance to apply for mental and physical damages resulting from a crime.

Basically, the Bill establishes a procedure through which a judge could award personal or mental damages to a victim of a crime when someone is found guilty of a crime. The judge could perhaps adjourn the matter of damages but he could hear the evidence, perhaps from a doctor, and award those damages. Some may say that this will delay the courts. The answer is quite clear that the courts should sit longer than six hours a day, which most do at present. If the matter must be adjourned to another day or perhpas even for a hearing by a master in chambers, this could be done as well.

The point is that this system of awarding damages works. I am told that it works very well in Switzerland. For example, it saves the victim of an assault the necessity of hiring a lawyer and waiting for two years while a civil action goes through the courts.

I do not think that there is any question that the last thing on earth that an assailant worries about is being sued by his victim. If this Bill is passed, it would allow the damages question to be settled in the criminal court at the same time as the evidence for a criminal case is heard. I suggest that it would significantly cut down on the time because the same evidence would not have to be heard twice.

I hasten to point out that this Bill is based in large measure on a Bill that was passed in the United States Congress approximately two years ago. That Bill is called The Victim-Witness Protection Act. My Bill simply refers all of these questions to the Attorney General of Canada and the Solicitor General and their provincial counterparts so they can study these problems and come up with a comprehensive plan to help victims within 270 days.

I believe that by working together these law enforcement officials from the federal Government and the Provinces would come up with a very good and comprehensive plan to improve the position of victims.

The Minister of Justice (Mr. MacGuigan) has been kind enough to write me a letter which I received a short while ago today. Allow me to anticipate what may be said on the other side, although I do not see anyone there who intends to speak. One of the provisions to which the Minister objects in my Bill is the one which would give our criminal courts an opportunity to make awards for pain and suffering. It is his belief that this is beyond the Criminal Code power within the Constitution. I would argue that this could be done as an ancillary matter to the criminal law power which this Parliament has.

The second point he makes is that there is already a task force of federal and provincial officials currently looking at these questions. It is to report in June. I am concerned that if this task force follows the practice of other such bodies, it may well not report in June. I would like to see a legislated time period stating that this group must report within nine months. While I hope the Minister is right that the task force will report within a few weeks, I fear that it may not.

I look forward to hearing what other Members have to say about the matter and I hope that the Members present today will see fit to refer this much needed Bill, in my opinion, to the Justice Committee so that it may be examined in detail.

[*Translation*]

Mr. Denis Ethier (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I wish to emphasize the fact that the issue raised by the Bill presented by the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) is a very complex one. I am very interested in the subject of recognizing victims' rights not only formally but also factually, and it is one of my major concerns. Unfortunately, it is also a matter that does not lend itself to quick and easy solutions. In fact, it has given rise to considerable debate and various institutional reforms in many parts of the western world in the last twenty years.

There are a number of factors that explain this newly awakened concern for victims of criminal acts. The suffering of victims appeals directly to our humanitarian feelings, and people are often very surprised when they realize that our judicial system has traditionally acknowledged only very indirect responsibility for providing assistance to victims.

Many people claim that the State has a moral obligation to the victim because our judicial institutions have failed to protect these individuals against crime.

Finally, from the strictly utilitarian point of view, it must be recognized that our judicial system itself, if it is to function properly, depends on the close co-operation of the victim and potential victims. Even if that is not always our main reason for being concerned about what happens to victims of criminal acts, we cannot ignore the findings of various studies on the subject. These studies clearly indicate that victims of criminal acts are becoming more and more reluctant to report such acts to the police and co-operate with police authorities so that the criminal can be apprehended, convicted and punished.

This refusal to co-operate on the part of victims is often related to a previous experience or previous contacts with the judicial system. Very often, such experience only adds to the suffering already caused by being a victim of a criminal act. Confronted with a system that was basically designed to preclude any participation by the victim, the latter cannot but feel profoundly alienated. Furthermore, the victim receives little or no information regarding his rights and duties before the law. Decisions in the case concerning the victim are usually made without consulting him and are very seldom communicated to the victim.

In cases where the judicial system has operated effectively, and the offender has been apprehended and convicted, the sentence seldom takes into account the concerns of the victim and his perfectly legitimate desire to receive some kind of compensation for the harm inflicted on him.

Should we be surprised that an increasingly large group of victims are refusing to report such occurrences to the police?

Fortunately, this loss of confidence in the judicial system is not yet widespread, and there is still time to do something about it. However, it is a very serious and urgent problem, because in the final instance, it may affect the ability of our institutions to maintain order and peace in our society. This loss of confidence may take several forms. When citizens no longer trust the judicial system, they are very tempted to take the law into their own hands. It is not a coincidence that today, we are seeing an increasing number of vigilante groups and private security services.

When a society fails to protect efficiently its members against criminal activities, not only does chaos result but also suffering. It is obvious of course that we cannot remain indifferent to either of those social consequences of crime.

In the past two years the Department of Justice has stepped up its research activities in the field of assistance to victims of criminal acts. However obvious it may be that the best way to assist the victims of criminalaction is still crime prevention—in other words, doing everything possible to prevent victimization—it is still necessary to meet the needs expressed by individuals whose victimization could not be anticipated.

To gain better insight into the needs personally expressed by the victim, we have been listening to the victims and their concerns. Interviews with the victims have enabled us to single out three major types of needs expressed by the victims themselves.

• (1650)

First, the need to be better informed. Too often the victims of criminal acts feel alienated from the criminal justice process. They do not know what their legal rights and obligations are. Oftentimes they are not aware of the legal recourse open to them. Quite often they complain that they are given

little or sketchy information about the decisions which are taken and which concern them.

Second, the need for assistance and support. The victims often ask for concrete assistance and support which existing services are not always in a position to give them. When such services already exist, the necessary mechanisms to make them available and readily accessible are not always adequate. The victims, particularly when they are still under the shock of criminal action, cannot always obtain the services they seek.

Third, ever more victims are asking for the right to participate in the criminal process and to be consulted when decisions which affect them are taken by those who are in charge of the system. They do not understand why they should be excluded from the legal process, and why their claims should not be taken into account.

Many consultations were proposed to meet the needs of victims of crimes. Several people have suggested that new resources should be allocated for the establishment of adequate services for such victim? Others suggest that the people involved in the administration of justice deliberately should accept to review their own practices and attitudes towards the victims. Others want a formal recognition of the rights of victims. Many of those proposals are interesting, but how are the trade-offs to be made? How are we to ensure that the efforts and resources invested in that area will bear fruit and give victims the maximum support? In such a complex matter, we would be remiss if we were to be led haphazardly by proposals and pressures that go against the penal system. Provincial programs for the compensation of victims of crime have been in place for a number of years and the Canadian government has been financially involved.

Besides, and on the initiative especially of women's groups, specialized services have been developed to assist victims of violence in the home and of sexual aggression. Also, with our growing awareness of the extent and significance of the problem of battered children, assistance programs have been developed in that area. More recently, a number of pilot projects have been launched to meet the needs of other groups of victims, on top of the more general types of services that social assistance networks already were in a position to offer, both to the victims and to the citizens at large. However, a review of the services currently available to victims of crime clearly points to the lack of consultation between those services themselves on the one hand and with the criminal justice system on the other. Many of those services have been developed haphazardly, without consultation and especially without an overall and concrete management policy in that area. The lack of such an overall policy has important implications, both for the victims and the criminal justice system. Too many efforts and resources have been squandered in vain by well-intentioned people, for lack of effective co-ordination between the various initiatives. The services whose value and necessity have been acknowledged are in such a bad financial situation that they have been brought to a standstill. The development of a comprehensive policy in that field is therefore a priority. It is a fact which has been recognized by all Canadians ministers in charge of Justice. They have reconvened a federal-provincial task force to consider the whole question. Now that task force should table its report early this summer. It is apparently quite important to try and take advantage of the information gathered and of the recommendations proceeding therefrom. We therefore suggest that we should wait for that report before proceeding with the consideration of this Bill.

[*English*]

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I rise to support Bill C-682.

Some Hon. Members: Hear, hear!

Ms. McDonald: I think it is very important to have this question discussed. There are certain points that could be approved but the general thrust of the legislation is good. Victims are indeed the ignored people in our criminal justice system. This has been pointed out year after year by citizens and by all kinds of groups. The frustration of victims has been pointed out in dealing with the criminal justice system. We have survey information which shows that victims are not well treated. They are confused and they feel that their needs, with good reason, are not being met. It is, therefore, important to address this question.

There are a few points about which I want to raise some questions. First, let me talk about the question of compensation. Clearly there will be difficulties if the offender is in prison. In no way can the prisoner, from the pittance that he is able to earn while incarcerated, pay any compensation ordered. There will also be problems for an offender who is not able to pay, in the loss of a house, for example. If a judgment is entered against an offender, it could be that the wife and children will suffer. Clearly justice will not be advanced in such a case if the wife and children are innocent and have had nothing to do with the offender's action, as is most likely. Indeed, they themselves may be victims of other crimes. It will be entirely inappropriate to make innocent people suffer. This then is a matter that we must ensure is dealt with with a great deal of care.

The question about interfering in the sentencing process generally is a very complex one. I would like to remind the House that very frequently good intentions lead to unexpected results and to results at variance with what was intended. I raise the specific example of diversion projects. We have had all kinds of diversion projects in many Provinces that are intended to see that our overcrowded jails do not become more overcrowded but divert people out of the criminal justice system, especially out of our institutions, and into other forms of community treatment through community service orders. In other words, we seek alternative sentences that would attempt in a very fundamental way to redress the wrong that is done in a way that is satisfactory to victims. These are important considerations, very valid ones and ones certainly similar to the general thrust of the Bill before us. However, what happens

very often with these attempts at diversion is that a new layer of persons becomes integrated into the criminal justice system. We have the same number of people going to jail and, indeed, in some places a greater number of people going to jail. Yet we have this new layer of offenders who are added to the system and who are dealt with in the community. The diversion does not keep people out of the criminal justice system but simply adds a new layer of less important offenders who get a level of treatment not as bad as incarceration but nevertheless have their lives interfered with in a serious way.

It is important that these considerations be addressed to ensure that we do not add a new layer of offenders. We should have better methods of dealing with offenders and of reintegrating people. We should ensure that the needs of victims are respected and are met as far as possible.

• (1700)

Now I would like to turn to the issue of jurisdiction. Of course, the Criminal Code is a federal matter, and civil matters come under the jurisdiction of the Provinces. Victims have to seek restitution civilly; they are required to go to the civil courts on such matters. This is clearly inconvenient for them. I am sure one of the purposes of the Bill is to ensure that they do not have to go to two courts but only to one court to have both matters dealt with at the same time. This would be a great convenience, but there are problems because civil matters come under provincial jurisdiction. It is important that we do not have the strong arm of the federal Government moving into a provincial area. This is something which must be carefully considered, with the participation of provincial attorneys general. Some kind of arrangement should be made that would be acceptable to all of them. Certainly the matter should be explored, but it should not be proceeded with in a heavy-handed way by simply taking over another area of jurisdiction.

Subclauses 3(d) and (e) provide for consultation with victims at various stages. Certainly I support the principle that victims ought to be consulted and heard in the process of the matter going to court and in the process of sentencing. I do not want to indicate precisely how they could be heard. Perhaps they could be seen by probation officers or have input at the time of pre-sentence reports, for example. However, the provisions in the current Bill are cumbersome. I think they would be extremely expensive and there would be an enormous amount of administrative work involved in sending out forms to numerous people at the various stages of the procedure. I think the provisions are excessive, although I support the principle of consultation. We want to work out precisely how this should be done. It should be simplified and we should not add an enormous bureaucracy to deal with the victims of crime. Bureaucracies create their own problems. I want to simplify matters rather than to introduce an expensive and cumbersome new procedure.

I speak in favour of the Bill. I think it should be referred to the Standing Committee on Justice and Legal Affairs. Its general thrust is good, but there are matters to be worked out. The Committee needs to be directing its attention to this very important question. It should hear from witnesses who could provide some expert advice on how to refine it.

The second choice, which one could expect the Government to argue, is that this matter should be considered in conjunction with the general sentencing project which, we could say optimistically, will be coming up next Fall, at the earliest. I would rather see us proceed with this in the near future than postpone it. The merits of the Bill are sufficient that we should not leave it to the general sentencing review. We should begin to address the entire complex area of giving due regard to victims of crime without further delay.

Mr. Scott Fennell (Ontario): Mr. Speaker, this Bill concerns a matter which is very close to my heart. I have worked on it for approximately three years. Its subject matter came to my attention through a constituent of mine, Mr. Don Sullivan, whose daughter was murdered, to whom the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) referred. He faced a real tragedy when his daughter was murdered by a man on mandatory supervision. After his frustration with the legal forces in the region, he got in touch with me. The message I gave him, which he carried forward, was: "Don, keep your cool; don't be antagonistic because you really have an important message". He has done that extremely well. He has handled himself beautifully across the country.

I have asked questions in the House of the Minister of Justice (Mr. MacGuigan) and of the Minister of National Revenue (Mr. Bussières). I really wanted the Minister of National Revenue to give a charitable donation number to the victims of violence organization. Personally I do not believe in grants—and I discovered that grants were coming from the Minister of Justice—but I believe in helping people to help themselves. The request was turned down on the basis that the organization must change its position in order to obtain a proper number. The organization is prepared to co-operate as long as the Minister discusses the matter with me.

The Hon. Member for Edmonton-Strathcona and the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) have been of great support in this cause. Through the contact of Don Sullivan with other people across the country, chapters have been set up in Vancouver, Edmonton and other parts of Canada. Victims of Violence has taken a very positive position. It has been set up to provide a listening board for families who are in a state of shock, some for at least two years.

Another gentleman in my riding was brutally killed. His wife called me a number of times. I told her that she should talk to Don Sullivan who could relate what he has been through and help her. This woman was really distraught. It was a terrible experience for her and her family. Finally she was in touch with Victims of Violence and discovered that she had a forum in which to express her concerns and her feelings, which were similar to those of other victims of crime. These feelings start out as anger against society. These people feel an inner frustration because they cannot do anything. They cannot spill out their feelings or get anyone to listen.

To establish a government agency for this purpose will not solve the problem because a social worker, psychiatrist, sociologist, or whoever, has never lived the experience of having a loved one killed. The Bill adapts itself to the problem. Even though we have the Constitution, the Charter of Rights and Freedoms and the law, there is little to look after the poor guy who is really hurt. The criminal is fully protected and receives his just dues under the law, but the Bill addresses those people who suffer because of the crime.

The Hon. Member for Edmonton-Strathcona, the Hon. Member for Surrey-White Rock-North Delta and I have received various letters which refer to the advantages of listening to Don Sullivan on the radio and talking to the people in his group. One letter referred to the fact that it would be beneficial for the average citizen to listen to the comments of Mr. Sullivan. The last sentence of one letter read, "Keep up the great work, Scott; we are all behind you 100 per cent". This makes it worth-while.

As I indicated earlier, I really wanted to speak on this Bill because I feel for these people. I have two daughters, three sons and a wife. I am lucky that nothing has happened to them. I know how I would feel, and I can relate to how these other people must feel.

Just after the court proceedings, Don Sullivan wrote a letter to me in which he said this:

> I went to these proceedings with the thought of vengeance for my daughter and my family and was looking for the courts to give it to me. But, as the trial unfolded my thoughts started to change to wanting justice to be done, which is a big difference. Then, to my grief and dismay, I started to hear that my daughter died needlessly, in fact, she died because of our system.

This is really what it is all about. It is difficult to understand until one is exposed to the suffering of these victims.

Since I have been a Member of the House of Commons there have been four such cases in my riding. I am in a very peaceful, safe community where these kinds of things do not happen. I am not in the centre of the City of Toronto. I am on the outskirts of a city, in a farming community, a dormitory community. It is the trauma that these people go through. I have seen all of them.

• (1710)

The first one was a great shock to me. During the second election, a man ran up to me on the street and asked me directly "Mr. Fennell, are you for or against capital punishment?" We discussed it. The next thing I knew, I was at his funeral. I saw his wife and children there. It was hard to realize that they were left alone with nobody to talk to other than family. They had nobody who had the same experience.

It is for this reason that I think this Bill should go to committee. The Bill is not perfect, as I do not think any Bill brought forward by this Government is perfect. However, it should be allowed to go to committee. I plead with the other side to permit this to happen. This is a very important start. We are not in any rush for this Bill to be brought forward, but we want something done for those who suffer so dramatically by the loss of a loved one.

There is another point I would like to deal with. The Minister of Justice has written to us and stated his tremendous personal interest. His problem is that he wants to set up a task force. Unfortunately, the victims of violence will be excluded from all the hearings on the Bill in the Senate at the present time. How do we know that those people will be heard? Will it only be the bureaucrats, the police and the lawyers who can contribute to this?

Unfortunately, I do not have faith. I want to know that these people can be heard. The only way I can be sure is if this matter is allowed to go to committee to be thoroughly reviewed and discussed. When witnesses are brought in, Members of Parliament will get the feeling of what these people go through.

I appreciate the support we have from our friends in the NDP, in particular the Hon. Member for Burnaby (Mr. Robinson). There have been only a few people who supported the Bill. I appreciate the support, as does Don Sullivan. I am sure that every Member wants to stand up and express the feeling that we have expressed in the House.

I plead with the Opposition—I mean the Government. I feel it is the Opposition in this case. I appeal to the opposition, who happens to be the Government today, not to talk this Bill out, but, instead, move it to committee because this is a worthwhile subject. It takes care of many people who are hurting. Since 1978, the number of these people has multiplied 300 per cent.

I appreciate the opportunity to talk on this Bill. I feel it is very important for the citizens of this country. It is important to every family in this country because it could happen to anybody. Once again I plead with the Government for this Bill to go to committee.

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the Bill introduced by the Hon. Member for Edmonton Strathcona (Mr. Kilgour), Bill C-682, proposes to amend the Criminal Code to provide assistance to victims of crime. I note with interest that several of the provisions are almost identical to those in the United States Victim-Witness Protection Act, 1982.

I know that the Minister of Justice (Mr. MacGuigan) shares the Hon. Member's interest in providing assistance to victims of crime. In fact, the Minister indicated his concern to the Hon. Member for Edmonton Strathcona on April 26 when he appeared before the Standing Committee on Justice and Legal Affairs.

Many suggest that the victim has been a forgotten person in the criminal justice process. The system places many demands on the victim, especially when appearing as a witness in a trial. However, it seems that at the same time the emotional, physical and financial needs of the victim-witness are not adequately dealt with by the system. He may suffer loss of wages, transportation difficulties, lack of information about the investigation or the prosecution, or about the services which are available to him. Is it any wonder then that the

victim perceives that the criminal justice system is overly concerned with punishing the offender and insufficiently concerned with the needs of the innocent victim?

I am sure that every Member in this House would agree that we must overcome this neglect of the victim. In fact, in July, 1981 the Ministry of the Solicitor General and the Department of Justice undertook a comprehensive review to assess the victims' needs and the gaps in delivery of services to victims, to promote improved services for victims of crime and to develop ways of disseminating informatiom to victims. In addition, to complement this work, in December of that year a federal-provincial task force was created to promote cross-jurisdiction co-ordination in the area of assistance to victims in light of the primary provincial responsibility in administration of justice to provide services to victims. I understand that the task force will submit its report to the Ministers responsible for Justice in a few weeks' time.

I understand that many of the provisions in Bill C-682 are in fact being considered by that task force. It is examining the needs of victims and their experiences in the criminal justice system. It is exploring appropriate legislative opinions to give greater recognition to victims of crime. The task force is also exploring funding implications, both to the federal and provincial Governments, of better and more effective services to victims.

What is perhaps most important from the federal Government's point of view is that the task force is examining the division of responsibility between the federal and provincial Governments and will take this division of responsibility into account when it drafts its recommendations.

This task force seems to meet the need in Clause 2 of the Hon. Member's Bill that the Ministers responsible for Justice "consult with the provincial counterpart". In fact, given their wide mandate and the protracted period of time that the task force has been studying this whole area, it would be less than wise to put forward any kind of Bill which does not take their recommendations into account.

Let me assure the Hon. Member and this House that it is my understanding that the Minister of Justice intends to do just that. The recommendations of the task force will be studied in detail by the Minister, and the options for implementing appropriate recommendations will be assessed in the light of the extensive research that has been done by the Department of Justice for more than 18 months.

Even though the Hon. Member's Bill is to be applauded, it does not in fact address many of the issues that the Department of Justice and the task force are considering. The Minister of Justice, in collaboration with his colleague the Solicitor General (Mr. Kaplan) and their provincial counterparts, intends to address the subject of assistance to victims in a comprehensive manner when they meet in early July to consider the task force report.

Let me now examine the content of Bill C-682. The first Clause deals with compensation to victims of crime. It proposes to add Section 655.1 to the Criminal Code which will allow a court that has convicted a person of an offence, before imposing sentence, to order the accused to pay compensation to anyone who has suffered physical or mental injury as a result of the offence. The current provision, Section 653, allows a court which has convicted a person of an indictable offence at the time of sentencing to order compensation for damage to or loss of property.

The proposed amendment will broaden the scope of the Section to include summary conviction offences, and would allow an order to be made before, and not as part of, the sentence handed down. Furthermore, it seeks to extend awards of compensation for physical or mental injury or, in other words, for pain and suffering. This would most likely be held by the courts to be unconstitutional. The Supreme Court of Canada held that Section 653 of the Code was intra vires of the federal Parliament because it was part of the sentencing process, a process which comes under the criminal law power as set out in the Constitution. The Court indicated furthermore that the provision for compensation was valid only for readily ascertainable loss or damage to property. This is partly because the criminal courts have no experience in determining the quantum of damages, and partly because the introduction of medical evidence at a criminal trial would confuse the civil rules of evidence with the criminal rules.

• (1720)

The second part of Clause 1 allows for the filing and execution of an order for compensation as a civil judgment. This is the same procedure that is already allowed under Section 653 of the Code. In fact, the enforcement of civil orders for damages, and particularly criminal orders filed as civil judgments, are frustrating for the victim and of no particular use at all when the offender has no money or is serving a term in jail.

I have already mentioned Clause 2 of the Bill which calls upon the Minister of Justice and the Solicitor General to consult with their provincial counterparts to develop and implement guidelines for victim assistance. In fact, as I have stated, this is well under way.

Clause 3 lists the objectives to be considered in developing the guidelines. Both Clauses appear to be based on the American legislation which called upon the U.S. Attorney General to develop guidelines for the fair treatment of victims of crime.

As I have indicated, the federal-provincial task force has accomplished much of what Clauses 2 and 3 propose. Many of the matters specified in the Hon. Member's Bill are clearly not appropriate for inclusion in the Criminal Code. Rather, these matters should be the subject of uniform guidelines or policy directives which the provincial Attorneys General may give to police officers and court officials, including Crown counsel, in their respective Provinces.

The proposals set out in Clause 3 reinforce even further the need for federal-provincial co-operation in this area. Let me explain. Paragraph (a) deals with services to victims of crime which should be provided by law enforcement officers. It stipulates that law enforcement personnel are to ensure that victims routinely receive emergency social and medical services

and information on specified topics. This guideline would apply to the police who could only comply if the necessary services existed within the particular community. Such a guideline would have to be considered by the provincial Attorneys General.

Paragraph (b) calls for notifying a victim or witness of measures that the police can take to protect them from intimidation by the offender. Although this is a problem in the United States, we have little evidence of its magnitude in Canada. A victim only needs to be told to report any threat or act of intimidation to the police. This guideline would also require the consideration of the provincial Attorneys General.

The next two paragraphs call for notifying the victim and witnesses of changes in the dates of their appearances in court and of the dates of various stages of the criminal process from arrest to the date of sentence. These matters are part of the administration of justice and are the domain of the Provinces. Thus, the provincial Attorneys General will have to consider them.

Paragraph (e) concerns consultations between the victim and the federal Crown prosecutor. I assume that the Hon. Member intended to say prosecutor since Criminal Code offences are prosecuted by provincial Attorneys General. This guideline requires the prosecutor to obtain the views of the victim or his family on the disposition of the case, dismissal of charges, bail if granted, plea bargaining, etc. We understand that in serious cases, Crown attorneys do consult with the victim on certain of these matters. Of course this should be encouraged.

I would think, Mr. Speaker, that a more effective way of finding out how the victim feels is to include a victim impact statement as part of the pre-sentence report presented to the sentencing judge. This statement would be one of the many factors considered by the judge in imposing sentence on the convicted offender. It would give the victim a chance to tell the judge the extent of the injury, damage or loss which he has suffered by the actions of the accused. The victim could also express his own views on what he thinks the appropriate sentence should be. This would increase the feeling on the part of the victim of having an active role in the process, a role that, until now, seems to have virtually been ignored.

Other proposals for separate waiting areas for victims and Crown witnesses, for the training of police in victim assistance and for the provision of certain services, are again the responsibility of the provincial Attorneys General as part of the administration of justice in the Provinces.

Finally, notifying employers and creditors of the problem that the victim or witness may face has not been seen in Canada to be a concern of victims. Guidelines which propose the prompt return of property are being examined by the Minister of Justice as part of the package he intends to present to the House after he reviews the recommendations of the task force.

The final Clause of the Hon. Member's Bill disallows a cause of action against the Crown as a result of a breach of the provisions of the Bill. This is another clause that is borrowed from American law, but it is not applicable in Canada since the proposed guidelines do not fall within the scope of the federal criminal law power.

In conclusion, Mr. Speaker, the subject of assistance to victims is a matter of high priority for the Minister of Justice, and I am sure that he would agree with me that it should also be dealt with on a non-partisan basis. I applaud and support the Hon. Member in this initiative.

The sentencing reform package, which will be presented to Parliament by the Minister of Justice this Fall, will include specific amendments to the Criminal Code designed to provide for greater use of restitution and compensation to assist the victims of crime. It is only by dealing with the matter in a comprehensive way that our efforts will be effective in providing the kind of help that victims need.

I wish to thank the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) for bringing to our attention the very real problem that victims face. For too long we as a society have shown an over-abundance of concern for the criminal but, in a large part, have ignored the innocent victim. Mr. Speaker, we should wait for the task force report and the proposals of the Minister of Justice.

Mr. Howard Crosby (Halifax West): Mr. Speaker, I would like to join in the debate on the Bill introduced by the Hon. Member for Edmonton-Strathcona (Mr. Kilgour), Bill C-682, and support not only the provisions which have been incorporated in the Bill, but the spirit of those provisions. We in Canada have suffered under the duality of a criminal justice system that allows the Parliament of Canada to enact the laws applicable to crime in Canada and require the provincial authorities to administer those laws. As a result, there is very little unity in the criminal justice system in Canada, which results particularly in situations that this Bill seeks to remedy, namely, the situation in which the victims of crime find themselves in Canada.

We have just seen evidence in the remarks of the Parliamentary Secretary to the Minister of National Revenue (Mr. Bloomfield) of the fact that this duality prevents the necessary action from being taken by either one of the jurisdictions. I believe the Bill introduced by the Hon. Member for Edmonton-Strathcona goes right to the heart of that problem. It does very important things, Mr. Speaker. It contains specific provisions whereby the victim of a specific crime brought before a court for which a person is convicted anc receive, by an order of that court, every specific compensation. I find it hard to believe that any Member of the House of Commons would quarrel with that kind of a provision.

Even more important, the Bill would force federal administrators and provincial administrators to get together and find a method and a system for assisting victims of crime through the labyrinth of the criminal process. The best kind of crime prevention, Mr. Speaker, is a system which ensures that criminals are apprehended and prosecuted before the courts and dealt with in accordance with the applicable laws. In other

words, criminal offenders cannot go undetected and unpunished.

A large element in this system of criminal detection and prevention is the innocent victims who are involved in the crimes. How many times, Mr. Speaker, has a person had his house burgled as property damaged and simply refused to get involved in the criminal process, knowing it could take time and effort on his part, and knowing it would expose him to embarrassment and even the wrath of the offender? This bill in its substance attacks that problem in a very understanding way, and I commend the Hon. Member for Edmonton-Strathcona for his insight into the situation. This ensures that Canadians who are victimized in this way will be helped immediately by the police authorities and will be given immediate relief and assistance as they enter into that criminal procedure process which so many Canadians find distasteful.

I cannot help but be reminded, Mr. Speaker, of an incident which occurred to me very recently in my home city of Halifax. My car was badly damaged by a vandal. I contacted the police because I was willing to involve myself in the criminal process and to appear in court, if that were necessary, to give evidence. I was willing to utilize my time to ensure that such a vicious crime, even at that minor level, would not go unpunished. After reporting the incident to a constable on the Halifax city police force, I was given this bit of advice; that I should call my insurance company and forget about it because they would pay me compensation, and that would be the end of the matter. That should not be the end of the matter, Mr. Speaker, because the only way that Canadians are going to protect themselves from that kind of unlawful act is to see that the offender is apprehended and prosecuted. If we do not provide a criminal justice system and criminal law enforcement agencies that realize and recognize those needs and react and act in response to those needs, then we will not have any hope for improvement of our current system.

I am happy that we will have an opportunity to vote on this Bill so that it will go to the Committee on Justice and Legal Affairs and be considered there. May I again endorse the position taken by the Hon. Member, represented by the provisions of this Bill, first, to provide specific compensation to victims of crime and, second, to ensure that the whole matter is reviewed and dealt with by the federal and provincial authorities so that we can have some real and meaningful improvement in our system which will benefit all Canadians, because it will ensure that criminal offenders are apprehended and prosecuted and brought to justice.

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I would like to take a moment to thank the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) for his work on this private Member's Bill, which is on a subject of current interest. As all Hon. Members of this House know, the matter is in the hands of the federal task force which will be reporting very soon and will give an opportunity for the provincial Attorneys General and their officials to consider the matter. As we know, the administration of justice is a matter of concern specifically to the Attorneys General of the Provinces.

The Acting Speaker (Mr. Corbin): Order. Pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings.

[*Translation*]

There being no other items on the order of business for today, the House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 2(1).

At 5.35 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 26, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1983-84 (NO. 2)

MEASURE TO ESTABLISH

The House resumed from Tuesday, May 17, 1983, consideration of the motion of Mr. Cosgrove that Bill C-151, an Act to provide supplementary borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Blaker): My understanding is that the floor is free at the moment. I will therefore recognize the Hon. Member for Peace River.

Mr. Albert Cooper (Peace River): Mr. Speaker, I am pleased to have the opportunity to enter into debate on this borrowing Bill. It is obviously an important subject for the House to consider. It is one which I think has become increasingly important to Canadians from coast to coast because, more and more, what the Government does with its money, how it obtains its money and the way it spends it, is having an increasingly dramatic effect on our lives, whether we be farmers, businessmen, housewives or Canadians in virtually all walks of life. It has now come to the point where it has become very significant to us. That fact was driven home to me last night as I was returning from Toronto. I was speaking with a cab driver about the impact taxes are having on his life, on his job and all the other effects.

This is, in fact, the seventh borrowing Bill with which we have dealt in this long session, one which seems to be going on forever and ever. We are wondering whether this session will ever end. I understand the total borrowing now amounts to some $77 billion, somewhere in the neighbourhood of $77,300 million, which is an awesome amount of money. At one point we would have considered $1 billion as being a figure we could hardly imagine, yet today it is becoming quite commonplace. I understand, in fact, that at this point the Government already has some accumulated borrowing authority in the neighbourhood of $16 billion. I understand that comes from a certain amount of carryover. We find out that what the Government really needs this time is in the neighbourhood of $10 billion. What the Government is asking for, however, is around $14 billion. As a result there is a surplus amount of $2 billion for this year or perhaps for the next year. The question that remains is why there is this surplus and why these requests have been averaged. Is it in fact nothing more than a type of hiding or delay?

• (1110)

When one looks at the projected Government borrowing requirements for the next while, to the year 1987, one sees that the Government will be looking for some $93 billion. That is an astounding amount of money. Perhaps that is why we are seeing an increased borrowing at this particular time rather than for the amount that is actually needed. Is it because the Government does not want to startle Canadians with those high figures and is trying to average it out over time and create a nonchalant feeling about the significance of a billion dollars? Perhaps it is the fact that it will end up creating a need for less the next time. In other words, simply forestall and delay the borrowing requirements over a period of time.

Obviously we and all Canadians want to warn the Government that we are concerned about deficits. I would like to refer to a recent article in the *Ottawa Letter*, Vol. XVI, No. 20, page 156 which describes this concern rather dramatically:

> In a Gallup Poll released May 12, an overwhelming 85 per cent of Canadians think that the federal government should introduce economy measures to lower the huge federal deficit. No matter which party they support politically, those surveyed were of the same mind. Eighty-nine per cent of Conservative supporters chose economy measures as the best deficit-fighter; 85 per cent of New Democrat supporters wanted economy measures; and 82 per cent of Liberal supporters in the survey wanted more economy measures. Only 3 per cent of those questioned in the late March survey wanted higher taxes to fight the deficit—

That is something that I believe all of us can understand and identify.

> —and 5 per cent suggested that borrowing abroad would be the best solution.

Essentially, the fact is that Canadians are becoming very concerned about deficits because they see it having a dramatic impact upon them. I think that fact is demonstrated very well in this recent Gallup poll. Only 3 per cent of Canadians want to see an increase in taxes in order to solve the deficit problem. That is a natural reaction. Once people see the relationship between the deficit and their own tax burden, they obviously will want to have that deficit cut back. I suggest that is the situation today and why we in the Opposition, when we discuss a borrowing Bill, want to warn the Government of the serious situation which exists when it allows the deficit to grow.

We find that deficits will have an inflationary pressure on the economy. It will tend to stimulate inflation which I believe is a generally accepted view.

We also find that the Government is now projecting deficits of over $25 billion for the next four years. We can begin to see

and forecast the kind of pressure that will place on our economy. I understand the Government currently has in the neighbourhood of $115 billion in unmatured Government debt. That is debt that has not yet come due but will in the near future. We are now arriving at a situation where the debt load itself is adding to the deficit significantly. Presently, $1 out of $3 in revenues that come to the Government are going to service the debt itself. Every third dollar coming into the Canadian Government is going out to pay the deficit with which it is currently faced. Half of this year's deficit comes from financing deficits accumulated over the past few years. This becomes even more significant when you think about the fact that over the next four years we are projecting high budget deficits of over $25 billion per year. Government spending is now 26 per cent of the Gross National Product which is having a very significant impact on the Canadian economy and all Canadians. Eighty-four per cent of the savings of those who put their money into a savings account for a period of time is going to be needed to meet the financial requirements of the Government.

• (1115)

Therefore, the Government will be in a situation where it will be forced to grab a very large chunk of available funds that would normally be allowed to go into the regular economy to stimulate it, and create the jobs and the opportunities which all Canadians want. I am thinking particularly, as youth critic for my Party, of the young people who so desperately need employment opportunities at this point. The unemployment rates for our young people are running between 23 per cent and 25 per cent. The projections of the Canadian Conference Board indicate these rates will continue in that fashion well into the 1990s. This is a very serious situation and it demonstrates the future of our country and our economy.

Speaking of the future, this is one of the big concerns that we have with this borrowing Bill. Essentially, the Government is borrowing against the future of our country. Our young Canadians must realize that their future is in a sense being mortgaged to finance the present situation, which has a significant impact in the country. It destroys investor confidence which in turn does not create jobs. Those people who are unemployed are forced to collect Unemployment Insurance, putting a further drain and pressure on Government spending. It forces a whole cyclical approach.

When confidence in the country's future is destroyed and you start to borrow against it, pressure is put on interest rates. Interest rates become a very important factor when you are trying to turn an economy around. This is significant to a small, struggling business that employs, three, five, six, or eight people. Interest rates are one of the biggest expenses people in small business are forced to face in the every day existence and survival of their business. With those high interest rates and the pressures associated with it, jobs are threatened. Once again, the whole cycle starts rolling again.

Then there is the pressure that is put on the dollar. That has a particular impact on Canadians because we tend to import many things on which we rely for our day to day living; for example, food in the winter and clothing. This in turn puts pressure on the Canadian economy.

Instead of trimming the fat of Government spending, this Government continues to carry on in much the same tradition that we have seen over a period of time. There is the whole idea of the pork barrel. We saw that recently in the Gillespie coalgate affair. We have seen the Prime Minister (Mr. Trudeau) hire his friends; for example, the architect for the American embassy. We have seen mismanagement in some of the Crown Corporations. The most significant one of late that has been the topic of discussion in all our newspapers is Canadair. There are some concerns with Canadair. Canadair should be a topic of discussion before Parliament. We have to discuss those types of issues and address the very serious problem as to whether or not the taxpayers' dollars are being well spent and well invested.

Another area of Government expense that I find most aggravating is what we call advocacy advertising. We saw that most glaringly in two recent examples. The first one occurred during the constitutional debate. We saw the beautiful geese flying across the water. The Canadian taxpayer was paying for that. It was an advertisement advocating a particular position which was not yet the position of the Canadian people or of Parliament; it was simply the position of the Government, the Liberal Party. We saw it very recently, in the last few weeks, in terms of the advertising of the Crow rate issue. We know what is happening today in this regard. The Government is spending a significant amount of money to put forward its position on the Crow rate at the expense of taxpayers. We have to look very carefully at some of the areas in which we could begin to trim Government spending.

• (1120)

Of course we would like to encourage entrepreneurs to get out and enrich the country, which would essentially increase revenues to Government, by creating opportunities and employment. Instead we find the Government stifling them by continuing policies such as the National Energy Program, which is of particular interest to myself. In my riding unemployment quadrupled as a result of the National Energy Program. What happened was that a number of small Canadian firms that were struggling in the oil industry for ten years to 15 years and had increased their employees from two or three to perhaps 15 or 20, supplied welding material, cars, trucks, oil, gas, or whatever were the particular needs of the oil rigs in the area. But when the National Energy Program came in, all this suddenly ground to a halt. The net result was that unemployment in my area went up four times because of one program that instead of increasing revenues, which seemed to have been the Government's purpose, actually resulted in lost tax revenues and unemployment in my area rising.

We have concerns for small-businessmen. There are many things we could do in order to create opportunity for them. I receive constant mail about the paperwork they are required to do. It is becoming so complex and technical to operate small

businesses that business people are now spending a lot of their funding on high-priced accountants and advisers, which money could be going to create a stable situation in their business opportunities and thereby create more jobs.

I see my time has just about run out. In an attempt to wrap up, I want to emphasize that the whole business of Government borrowing and spending is a very serious matter. It is becoming very serious to all Canadians. They view it as being a personal issue. Again I refer to that Gallup poll. People now see it as being a significant issue. They are now relating it to themselves personally. They are now seeing that unless the deficit is dealt with, very soon the Government will have to raise taxes and as a result all Canadians will have to pay.

I want to conclude by saying that it is an important issue. The Government will have to look at its spending and encourage the private sector because it is the only way we will be able to raise revenues in the country and, as a result, reduce the pressures on the deficit.

Mr. Cosgrove: Mr. Speaker, I would like to ask the Hon. Member for Peace River (Mr. Cooper) a question. He referred to supporting and encouraging the entrepreneur and assisting the private sector to maximize profits. Bearing in mind the advice given to Canadians by the Catholic Bishops in the document entitled "Ethical Reflections on the Economic Crisis", in which they called for economic policies that realized the needs of the poor as a priority over the wants of the rich and indicated that the rights of workers are more important than the maximization of profits, is the Hon. Member satisfied that his plans to help with the profits of the private sector will guarantee that the economic benefits will indeed be shared by poor people? Does he not see some value in the borrowing authority before us today which will help the Government with its policies to assist the unemployed, for example natives?

• (1125)

Mr. Cooper: Mr. Speaker, I was also very interested in the Bishops' statement and read it with great care. I found the area the Minister referred to very interesting. It caused some thought. The more I read on in that report, the more I become aware that one of the things the Bishops put forward was the fact that many people have to be able to create opportunities that will help themselves in their own situations. I refer to one example the Bishops put forward, the whole area of encouraging co-operatives, encouraging co-operative investment in communities. We see that in housing and employment.

In my area a grocery store was put together by the farming community. A group of farmers got together. This has created significant employment. They provide a good product at a reasonable price. It is working very well.

The Minister used the words "profits of those companies". I do not think that is necessarily what is significant. What you are doing is looking after the well-being of the corporation. That will translate into security of employees, which is very significant. The Bishops related to that very well. If the Minister reads further in that statement, he will find it in there.

Mr. Cosgrove: Mr. Speaker, is the Hon. Member therefore in agreement with the increased allocation the Government has given toward co-operative housing, which now carries a total financial cost of $500 million annually in support of co-op housing? I will put my question another way. I take it the Hon. Member agrees with that part of the Government's initiative that supports co-op housing and that it is a cost that will have to be shared by all Canadians in the future.

Mr. Cooper: Mr. Speaker, what the Minister is effectively trying to do is turn my argument around. I talked about Government fat, the need to trim it and the need to look very closely at Government waste. There are programs which have some legitimacy, significance and importance. None of us disputes that fact. That does not destroy my essential argument, which is that there is fat in the Government's budgets that should be trimmed. I referred to a couple of examples. Something we would like to look at is Canadair. We would like that brought forward for parliamentary debate. Also, let us look at the Gillespie coalgate affair. Let us look at the architect chosen to do the embassy job in the United States. It is that kind of thing that is Government fat. There is no point trying to compare a legitimate Government program with one that is waste and saying that if you accept this, yoou accept the other. That is not the case and the Minister should recognize that.

Mr. Cosgrove: With respect, Mr. Speaker, the Hon. Member cannot have it both ways. If he says he relies on the statement of the Bishops as to what the Government can do, he cannot disavow what the Bishops say. The Bishops say:

> In our view, it is important to increase the self-sufficiency of Canada's industries—

The Government is doing that with Canadair. The support of technology in that industry is one of the more significant ways in which the Government supports private industry to be a leader in the industries of the future. How can the Hon. Member complain about that when the Government is doing exactly what the Bishops asked it to do?

Mr. Cooper: Mr. Speaker, I just heard the comment made that Canadair is not a leader, it is a laughing stock in terms of what it is doing in advances. If the Minister wants to talk about the Biships' statement, he should look at the speech that I made in that regard. I thought their statement was very significant. I have given a great deal of thought to it. I made a speech, which is on the record of this House, in which I stated I felt it was significant.

I am not disputing some of the solutions put forward by the Bishops. At the same time, I am not saying that is justification for the Government to go ahead and not look at the waste that is in its budgets. The Minister will have to accept the fact that there is a certain amount of waste.

There are legitimate programs. One program that is very important now is Unemployment Insurance. Everyone in this

House can relate to an individual Canadian who is now collecting Unemployment Insurance and who comes under that program. It is a legitimate program. It costs money. I am not saying that that makes it wrong, but the point I am trying to get across to the Minister and to the Members on that side is, let us look for the waste. There is waste. The Minister would not have to look very far, I am sure, even in his own Department, to begin to find some of that waste. That is what we want to address because that is how we will ultimately reduce the deficit.

• (1130)

The Acting Speaker (Mr. Blaker): Questions, comments? Debate.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, Bill C-151 on the borrowing authority shows that the Government has no shame. It lacks wisdom, it lacks decency, it lacks respect for ordinary people, it lacks compassion for the unemployed, the elderly and especially elderly Canadian women who have spent their lives raising our country's children and face retirement without a decent pension. The Government now shows a lack of ability even to blush.

The approach taken in the borrowing authority Bill is the big lie: It is better to borrow an outrageous amount of money than to reveal economic incompetence bit by bit by borrowing billion by billion. The Government has even admitted that it does not need all of the money immediately. It needs the money for so-called contingencies so it will not have to raise the delicate issue of our economic problems closer to election time and so it will have cash on hand for the projects which Liberal Cabinet Ministers will be announcing. At these announcements, there will be fanfare, there will be the opportunity for political speeches and the opportunity to operate the traditional Liberal pre-electoral pork barrel.

The borrowing authority is the logical accompaniment to the budget. The budget announced a series of projects. These projects are of modest proportion but they will afford splendid opportunities for Cabinet Ministers to make public appearances and to give the appearance that they are doing something for the economy. The appearance is there, yes, but the reality is not.

What is wrong, Mr. Speaker, with borrowing? Of course, it depends on what the money will be used for. We could accept the borrowing if it were part of a long-term economic recovery plan, if the Government would begin to recognize our serious economic and structural problems, if it would begin to solve these problems and if the borrowing would provide money that would go into real, substantial, well thought out job creation programs. We could accept the borrowing if it would mean that people would get back to work and start paying taxes again instead of taking Unemployment Insurance, thereby creating demands for other goods and services and putting more people to work. We could accept the borrowing if it were directed to the recovery of the economy, for that would reduce the long-term drain on the economy as dividends, interest payments and management fees go out of the country.

If it would save the generation of our children and our grandchildren from having to continue to pay for our economic short-sightedness, we could accept the borrowing. Even if the money would go to increase pensions, for example, or social services, it would be serving the higher purposes of decency and equity. It would not be building a long-term economy, of course, but the economic consequences would at least be partially good because people at the margin would spend their additional income mainly on domestic goods and services. They would be creating employment for unemployed Canadians and unemployment is the major problem that we face at the present time. Unemployment is the problem that we should certainly be addressing.

We could accept the borrowing if it were directed toward research and development, and I do mean serious research and development, not the band-aid measures that were announced in the budget and not in isolation from other institutional changes which are needed. With our branch plant economy, we will never have enough research and development because branch plants are not intended to do research and development and put products on the market which would compete with the home country. But we need to spend more money on research and development if we are to have an efficient and productive economy and if we are to reap economic benefits when we begin to do this.

[*Translation*]

Unfortunately, the purpose of the Government's spending program is not to provide for research and development projects, social services, economic recovery and job creation, not according to the budget that was brought down recently by the Minister of Finance (Mr. Lalonde).

What is the purpose of this budget? It is to give handouts to private corporations. Small- and medium-sized businesses stand to benefit very little, despite the fact that, as employers, they are very important to our economy. Once again, the Government is demonstrating its lack of consideration, even contempt, for small- and medium-sized businesses. This is a pre-election budget where expenditures have been chosen for their publicity value. The budget gives Liberal Ministers an opportunity to announce projects, to cut ribbons and open institutions, research centres, improved harbour facilities, and so forth. These projects must be paid for through taxes and loans that will have to be reimbursed later on. This makes the budget even less attractive, because the bills will be paid by low- and middle-income Canadians. The same budget announced tax increases for low- and middle-income Canadians, in the form of capped deductions and postponed sales taxes. The budget grants tax rebates to private corporations and so, the Government is demanding more and more from the average Canadian and less and less from corporations. In the 50's, corporations paid half of the tax bill and individual Canadians the other half. Now, individuals pay 80 per cent and corporations only 20 per cent.

The financial burden on individuals has been substantially increased by this Government, and this is entirely unfair and unacceptable. We of the New Democratic Party feel that the responsibility for supporting Government programs should be shared equitably by private corporations and private citizens.

[*English*]

I would like to point out some anomalies in the Government's spending priorities, Mr. Speaker. There could be a very, very long list of these anomalies, but I will confine myself to a few examples. First of all, take as an example the Public Service Commission. It does not have enough money to promote women. Women will just have to be patient because now is not the time for affirmative action. Women will just have to stay in the lower-paid jobs and in the dead-end jobs. Yet the number of people earning over $60,000 a year, almost all of them men, increased threefold this past year.

The Government does not have the money to increase Old Age Security. It has even cut it back with the partial deindexing in the six and five program. It does not have enough money to increase the Guaranteed Income Supplement even for single people to bring it up to the Statistics Canada poverty line. Yet the Government cut income taxes for high-income Canadians.

The Government does not have enough money for serious job creation apart from the PR event-type job creation that we have already seen in the budget. Yet the Government is continuing to increase military expenditures. I would not want to suggest that our problems with military expenditures are remotely as bad as those problems of the United States and the Soviet Union, countries where their enormous expenditures on military hardware are a serious strain on their economies. Our mistakes in this area are more modest, but coupled with the seriousness of our structural problems they are grave enough.

The point is that money spent on the military hurts the economy and fuels inflation. Money spent on research for military hardware is money not spent on research and development in the industrial sector. High military expenditure is associated with low productivity in industry. In Canada we need to invest more money in research and development for industry and any diversion from this goal ought to be looked at very, very carefully.

To conclude, Mr. Speaker, the Bill before us is unsound and unjustified and it ought to be defeated. Its intent is to postpone the day of reckoning and to enable the Government to evade its responsibilities. Its hope is that the public will be fooled, that the public's memory will not be long enough to last until the time of the next election and that when the election comes by, the public will remember only the cute projects and the fanfare and will not consider the Government's absolute failure to deal with long-term problems. Certainly my Party will do its best to prevent that from happening by exposing the incompetence of the Government's plan and the ineptness of the Conservatives' response as an alternative. Mr. Speaker, we have serious problems to address in this country. Irresponsible Bills like the one before us now are not going to help.

• (1140)

Mr. Fisher: Mr. Speaker, could I start by saying that I listened to the views expressed by the Hon. Member on this Bill and the budget and have been very impressed by her contributions. It seems to me that she always expresses her priorities very clearly and has a passionate way of expressing what she sees as priorities for ordinary people. I should like to congratulate her. I do not agree with all her priorities as I believe that our course of action is better than the one she proposes but, contrary to many of the contributions in the House, her contribution is always worth checking to ensure that reasonable alternatives are not being overlooked.

I should like to differ with the Hon. Member on one point—perhaps a somewhat technical one—and I should like her opinion on it.

At the beginning of her comments she said that the contingency borrowing requirements in this Bill were unacceptable to her. I should like to point out that the Government has always put those provisions into its borrowing authority Bills. This is not a new idea. We hope that it helps us to come to Parliament less often. It is strictly an administrative move on the part of the Government to try to avoid parliamentary logjams on borrowing Bills.

When we do this we end up, we hope, with better financial management. This gives the Government a great deal of flexibility in its borrowing program so that it can get the lowest interest rate. In this way we can use different financial instruments at different times to borrow at the best rate, whereas last March when the Tories were filibustering this Bill we were forced to borrow on expensive instruments.

I should like to point that out to the Hon. Member and indicate to her that while she raises the concern of contingency, on this side we feel that we are accountable to Parliament for this. We also feel we are accountable to the people and must set up the best borrowing program we can so we can manage their money as cheaply as possible.

Ms. McDonald: Mr. Speaker, I am certainly in favour of managing the economy so that money can be borrowed as cheaply as possible. That is a laudable objective. My concern and the concern of this Party is with the amount of borrowing, which keeps going up enormously. I spent most of my time talking about the sins of omission rather than commission. I think it is what the budget is not doing and its failure to address long-term problems that is wrong. It is not just that we are borrowing this rather large amount of money now but that we will continue to borrow because our economy continues to decline and foreign ownership continues to grow. We are losing control of the economy and not beginning to address those problems.

If this were a one-shot effort, that would be a different matter. If we were really beginning to go after the structural problems, it would be a different thing.

Regarding the question about timing in Parliament, I must point out that there is another response to obstruction on the part of Opposition Parties and that is to work in a more

reasonable way with them. If there is obstruction there is usually a reason for it. There are many opportunities for difficulties to be talked out and resolved. Clearly, we are committed to the adversarial system and things get hot and heavy and difficult when there is ill will. Some of this could be prevented by better consultation. Opposition is not always opposed to the objectives of the Government; it is sometimes opposed to the means by which the Government is trying to achieve those objectives.

I think the Government would do well to assume a little bit more reason on the part of this side of the House, or at least this corner of this side of the House, than it often does.

Mr. Cosgrove: Mr. Speaker, I should also like to congratulate the Hon. Member for joining in this debate, unlike other Members of her caucus who are afraid to come to the House to debate, for example, the Crowsnest Pass legislation which would provide $15 billion of investment money to create jobs.

I am interested in the last answer given by the Hon. Member wherein she stated that the Government is going to continue to borrow. I should like her opinion on the special recovery tax element of the budget which is designed to recoup the special recovery spending that will take place in the next two years. For example, does she share the opinion of the Conservative Party that we should not have introduced the tax to pay for that deficit next year? We have allowed a 12 to 15-month period in between. Does she feel we should have extended that or, as they did in Ontario, in addition to providing stimulation, should we have introduced taxes on a selective basis immediately to recoup those deficit funds?

Ms. McDonald: Mr. Speaker, it is difficult to deal with one item in isolation from the others. The objections of my Party, which I very fundamentally share, are that we have an extremely unfair tax system. I refer to the burden between individuals and corporations where individuals are paying more and more tax. It is now 80 per cent whereas in the fifties it was 50 per cent of income taxes. The shift occurred mainly under the Liberals but it started with a Conservative Government, so we cannot blame one Party alone. I think that is an extremely important point. Then, of course, there is the individual level.

Sales taxes are regressive taxes and very unfair taxes. The less sales tax possible, the better. Obviously there are differing circumstances. Where does the burden fall? We feel that there is a great deal of unfairness in the way the Government is having the tax burden shared at the moment.

Mr. Cosgrove: Mr. Speaker, I take it the Hon. Member is saying we should not have introduced the special recovery tax so as to reduce the deficit within a year and a half. If she says that, I must ask her how she can reconcile that statement with her earlier statement that she was opposed to the Government continuing the deficit.

Ms. McDonald: Mr. Speaker, there are other ways of raising taxes. My point was that taxes should be borne equitably by the Canadian population. The shift from corporations to individuals is extremely unfair. The lowering of taxes for high-income people and the raising of taxes for low-income people is extremely unfair. Earlier, this Party proposed a surtax on high-income people because they can more easily bear the tax.

We have a reasoned proposal. We have not just said that money grows on trees. Clearly it has to be raised, but we want to see it raised fairly. That is not the case right now.

Mr. Fisher: Mr. Speaker, I should like to take issue with the last statement. I hope the Hon. Member accepts the fact that if we drain taxes away from corporations then at various times we are also draining away their ability to create jobs.

Prior to the budget we heard very clearly from people like the Canadian Manufacturers' Association and the Canadian Federation of Independent Business that indirect taxes like payroll taxes, which help low-income people through the payment of things like medicare fees and Unemployment Insurance, might be a good thing to use but that the timing was poor. They pointed out that additional loads imposed on corporations with these kinds of taxes would prevent corporations from undertaking job expansion activities. I think there is a balance on this and I am sure that we are reaching for it. At this point in time, however, corporations have told us very clearly that we must choose between taxes and jobs.

Given the performance of the economy, we surely must accept that kind of testimony from corporate leaders. It is not doing any worker any favour if we increase a company's obligations to pay his OHIP but at the same time take his job away.

Ms. McDonald: Mr. Speaker, corporations and organizations of corporations are always going to say that now is not the right time to raise taxes for corporations. They always say that. Let us look at the banking industry, for example. We see jobs being lost in banks, but not because of taxes; they are paying less and less taxes. They are being lost because of automation. I just do not think there is any clear relationship between taxes and the ability to provide jobs. The shift of taxes has been from corporations to individuals. If the Parliamentary Secretary's logic is correct, Mr. Speaker, we should have seen an increase in employment as taxes shifted from corporations to individuals.

• (1150)

Mr. Cosgrove: We have.

Ms. McDonald: We have the highest unemployment we have ever had.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I come from a farming and ranching constituency. Of those farmers and ranchers I doubt there would be 10 per cent who have never borrowed money in the past. Almost all farmers and ranchers borrow money. But for those farmers and ranchers who are in some economic difficulty, their neighbours still have respect for them when they know they borrowed money for the purchase of another tractor, the acquisition of land, or for

some project to increase their capacity to earn a living. But farmers and ranchers in my constituency view with unspoken ridicule those persons near the state of bankruptcy and who borrow to purchase pianos, new television sets or new and larger convertibles.

Sir, we have a Government today which is borrowing and borrowing without economic direction. It is buying pianos, television sets, Alastair Gillespie's oil companies and Mirabel airports. The list of waste and extravagance goes on and on, to the point where Canadians pay $1 out of every $3 in taxes just to pay the interest on the national debt. Sir, what an insult to Canadians. One-third of all their tax dollars goes to pay the interest on the national debt.

Seven times, Mr. Speaker, in this one session the Government has come to Parliament to ask for more money.

Mr. Fisher: Listen to this! This is the same guy who will tell you about parliamentary responsibility.

Mr. Malone: Seven times the Government has come here to beg for more and more money.

Mr. Fisher: These are the people who made us come back.

Mr. Malone: We have had Bill C-30, Bill C-59, Bill C-111, Bill C-125, and Bill C-143. Now we have Bill C-151. Then there is a Liberal across the way telling an NDP Member that somehow all of that is because they have some great responsibility to the Canadian people and therefore they should be able to borrow money without accountability. He is trying to tell the NDP Member over here, Mr. Speaker, that that is why the Government can borrow $2 billion more than it needs or has budgeted for. Well, Sir, going back to my farming and ranching constituency, they do not go to banks and say: "Look, Mr. Banker, I want $2 billion extra". The banker will ask what he needs it for. The farmer says; "Well, I do not know; it might be for some emergency or contingency". I come from Conservative country, Mr. Speaker, and farmers do not automatically know there is going to be an emergency. The Government comes from Liberal country, and Members opposite can budget that way because they know that as long as they are in power there will be an emergency; therefore they will need $2 billion. When they borrow, they have to borrow all kinds of extra money because the Hon. Member who is heckling knows that as long as they are over there, there is going to be a problem. The Liberals are buying oil companies and airports and supporting their friends, and that simply cannot be economically justified.

I remind this House that the country of Mexico, with seven times the population of Canada, is teetering on the verge of bankruptcy with a debt load of $80 billion. Yet this Government, in one session of Parliament, has borrowed $81.5 billion, with one seventh the population of Mexico. How can this great and wealthy land of Canada sustain itself? We have a land of agriculture, of forests, of hardrock minerals and one-tenth of the world's fresh water. We have all of that natural wealth and resources, along with a talented people, and this Government is borrowing to the extent that we are mortgaging the children of tomorrow.

This is the greatest country in the world, Mr. Speaker, with the greatest potential. That is not just some political statement; I believe that to be a fortunate geographic fact. I believe this country is potentially far wealthier than the United States of America. Yet in comparison Japan, this land of rock with 110 million people and natural resources consisting of tin and fish, has a booming economy, the second biggest in the world. Here we are with 20 million people, wanting in no resource, rich in virtually everything, an accumulated national debt of between $160 billion and $165 billion, and a Government which has come to Parliament seven times in one session to ask for more money. And the Liberal heckler opposite thinks that is a legitimate activity. It is simply a disgrace and every Canadian from coast to coast should rise up and demand that this group of rascals be thrown out for sheer incompetence. They simply cannot manage this great country of Canada. Among the leading industrial nations of the world we are in fortieth position behind countries like Belgium. That is simply a disgrace, Mr. Speaker, for a country with Canada's economic capacity.

This Government's latest budget forecasts that over the next five years we are going to have debt on debt on debt. That is also at variance with the views of the farmers and ranchers in my constituency. They may go out to buy a new tractor, but they always look forward to the day when that tractor is paid for and they are debt free. All business persons work with that objective in mind, yet here we have a Government which has got into a rut—as an aside I might say that a rut is just a grave with the ends kicked out of it—believing that we can achieve prosperity tomorrow by borrowing year after year and living on borrowed money. Well, it simply cannot be done. At some point Canada, like Mexico, will come to the point where the International Monetary Fund will say that the ratings are such that we simply cannot continue to borrow and we will be on the verge of bankruptcy like Mexico, Venezuela and Argentina.

• (1200)

It is therefore important to underscore the first principle, that is, that our country cannot be sustained on continued borrowing. The Government must think in terms of efficiency, of cutting inefficient programs and decreasing the amount of Government involvement. Added to that point, I want to make the following observation: when the Government continually borrows on the private market to the extent that it has, borrowing $81 billion in one parliamentary session, then it is obvious that $81 billion less is available to those in the private sector to borrow.

What do we see in a society which is built on enterprise? Virtually all economists agree that it is the private sector which creates wealth. At best, what the public sector does is to redistribute wealth. The Government is locked up in the mentality that it must redistribute more and more of the wealth. The truth is that the private sector, because it must

compete for these borrowed dollars, is getting into a tighter and more difficult position with regard to being able to borrow for the creation of wealth. Today the Government is trying to redistribute more wealth than there is the capacity to produce.

From another perspective, when we take the view that the private sector creates wealth and the public sector, at best, redistributes wealth, we find that any time there is a situation where a Government is trying to borrow 50 per cent plus one penny of our Gross National Product, then it is trying to redistribute more wealth than there is the capacity to create. Governments taken collectively, meaning the three levels of Governments, are today spending half of the nation's wealth. They are simply redistributing money. This country must back away from that kind of percentage, where Governments spend half, to allow greater entrepreneurship so there is greater creation of wealth.

Hon. Members who have been asking questions of others who have spoken today have come to the view that if the pie is only so big and some need or poverty is evident, then it is obviously incumbent upon Government to take a bigger section of the pie to erase the poverty. I am suggesting that the percentage of the wedge of the pie for Government should remain the same, but the Government should have the imagination to stimulate the country in a way which would create a bigger pie. There should be greater wealth and then from the greater wealth the private sector will be able to produce its section and the Government's section will also be larger. By the mentality of the way in which the Government approaches the question, it is driving us to a point of perpetual bankruptcy. Today we are only surviving on tomorrow's children and the development of tomorrow's resources. That is folly in terms of economic planning and certainly defies any logic in terms of where the country is going.

I submit to Your Honour that as my friend, the Hon. Member for Peace River (Mr. Cooper), stated earlier in his very excellent speech to the House today, the fact is that the people of Canada, who are reflected in the Gallup polls, know that a country simply cannot be managed in the manner in which this country is being managed by the Government. That kind of borrowing upon borrowing, involving billions upon billions of dollars, an amount of money which the public does not even understand, simply cannot go on.

When the Government borrows billions of dollars, people have difficulty putting that volume of money into prespective. Perhaps I can be of some assistance by giving them an image of the actual size of $1 billion. I ask the people of Canada to think of their location in Canada now and then to think of some town or community or other point 80 miles away. If $1 million in one dollar bills were laid end to end, they would reach from where they are to that point 80 miles away. However, if $1 billion in one dollar bills were laid end to end, they would reach from Vancouver to Halifax and back, two and one half times. The Government, having in one session of Parliament borrowed $81.5 billion, is trying to wallpaper Canada with one dollar bills. That is the kind of borrowing it does. It just borrows and borrows.

Now, when we pay our taxes, one-third of our taxes buys us nothing. It buys us no more health, no more airports, no more military equipment or agricultural research. It simply goes toward paying for the interest on the accumulated debt. One-third of our taxes does nothing except pay for interest charges because the Government has been spendthrift in its thinking and has been a novice in economic management. The Government should be roundly condemned for pure incompetency from a business perspective.

To those unemployed persons in Canada today, the amount of money which the Government is borrowing represents $3,252 for each of them. I submit that those people who are unemployed today, who know the rate of the Government's borrowing, who know that they continually cannot obtain jobs, also know that the main reason our country is in such a state is the psyche, the mentality, of the Government, which cannot put an incentive into growth sectors.

I come from a Province where the people are deeply angry with the present Government. We once had an oil industry which was the leading engine of the economy of Canada back in 1978. After the 1980 election, the Government came through with a new energy program. Today, out of approximately 400 oil rigs in my Province, 32 are operating. The rest are shut down. However, when an oil rig is shut down, a whole service industry also shuts down. There are places in my Province of Alberta where a Liberal Member of Parliament could not walk from the front door of a bar to the washroom; he would be skinned alive because the people would blame him absolutely for unemployment.

Part of the reason the Government thought it was legitimate to pick on the Province of Alberta was that no Liberals were elected. Therefore it thought it could hurt Alberta or Saskatchewan or any other part of the Prairies with Crow rate changes. But when the Government hurt the oil industry in the West, it did not just hurt Alberta, it also hurt Canada. Alberta is only a part, because in the projected 25-year lifetime of one tar sands plant, $108 billion of direct spending goes into the Provinces of Ontario and Quebec, $800 million in transportation, $700 million in technical development, in iron and steel fabrication.

What was the choice of the Liberal Government? It chose to kill the industry, to force Canadians to buy from other oil companies every time they bought some gas. It has not produced one more litre of oil anywhere in the country, but has chosen to import hundreds of thousands of barrels of oil from offshore, from other countries, creating jobs in other countries but not in Canada.

At the time the former Minister of Energy, Mines and Resources said that Albertans would become rich beyond their wildest imagination. I say to him through Your Honour, so what if an Albertan did become rich? Suppose an Albertan does get rich. He will buy a new refrigerator, a new car and new furniture, all of which come from central Canada. I see the Hon. Member from Prince Edward Island here. This Albertan would also tend to buy more potato chips. When

Canada becomes richer in one part of the country, we can all be more wealthy.

• (1210)

Surely when we have a wealthy Province there is a responsibility for the Government to see to the redistribution of funds. I accept that. However, it is unacceptable to stop activity in one sector of the country for the advantage of purchasing offshore so that people in other countries will get jobs and drive that opportunity and potential away from Canada. That is simply a policy that we cannot endorse. Our debt is now almost three times the per capita debt of the United States.

The Acting Speaker (Mr. Blaker): Order. I have been signalling the Hon. Member that his time has expired. Of course, he can seek the unanimous consent of the House to complete his remarks. He may also realize that there is a ten-minute question and answer period.

Mr. Malone: Mr. Speaker, I will not seek the time to speak longer because no one would grant me the two years that is necessary to talk about the Government and its incompetence.

The Acting Speaker (Mr. Blaker): Questions, comments and answers.

[*Translation*]

Mr. Roy: Mr. Speaker, I have always listened to the speeches of the Member for Crowfoot (Mr. Malone), and I have always considered him to be an optimist rather than a pessimist. I liked his story about the banker, but I think what he failed to mention, and perhaps he could be a little more specific in this respect, is that if I go to a bank manager to borrow money and I tell him, to borrow a phrase from the Member for Crowfoot: I am going to use this money to paper my walls with dollar bills, and I have absolutely no specific planning program ... On the other hand, the Liberal Party tells its bank manager: I need money and here is my spending program and this is how I am going to use it. I want to create jobs, re-train manpower, develop advance technology industries, invest 700 million in a technology development program for manpower re-training, I want to stimulate homeownership, and here some of the items in my program and the reasons why I want a loan. I would like to ask the Hon. Member whether he agrees that when a person borrows money, a distinction must be made between a loan to pay the grocery bills and a loan that will be used to stimulate and invest and maximize those investments. That is the whole difference between the Liberal philosophy and the approach of the Progressive Conservatives, which is pessimistic—using the money to paper the walls. I would therefore like to ask the Hon. Member whether he realizes that in Canada, the savings rate is twice as high as in the United States. Does he agree with this percentage? I think I would like to know more about these two aspects as they concern the Liberal and the Progressive Conservative borrower in front of their bank manager.

[*English*]

Mr. Malone: Mr. Speaker, I believe part of the Hon. Member's question with respect to borrowing asked if it was not all right to borrow for those aspects for which there is an investment in the development of the country. I believe that my analogy was an attempt to establish that that is the only reason we should be borrowing. In its Bill before us today, the Government is asking for $2 billion for which there is no budget and no accountability. No one should lend that volume of money for which there is no established program for its expenditure. The Government is asking for $14.5 billion, $2 billion of which cannot be accounted for. That is simply unacceptable to any group. My colleague says it is $4.7 billion. If that is the case, then it is twice as bad.

With respect to Canada having twice as much savings as the United States, the Hon. Member should not have brought up that subject. It only underscores the lack of confidence that Canadians have. It only makes it evident that Canadians know they have some money but dare not invest it because of their experience with the kind of economy that the Government runs. They have experienced skyrocketing interest rates which depreciate the value of their money, and rather than risking their money in venture capital they are putting it into savings. Rather than investing, Canadians have preferred to buy lottery tickets.

I am telling he House quite frankly that Canadians will start to invest their money when they have confidence that the country is run on sound managerial principles. The Canadian public is not at fault; they just do not have the confidence. When that confidence is restored, savings in Canada will greatly diminish.

Mr. Cosgrove: Mr. Speaker, the Hon. Member for Crowfoot (Mr. Malone) began his remarks by criticizing the Government for presenting seven bills before the House requesting borrowing authority. He complained that the Government has returned to Parliament on obviously too many occasions to ask for this kind of authority. Yet the Hon. Member for Mississauga South (Mr. Blenkarn), who sits next to him has introduced a motion in the House asking that the Government do the exact opposite to the Hon. Member's suggestion. The Hon. Member for Mississauga South asks that we split the present Bill before the House, multiply it by two, and bring it back. This would increase the number of times the Government will come before the House for borrowing authority.

I read a quote attributed to one of the eight candidates for the leadership of the Conservative Party to the effect that the Conservative Party is the only one that has it together. The Right Hon. Member for Yellowhead (Mr. Clark) said that the Conservative Party is the only one that has it together. The Right Hon. Member for Yellowhead (Mr. Clark) said that the Conservative Party has it all together.

Could the Hon. Member for Crowfoot tell me what position the Conservative Party is taking? Should we split the Bill and increase the number of times the Government comes before the House? Will he support the motion of the Opposition

finance critic, the Hon. Member for Mississauga South? What is the Conservative Party's position?

Mr. Malone: Mr. Speaker, because we have it together I agree with the Right Hon. Member. I underscored the number of times the Government has come to the House for borrowing authority to show how incompetent it is. Yet I will never endorse the principle of borrowing money which is not accounted for or for which there is no plan or budget. The Government should borrow what it needs and not $2 billion extra, telling Canadians that it does not know what it is for. The Government will show its incompetence by returning once more. It should return once more.

We stand together on both points because we are both correct. I believe Canadians will endorse that. It will underscore the fact that the Liberals borrow too much money all of the time.

Mr. Orlikow: Mr. Speaker, I wish to direct a question to the Hon. Member for Crowfoot (Mr. Malone). He attributed the precipitous decline of the oil industry in Alberta to the Government's National Energy Program. If one looks at the United States, which has one of the most pro-business Presidents in approximately 50 years, one sees the same situation. American journals such as *Time* magazine and others show that the majority of oil rigs in operation two or three years ago have been mothballed. According to American reports, the reason for that is that the oil drilling taking place a few years ago was in anticipation of the world oil price increasing by 10 per cent or 15 per cent a year. The new oil, whether found through conventional ways of drilling for oil or developing shale deposits in Colorado or in developing the tar sands, would be too expensive and could not compete with the likely price of conventional oil for the next couple of years.

• (1220)

If that is the case in the United States and in other countries—and I am not defending every aspect of the Liberal Government's policy with regard to oil—why does the Hon. Member continue to blame the shutdown of so much of the oil industry in Alberta on the Government? It seems to me that what is happening in Alberta and in other parts of Canada is the same as what is happening in other parts of the world, given the fact that the world price of oil is not rising but will probably come down in the next year or two.

Mr. Malone: Mr. Speaker, in part world conditions obviously had an impact on Canada as well as on other countries in the world. But the significant difference between Canada and the United States is that the United States has increased its volume of oil production. As a result that country is much closer to self-sufficiency than Canada.

Mr. Blais: That is baloney and you know it.

Mr. Malone: That is absolute fact. Here in Canada we are still importing large volumes of oil from offshore. Those imports should be decreased in favour of producing jobs here in Canada and making Canada more energy self-sufficient. What the Government program has done is not to lead to oil sufficiency in Canada. It is simply taking the oil industry from private ownership to Government ownership, charging the individual Canadian every time he goes to the gas pump. That charge does not create more oil, it simply saps out of the Canadian wallet more dollars for the Government for the single purpose of saying "It is ours". Therefore, the oil industry is not Canadian privately-owned but Canadian Government-owned. That is not an objective that meets the target of greater production of oil, the greater creation of wealth in the country or the greater creation of jobs. In fact, it has diminished all three.

The Acting Speaker (Mr. Blaker): Order, please. Before the Chair recognizes the next Hon. Member for debate, and it will be the Hon. Member for Vegreville (Mr. Mazankowski), may I remind all Hon. Members that the eight-hour period for debate will end at 12.27 p.m. I take the view that the Hon. Member who has the floor at that time is entitled to his full 20 minutes and the ten-minute question and answer period. Thereafter debate will be restricted to ten minutes for each Hon. Member.

Mr. Blais: Mr. Speaker, I have just listened with a great deal of interest to the last speaker. I have a question for him.

The Acting Speaker (Mr. Blaker): At this point that would require the unanimous consent of the House because the ten-minute question and answer period has expired. Does the Hon. Minister seek unanimous consent?

Mr. Blais: I am sure I will not get it, Mr. Speaker.

The Acting Speaker (Mr. Blaker): I shall put the question for the Hon. Minister. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Blaker): The Minister does not have unanimous consent. Therefore I recognize the Hon. Member for Vegreville.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I think the exchange that just took place between the Hon. Member for Crowfoot (Mr. Malone) and the Minister of State for Finance (Mr. Cosgrove) clearly demonstrates it is the Liberal Government that does not have its act together. Of course, the clear manifestation of that is the result of the Brandon-Souris by-election last Tuesday. The people in that constituency know that the Liberal Government does not have its act together. Only 17 per cent decided to vote Liberal. That should be a warning to this Liberal Government that it is now the third Party in western Canada. People in western Canada recognize that and increasing numbers of Canadians are recognizing the fact that this Government is out of touch, incompetent, corrupt, full of deadwood and that it should do the honourable thing and call an election and clear the air.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: The New Democratic Party cannot take much solace in the results of that by-election in Brandon-Souris either. Members of the New Democratic Party promenade around the country and speak in the House implying that they speak for western agriculture.

Mr. Huntington: They are not even in the House.

Mr. Mazankowski: It should be noted, according to the reports I have, that the New Democratic Party did not win one rural poll in the constituency of Brandon-Souris. I guess we know what the people of Brandon and the surrounding area think of the New Democratic Party's policy.

I was interested as well in the challenge of the Minister of State for Finance when he was responding to the Hon. Member for Broadview-Greenwood (Ms. McDonald). He suggested to her that if we were to pass Bill C-155 this would immediately trigger $15 billion worth of investment to create jobs. That is really stretching it a bit, Mr. Speaker, if we base that contention on the record of the Government in the past and on the promises made during the last election, particularly those of the Minister of Agriculture (Mr. Whelan), as well as the promises contained in the Speech from the Throne which started this first session of Parliament.

We westerners are still looking for the $4 billion western development fund that is supposedly still being kicked around. However, it has literally vanished. It is now being suggested that this fund might find its way into the rail transportation Bill. But that was an exchange for the very generous energy agreement negotiated by the people of Ablerta in terms of rechannelling some of that money back to western Canada for needed industrial development. Nevertheless it was vanished.

I should also say to the Minister that perhaps he could point out to his colleague, the Minister of Transport (Mr. Pepin), not only the inadequacies and the divisions within that Bill but that it is incomplete. That Bill is a bureaucratic nightmare, incomplete and divisive. It enjoys literally no support in western Canada. If the Government brought in a Bill that could have a modicum of support in western Canada, then the Bill might proceed in an orderly fashion. However, that has not occurred.

We are dealing here with a Bill in which the Government is requesting another $14.7 billion to help cover its $31.3 billion deficit. As has been pointed out by previous speakers, particularly by the Hon. Member for Vancouver Centre (Miss Carney), the Government requires some $26.7 billion. It has currently $16 billion in borrowing authority. The Government's requirements are really $10.7 billion, but it is asking for $14.7 billion, $4 billion more than it needs.

The obvious question is, why this additional money? What does the Government need it for? The first thing that comes to mind is that this Government is putting together another porkbarrel fund. In other words, an election slush fund. It will distribute this fund in a manner in which its individual Members of Parliament can go about the country making grandiose announcements, all in the name of recovery, but essentially in the name of trying to bolster sagging Liberal fortunes.

We have just dealt with the budget that is supposed to have in it a special recovery component. Yet it fails to address, I would say, the three most important elements of the Canadian economy, elements which could generate some new growth and some new wealth in the country, namely the agriculture sector, the energy sector and the small business sector.

I want to deal with those things in a moment, but first I think it is fair to say that the budget presented last month also failed to address some of the long-term issues, such as the structural defects that we must face currently. A recent study by the C.D. Howe Institute pointed out that 40 per cent of our unemployment is due to the recession and that 60 per cent of the unemployment, or approximately one million of those unemployed, is a result of the structural problems that exist within the Canadian economy. Those structural deficits have to be dealt with, but they were not dealt with in the budget and they do not appear to be addressed by the Government in terms of its over-all approach to economic policy.

• (1230)

The issue of productivity must also be addressed because it ties in with our ability to compete in the international marketplace. We all know of the importance of exports and the vital role they play in the wealth of the total Canadian economy. Over 30 per cent of our economic activity is attributed to exports. In order to capture that market and further penetrate it, we must be competitive. In 1982 our productivity dropped once again. Statistics Canada reported that the industrial output for each hour of work dropped during that year by .6 per cent, unit labour costs rose by 11.4 per cent as production dropped and labour compensation climbed 4.5 per cent. When we add all these together, we realize that they further deteriorate our competitive position and reduce our productivity even more. Our productivity record is the worst among leading industrialized nations of the world.

I believe as well that the budget failed to address the issue of worker training and retraining. It failed to ensure that we could mesh more accurately job requirements with skilled trades and develop skilled trades to meet job demand. These are the kinds of long-term issues which we need to address but which were not addressed in the budget.

As the Hon. Member for Crowfoot indicated earlier, we have to approach economic issues in a twofold manner. We must maximize efficiency in terms of Government expenditure, trim the fat and get rid of the deadwood. At the same time we must inspire and rejuvenate the private sector and wealth-generating enterprises in the country. I singled out the three areas in which this could occur, namely the energy industry, the agricultural industry and the small business sector. Notwithstanding the fact that the Minister of Finance (Mr. Lalonde) paid a great deal of attention to and said all the correct things about, the need to inspire the private sector and to use it as the main engine of economic growth, upon closer examination we find that these were merely buzz words that were not backed up with any realistic policy.

We know that small business is the best source of creating new jobs. It has been stated time and time again in the House that in the North American continent some two-thirds of all new jobs created were created by firms with less than 50 employees. This is clearly an area in which we could rejuvenate the dynamic, creative and innovative spirit of Canadians and Canadian enterprises. I contend that the budget does little to promote small business growth. When we look at some of the things which could have been done but have not been done, we get a clear picture.

I would like to refer to a paper which was put out by the firm of Drache and Goldstein which commented upon investment tax credits and the proposal with respect to the issuance of equity shares. It was pointed out that while all this looks good on paper, small business had never been a major user of investment tax credits because of the various limitations imposed on the nature of the assets which must be acquired. Also it pointed out that the total benefits to small business looked like an addenda to plans to stimulate big business, sort of a mere afterthought which did not really address the real problems of small business. Not a word was said about the removal of the 12.5 per cent corporate distribution tax, about the repeal of the reduction in the capital cost allowance, about the potential of restoring the Small Business Development Bond, about ways and means of liberating some of the RRSP funds which could be channelled back into future investment for small business, or about the prospect of employment tax credits to stimulate employment in the small business sector.

I could suggest a tax holiday on the first $100,000 worth of profit because small-businessmen, like farmers, are the last ones to take salaries. They plow their profits back into the business sector to create jobs and to provide a stable and economic environment in all areas of the country. There were a whole host of suggestions and recommendations advanced by various groups that deal closely with small business, but they have been ignored.

Another area is energy, to which the Hon. Member for Crowfoot referred as well. I support what he said because he was speaking the absolute truth when he indicated that we had a dynamic oil industry in western Canada, particularly in the Province of Alberta. He said that it was dominated by small Canadian companies, particularly in the drilling, service and supply sectors. Those enterprises were in business for ten years to 15 years but many of them were forced into liquidation or into bankruptcy. This is a sad tragedy.

There was some suggestion that the budget would help the energy sector. Referring to the April 21 edition of the *Edmonton Journal*, Mr. Hans Maciej, an economist at the Canadian Petroleum Association, is quoted as saying:

> The federal budget will neither help nor hurt the petroleum industry very much—
>
> In terms of an activity impact, there is none immediately—

When we place this behind the backdrop of the disastrous National Energy Program of 1980, we realize that the Government has yet to undo the damage it inflicted upon the industry. I repeat that the National Energy Program of 1980 cost the industry some 20,000 jobs. It forced the cancellation of many major megaprojects. My colleague outlined its impact not only on western Canada but on Canada as a whole. I remind the House that every job created in the oil industry produces two other jobs in other parts of Canada. We know the difficulties of the petrochemical industry. The fact of the matter is that Canada was once a world leader in that industry, but because of heavy upfront taxes the Canadian petrochemical industry is non-competitive on world markets.

There is still potential in the energy sector, such as the potential of a heavy oil upgrader in the Lloydminster-Wainwright area. It would involve an investment of some $3.5 million to generate some 93,000 man years of work. We have a situation where Petro-Canada is exploring for oil in China to help China become self-sufficient, but we are no closer to oil self-sufficiency in real terms than we were when the National Energy Program came into place. We have failed to turn our energy advantage into an economic advantage, and we have that opportunity.

• (1240)

I repeat, in the course of this whole exercise we have destroyed a very vibrant service and supply industry. The Hon. Member for Crowfoot is correct; of some 400 rigs in western Canada, there are less than 50 which are currently working. The Hon. Member used the figure 32; I know it is less than 50. Even with the initiatives taken by the Alberta provincial Government, we will be lucky if we get 100 rigs working out of the 400. What a disaster! What a change! Here was a golden opportunity for our young people that is lost. Many western Canadians are involved in the energy sector. Rather than building upon that potential, we have a deliberate Government policy which has destroyed that opportunity and potential.

I turn now to agriculture. This is another area with tremendous potential which was literally ignored in the budget speech. We are all aware of the difficulties that the farm community has experienced, particularly since 1980. In excess of 400 bankruptcies have occurred in the farm community. That is only part of the story. It does not take into account those who liquidated voluntarily or gave up. The situation in western Canada is such that bankruptcies are up by 200 per cent. The banks are not helping the situation, nor is the Minister of Finance who has undertaken to examine and to deal with the banks which are ripping off many of our farmers by imposing severe penalties upon pre-payment of mortgages.

I have a situation in my constituency where a certain bank decided to suspend an operating loan. The customer was forced to move to another bank where it arranged credit facilities. The amount owing was in the order of $378,000. Because the mortgage was pre-paid, the bank imposed a penalty of $42,561. A competing banker told my constituent that was three times the normal three-month interest penalty required for pre-payment of mortgages.

Two months ago the Minister undertook to deal with this and to issue an ultimatum to the banks either to clean up their act or face the consequences. I challenge this Minister now to

get on his toes and deal with the banks so that we can avoid this kind of rip-off.

We are trying in this House and in the Agriculture Committee to bring in a piece of legislation that will give farmers of Canada who are up against it some relief. At the same time, the Minister of Finance merely pays lip service to the real issues. I have written to the Minister but I have not received an acknowledgement. I challenge him to deal with this issue. It not only destroys the integrity of the banking system, but destroys the ability of farmers to go into a bank with any degree of confidence without getting ripped off.

Our Party has advanced a ten-point agricultural program that would assist in some small measure. It is by no means total. We have made the following recommendations and suggestions. There needs to be some relief in terms of the ability of farmers to bail themselves out of high interest rate mortgages. We recommend the use of the agri-bond system.

Sales tax on farm fuels and natural gas used in the production of food should be removed. Initial grain prices should remain at the same level as last year. Cash advances on farm-stored grain should be doubled. Changes should be made to the Western Grain Stabilization Act and the Agricultural Stabilization Act. We are recommending a voluntary national incomes stabilization program for the red meat sector. We recommend changes to Section 31 of the Income Tax Act so that those farmers who have to supplement their income off the farm will be treated in a fair and equitable manner.

These are some of the suggestions we have advanced. They will by no means resolve all the problems in the agricultural industry, but they should be considered by this Government. I present them for the consideration of the Government, if not in the course of the next few weeks, at least when, hopefully, drafting the new Speech from the Throne which will start a new session of Parliament soon.

Mr. Fisher: Mr. Speaker, as usual we have heard a refreshing speech from the Hon. Member for Vegreville (Mr. Mazankowski). He pointed out three areas of concern to him: shall business, energy and agriculture. The Hon. Member said that the budget was a disaster for small business, that it did not do enough and did not go far enough.

I received in the mail today the May-June issue of "Impact" from the Canadian Chamber of Commerce. It states "Federal budget will strengthen economic recovery: Chamber". "Canadian Chamber reacts favourably to recent federal budget". These are just the headlines. "Business was the big winner". "Box Score: The Canadian Chamber and the April 19 federal budget". Under that heading it lists 30 ideas from the Chamber: 16 wins, 8 partial wins and six losses. I was concerned when I looked at the losses, but I found that they were pretty minor issues.

Among the 30 ideas are the issues raised by the Hon. Member for Vegreville.

At the beginning of his speech, the Hon. Member said the budget does not do enough for productivity. Point three states in part that "The Chamber recommended ... significant strides in productivity." The April 19 budget "provided tangible responses". The Chamber recommended "steps to be taken to increase business and consumer confidence". The April 19 budget was "tuned to this objective." It was rated "Win". We find these very powerful statements in this pamphlet. At the end it states, and I quote:

> The Chamber has contended that the success Canada will have in attaining economic growth will, to a large extent, rest on the health of our small-business sector since small business employs a large number of Canadians and is responsible for a significant share of new-job creation. With this in mind, it applauded the Minister for recognizing the important role of the small business sector by introducing a number of special tax and other measures that may help to alleviate certain elements of the difficult financial situation faced by small business.

That is an endorsement from the Chamber of Commerce representing thousands of small businesses. There are similar endorsements from the Canadian Federation of Independent Business. They rank this budget as a "win". The Hon. Member says we do not do anything for small business. I wonder whether he has been reading his mail.

Mr. Mazankowski: Mr. Speaker, the Hon. Member has seized on an oportunity to exaggerate. I did not say the budget was a disaster for small business. He is fabricating words. I said it did not do enough to assist the small business sector.

As far as the Chamber of Commerce is concerned, I think they would be judging their comments on the basis of the previous two budgets. Compared to the last two, this one is a winner because the other two were absolute disasters.

Notwithstanding what the Hon. Member may say about the support which the Chamber of Commerce is giving to the budget, I would rather look at the level of support that is emanating from the people of Canada with respect to the policies of this Government. We had a good test in Brandon the other day. Only 17 per cent of the people in Brandon approved of the Government's record, approved of its budget, approved of the way the Government is handling the economic and political affairs of the country. I submit to you, Mr. Speaker, that that is the better test. Even in the Gallup poll, which takes into account the heavy proportion of support that the Liberal Party still continues to enjoy in the Province of Quebec, the Government can only eke out about a 27 per cent or 29 per cent level of support across the country. I believe that that is the real test.

• (1250)

The fact of the matter is that others have said the same things as the report by Drache, Goldstein and Company, which said:

> The "benefits" for small business, in sum, look like addenda to plans to stimulate big business, a mere afterthought which does not address the real problems of small businesses.

Mr. Fisher: Mr. Speaker, supplementary to what the Hon. Member has just said, I believe that Arthur Drache is the same lawyer who sat in the Tory lobby during the debate over the Income Tax Act and fed questions to the Tory Members of Parliament. I would not expect a man who would do that to

stand up the next day and automatically applaud anything the Liberal Government does. I do not think he would be willing to do that, nor on the other hand do I expect partisan comments from the Chamber of Commerce. That is why, unlike the other Member, I chose a non-partisan body for its assessment of the budget rather then some gentleman who made a lot of money from the Tory Party during the income tax debate.

I would like to point out, Mr. Speaker, that Norman Godfrey of HUDAC said on April 20, as reported in *The Globe and Mail*, "The pro-business budget will generate confidence and create jobs".

On the night of the budget, John Bulloch said that the budget was a combination of good politics and economics and that business will generally give high marks.

Those people are not partisan like the gentleman who sat in the Tory lobby and fed questions to Tories who could not themselves understand what they were supposed to ask.

I would like to point out to the Hon. Member that in the budget there is indeed a very short section dealing with small business, but everything else in the budget stimulates the interests and the benefits of small business. The RHOSP will stimulate the business of furniture companies and stores. Again the RHOSP will stimulate activity among small construction companies and housing contractors. The tax incentives, the investment incentives, the construction equipment incentives will all stimulate small business. I can go on all day. Those incentives are not listed under the section dealing with small business, Mr. Speaker, but they sure help small business.

Mr. Mazankowski: Mr. Speaker, in responding briefly to the Parliamentary Secretary's rhetoric, I should point out that Mr. Drache has a very distinguished record as a public servant who worked for the Department of Finance and who, I suspect, has drafted a few budgets himself. As far as the Parliamentary Secretary's other rhetoric is concerned, it has become fairly well known across the country that this is a budget of short-term gain for long-term pain.

Unemployment levels will not be affected very much. There will be at least 10 per cent unemployment plus into the next two to three years and 12.4 per cent for the rest of this year. That figure will hopefully moderate to a level of 10 per cent. I do not think that a level of 10 per cent unemployment is acceptable in any industrialized nation, and certainly not in Canada with the potential and opportunity that we have.

Mr. Blackburn: Mr. Speaker, I have just one question for the Hon. Member for Vegreville (Mr. Mazankowski). He, along with his colleagues, constantly refers to the exodus of oil companies and drilling companies in particular, with their rigs flowing in vast quantities south from Alberta into the United States. This was quite true back in 1980 and 1981. I was wondering whether or not the Hon. Member attributes this exodus to the downturn in OPEC oil prices throughout the world, to the fact that there is a world glut in oil, and to the fact that we have found alternate sources of oil and petroleum products. How does he account for the fact that, without very much fanfare and publicity, particularly in the West, most of these oil drilling companies are now bringing their rigs back into Canada and are saying that the reason they are coming back to Canada is that there is no work for them in the United States, that they cannot compete in the United States, that there is no demand in the United States, that their balloon has burst in the United States? The oil industry in the United States is a totally private sector industry, all privately owned. There is no national energy policy, Mr. Speaker, south of the border. Why are all these rigs now coming back into Canada? Because they cannot make a living down in the United States.

Mr. Mazankowski: Mr. Speaker, I have a great deal of respect for the Member who posed the question, although I would not expect him to be totally abreast of the realities in Alberta. The fact of the matter is that in 1980 and 1981 when we saw the exodus of drilling rigs south of the border, there was not an OPEC crisis. The fact of the matter is that things in western Canada were really humming for the oil industry and the service sector. The whole industry was really humming. We saw not only an exodus of drilling equipment and men and capital, but we saw an exodus of expertise.

I speak with some experience, Mr. Speaker, because I have two boys who are involved in drilling activities and they too found their way down south temporarily. Yes, they are on their way back home now because there is renewed activity in Saskatchewan. There is a new Government in Saskatchewan that is open for business. It happens to be a Progressive Conservative Government. There is a recently announced drilling incentive program in Alberta and there was a drilling incentive program announced which was in effect a year ago. But these are provincial programs that are needed to compensate for the disastrous effect of the federal energy program.

Some Hon. Members: Hear, hear!

Mr. McMillan: Mr. Speaker, in view of the proximity to the hour, might I call it one o'clock?

The Acting Speaker (Mr. Blaker): May I remind Hon. Members that the eight-hour period has now passed and that speeches and contributions from now on will be in the order of ten minutes. It would certainly be difficult for the Hon. Member to commence his speech now. That would leave him with perhaps six minutes or so remaining when we reach Orders of the Day again. Accordingly, with the consent of the House, shall we call it one o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

HOUSING

$3,000 GRANT PROGRAM—GOVERNMENT POSITION

Mr. Marcel Roy (Laval): Madam Speaker, under the Canadian Home Ownership Stimulation Plan, a grant of $3,000 was paid by the Federal Government to all Canadians wishing to buy a home. This program was very popular and has helped to stimulate construction in Canada. Unfortunately, the program had to be discontinued on May 4 of this year for various reasons, including a moderating trend in interest rates, which have dropped considerably. Since this announcement, the caucus of Liberal Members from the Laval-Larentians area, which is honoured to have you, Madam Speaker, among its members, had a meeting on May 12 with the Quebec Provincial Home Builders Association. At this meeting, the Association submitted an official resolution that was transmitted to the national Liberal caucus and received the unanimous support of caucus members, who urged the Government to acknowledge the commitments of home buyers who had signed their purchase offers. We are now anxiously waiting for a decision by the Minister responsible for the Canada Mortgage and Housing Corporation with respect to this vital sector of our economy.

* * *

[*English*]

NATIONAL FILM BOARD

CLOSING OF REGIONAL OFFICES

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I wish to protest, in the strongest terms, the recent decision by the National Film Board of Canada to close down eight of its regional offices across the country, including one in my constituency of Kingston and the Islands.

The savings projected by this move are minimal compared with the contribution of these outlets to the concerned communities. For instance, the resources of the National Film Board library in Kingston are in constant demand by local school boards as a valuable supplement to Canadian studies. Ethnic communities make great use of films which show Canadian life and history, particularly that of their own forebears in Canada. Senior citizen groups in the area regularly schedule film screenings for the enjoyment and entertainment of their members. All of these usages will be drastically curtailed should the local office be closed.

The National Film Board office in Kingston ranks fifth in terms of efficiency out of 30 NFB offices in Canada, so its closing is particularly difficult to comprehend.

I therefore urge the Minister of Communications (Mr. Fox) to take early action with a view to reversing the short-sighted decision of the National Film Board with regard to the closure of so many of its local film libraries.

* * *

HOUSING

ASSISTED HOME OWNERSHIP PROGRAM—PLIGHT OF FAMILIES IN HOMES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my purpose today is to call to the attention of the House and, I hope, to the Government, the plight of those families who entered into the AHOP Program several years back, who have really tried to make a go of things and have done everything to live up to their responsibilities under their agreements. These families now find themselves in the aggravating position of, in effect, being punished by the Government for being responsible people. The people who did not or could not repay their loans, and/or who simply walked away from their AHOP homes after not making payments for a while, are in some cases actually better off than those who stayed and now see the value of their investments being eroded by subsequent CMHC handling of vacated AHOP homes in their neighbourhood.

If the Government could see its way to providing $3,000 to those who wish to buy a new home, I do not see any reason why it could not, at this time, reward the perseverance and responsibility of those AHOP home owners who have persisted, by forgiving outstanding loans or paying back the loans which have already been paid up. This is the least that could be done for these people in a very difficult situation.

* * *

[*Translation*]

TEXTILES AND CLOTHING

IMPORTS—GOVERNMENT POSITION

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, on Wednesday, April 13, I made a statement under the provisions of Standing Order 21 about the clothing import situation, and at the time, I urged Cabinet to look into the matter and decide accordingly.

Yesterday, I read in the papers, after a press conference held by the Canadian Institute of Clothing Manufacturers and the unions to discuss the situation in the clothing and textiles industry, that these two groups have asked the Canadian Government to make a decision with respect to imports.

Madam Speaker, after listening to news reports and reading newspaper articles on the subject, I must say that I do not entirely agree with all the statements made by labour and management, although I do share some of their views on the import situation, and I would like to make it clear to both labour and management that Federal Members with a special concern for the textile and clothing industry are discussing the issue with the Ministers concerned and have asked Cabinet to

make a decision on imports. When people talk about convincing Federal Members about the importance of this issue, the fact is that Members with a specific concern for these problems have already made considerable progress with the Ministers in working on the situation, and I would like to say to workers in the textile and clothing industry that Members in the various ridings concerned are working very hard on this case, and we hope that the Government will shortly be able to make a decision that will be favourable to workers, employers and the unions.

* * *

[*English*]

GRAIN

TWO-PRICE WHEAT ACT—NON-OBSERVANCE BY GOVERNMENT

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I should like to draw the attention of the House to the fact that the Government has essentially been breaking the law since November, 1978. This has come about as a result of the Government acting as though the Two-Price Wheat Act had been repealed in 1978. The Two-Price Wheat Act was put into effect to protect producers and consumers from the fluctuations in the world market. As of November, 1978, the Government acted as though the Two-Price Wheat Act had been repealed, but in fact it was not. At that time, as a result of the Government not adhering to the law, the price of flour to domestic millers went up, thereby causing an increase in the price of bread to consumers.

If this had happened to any other smaller group or individual in the country the Government would have been taken to court. All consumers have been disadvantaged and there has been no move by consumers, through a class action or otherwise, to take the Government to court or call it to account.

I suggest that the Government should show some respect for the rule of law and start obeying its own laws by giving priority to Bill S-6, which is now in Committee, to repeal the Two-Price Wheat Act, or go back to obeying the letter of the law as in the Two-Price Wheat Act.

* * *

[*Translation*]

AIR TRANSPORT

QUEBECAIR AND RÉGIONAIR—GOVERNMENT POSITION

Mr. André Maltais (Manicouagan): Undoubtedly, Madam Speaker, you are aware of the wide expanses of the Manicouagan riding and the difficulties in the aeronautical field. I would like to ask the Minister of Transport (Mr. Pepin) to bring us up to date on the Quebecair issue, because all residents of the north shore region as well as those of Eastern Canada are anxious to see Quebecair and Air Canada reach an agreement as soon as possible. Such an agreement would be a boon to those people who use the services of Quebecair and it would ensure that Quebecair personnel are directly involved in the negotiations and can rest assured that the issue of their employment will be resolved to their satisfaction.

Madam Speaker, I believe that this matter is very important and that the House ought to know exactly what is going on with respect to Quebecair. I would also urge that Régionair be directly involved in the negotiations because this case relates to the area between Sept-Îles and Blanc-Sablon as well as between Sept-Îles and the Magdalen Islands.

I hope that the Minister of Transport of Canada will take this representation into consideration so that, in the region of Quebec City or Montreal, this matter be cleared up very quickly, vital as it is to northern cities along the north shore and in Eastern Canada.

* * *

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

DEMAND FOR WITHDRAWAL

Mr. Gordon Taylor (Bow River): Madam Speaker, in 1973, at the Western Economic Opportunities Conference in Calgary, the Prime Minister (Mr. Trudeau) said in part: " ... What the West wants is a fair deal—wider choice and opportunity within the West, and a fair chance to build a West which will be an integral part of a stronger and more prosperous Canada."

Right on, Mr. Prime Minister! But why do you not let us do just what you said—why are you and your Government handcuffing agriculture in the West with Bill C-155? Why are your actions not in conformity with your words? Your National Energy Program all but destroyed our gas and oil industries—your Bill C-155, if passed as is, will force every farmer to take his grain to the elevators. He will lose his freedom of choice.

• (1410)

During this Prime Minister's time in power we have seen our livestock production move east, our packing plants close, our oil and gas drilling dry up. Gilson's recommendations gave us hope. The Minister's "50 per cent of Gilson" dimmed that hope a little, and then Bill C-155, ordered by the Prime Minister and the Liberal Quebec Caucus, blotted out all hope.

If the Prime Minister meant what he said in Calgary, withdraw Bill C-155, return to Gilson, or better still, to the alternative suggested by the Hon. Member for Vegreville (Mr. Mazankowski). Let us have freedom of choice. Do not talk sweetly and then fence us in.

HOUSE OF COMMONS

CHANGE IN RULES GOVERNING MOTIONS AND POINTS OF ORDER

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, on November 13, 1970, during Question Period, a dispute arose over the lack of Cabinet Ministers present to answer questions. After some considerable wrangle the Hon. Member for Winnipeg North Centre (Mr. Knowles) rose on a point of order and moved that the House proceed to the Orders of the Day. It was acceptable in 1970 to make motions and points of order during Question Period. That practice wad discontinued in 1971. I contend that as a result of that discontinuance that particular practice cannot be considered as a precedent.

Madam Speaker: Well, I was wondering where the Hon. Member was going with that particular statement under Standing Order 21. I have some doubt about whether this is a proper time to discuss procedural matters.

* * *

HUMAN RIGHTS

PLIGHT OF SOVIET DISSIDENT, ANATOLY SHCHARANSKY

Mr. David Smith (Don Valley East): Madam Speaker, about 15 minutes ago I received a phone call from Avital Shcharansky in New York, the wife of Soviet prisoner of conscience, Anatoly Shcharansky. No member of his family has seen him for 17 months, and during that time he underwent a hunger strike which was widely reported throughout the world press. That hunger strike was finally terminated, but it is generally recognized that he is in very poor health. In a letter which his mother received just a few days ago he described in great detail symptoms which would appear to indicate that he may have suffered a heart attack. Yet he is not receiving medical treatment.

I feel quite strongly about this, Madam Speaker. A meeting with his family, scheduled for June, has been postponed until July. I think it is important while Mr. Gorbachev is in this country that Canadians indicate that these flagrant denials of human rights of people like Mr. Shcharansky and others will not go unnoticed. I call upon him to intervene when he returns to Moscow to allow Mr. Shcharansky to be released and join his wife, whom he has not seen since the day after they were married, in Isreal.

Some Hon. Members: Hear, hear!

* * *

NATIONAL UNITY

COEXISTENCE OF FOUNDING RACES

Mr. Bill Yurko (Edmonton East): Madam Speaker, since Confederation the national question has been how is the French fact to be accommodated in Canada. Three general possible solutions have evolved through time, resulting from social organization, technological inter-relations, and economic interdependence. These solutions are separation, assimilation, and coexistence.

Various Canadian organizations, political parties, and even some Members of this House, have directly or inadvertently favoured and fuelled the separation option.

Some Canadian organizations, some members in high political office and organizations, and even some Members of this House, are perceived to favour and even promote the assimilation option.

The statesmen, the realists, and the nation-builders have promoted and strived to implement the coexistence option. It is the only acceptable option for most Canadians, and I count myself as one of these, particularly so during the recent constitutional drama. Canada has for several decades moved boldly towards this workable option of coexistence between two founding races, two solitudes, two linguistic and cultural identities. Manitoba is to be applauded and respected for its recent historical action. The nation waits on Ontario for a similar response.

ORAL QUESTION PERIOD

[*English*]

CANADA DEVELOPMENT INVESTMENT CORPORATION

APPROVAL OF ACQUISITIONS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is for the Minister of National Revenue who yesterday tabled one of the most dangerous pieces of legislation to be introduced in Parliament in the past decade, the Canada Development Investment Corporation Bill. The CDIC will be the largest holding company in Canada and a massive intrusion into the marketplace. It will have special privileges that its private sector competitors will not have.

Can the Minister confirm to the House that in fact CDIC, when it decides to buy or sell a company, will not require parliamentary approval and that all it will require is the approval of Cabinet? Can he tell the House why it is he feels the Parliament of Canada should not be required to give its consent before CDIC purchases more companies?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I fail to see how the Hon. Member could have concluded from the Bill tabled in the House yesterday that it was the most dangerous piece of legislation he had seen for a long time. Actually, it is a very positive measure, and it is a response to one of the Government's concerns, a concern that

the President of the Treasury Board in the previous Government had as well, although he lacked the imagination to find a solution to this kind of problem. So, the Government's concern is to provide for tighter management of certain corporations that are wholly-owned by the Government, to return to the private sector certain shares held by the Government through the Canada Development Corporation and, finally, to act in an important consulting capacity by advising the Government on management of certain Government assets.

Prior to making any acquisitions whatsoever, the new Corporation will have to refer to Cabinet, which may or may not authorize the Corporation to carry out the transaction. I should also like to point out, and the Hon. Member must have noticed, that the Bill tabled in the House will oblige the Corporation to submit its investment programs and that these documents will be examined carefully and thoroughly by a standing committee of this House.

[*English*]

CORPORATION'S POWERS—IMMUNITY FROM LAWS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, now that the Minister has unburdened himself with that speech, will he answer the question? Will the Minister confirm that in fact CDIC can purchase any company it wants to, and that if it used internally generated funds all it would require is the consent of Cabinet, and no consent from Parliament would be required? Will the Minister confirm that because CDIC will be an agent of Her Majesty it will be immune from provisions of the Combines Investigation Act and federal legislation dealing with false and misleading advertising?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I think that instead of commenting on the kind of answer he was given, the Hon. Member would do well to listen carefully and relate the answer to the questions he asked in the first place. Perhaps I may be allowed to say, in answer to the same question about the authority of the new Corporation for making acquisitions, that—and the Hon. Member can read this in the Bill—before using any funds to make any acquisition whatsoever, such plans must be submitted to Cabinet. Furthermore, the Corporation will have to submit operating and capital plans, which will have to be examined by the committees of this House. Parliamentarians will therefore have an opportunity to make a careful and thorough study of such plans provided of course, that the Members sitting on the committee are prepared to be thorough, unlike the Hon. Member who is asking these questions.

[*English*]

REQUEST THAT AUDITOR GENERAL BE REQUIRED TO AUDIT CORPORATION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, what a piece of flimflam. Does the Minister not realize that the Bill he tabled says that the capital plan becomes effective immediately upon approval by Cabinet? There is no time limit for tabling in Parliament. There is no requirement that Parliament approve it. Does he not realize that this is an agent of Her Majesty? Will the Minister now answer either of the two questions I have asked him, honestly and in a straightforward way?

Will he also tell the House why there is no provision whatsoever that the Auditor General have access to the books of CDIC? Will he give the House and people of Canada the assurance that with this largest and most dangerous holding company in Canada the Auditor General will have full access to the books and he will be able to conduct comprehensive audits of the activities of CDIC?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, yesterday, the Minister responsible for the Canada Development Investment Corporation said at a press conference that he was still looking into the matter of having the Corporation's books audited by the Auditor General of Canada. However, I may point out that private auditing firms are already auditing corporations whose new shareholder is the Canada Development Investment Corporation, and furthermore, the question of audits by the Auditor General of Canada is still being studied by the Minister responsible, and we shall probably have an opportunity, at the clause-by-clause consideration of this Bill in committee, to take a closer look at this question with the Minister responsible. I should also like to point out to the Hon. Member that for the first time, standing committees of the House will have an opportunity to make a thorough study of the financial statements of the corporations that will be controlled by the new Corporation.

* * *

• (1420)

[*English*]

CROWN CORPORATIONS

CANADAIR—FILING OF FINANCIAL REPORT

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my questions are directed to the President of the Treasury Board who will know how the Government flaunts the law with respect to Crown corporations. He will know that on April 13 he promised the House that he would file a report on Canadair. On May 19 his parliamentary secretary repeated the promise. The President of the Treasury Board will know that Section 75 of the Financial Administration Act requires that a Crown corporation file its financial report three months after its year end. He will know that that same Section requires the statement to be filed in Parliament 15 days after it is with the Cabinet.

Some Hon. Members: Question.

Madam Speaker: Order, please.

Mr. Blenkarn: Where are the reports?

Madam Speaker: Order, please. Does the Hon. Member have a question? He has been enumerating quite a number of things.

Mr. Blenkarn: Well, certainly. Let me give it.

Madam Speaker: Let us proceed to a question.

Mr. Blenkarn: Madam Speaker, we will get to the question. The question is: where are the reports? Why have the reports not been filed? Why does the Government of Canada continue to let Canadair flaunt the law?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I do not accept the premises of my hon. friend's question. I could be wrong, but I do not think that the year end of Canadair has taken place as yet. I will check into it. Like my hon. friend, I want to see the requirements of the Financial Administration Act properly met.

Mr. Blenkarn: It is amazing that the President of the Treasury Board does not know the year end dates of his own corporations.

APPROVAL OF ADDITIONAL FUNDING

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the President of the Treasury Board also knows that under Section 70 of the Financial Administration Act the capital budgets of a Crown corporation must be approved by the Government and filed with the House. How does he now come to this House demanding $240 million for Canadair—

Mr. Nielsen: On his knees.

Mr. Blenkarn: —without filing a capital budget, at the same time saying that this money is for equity in the capital of the Crown corporation?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, the supplementary estimates in question will be studied by the appropriate Committees of the House. The Committees will certainly be in a position to be assured and satisfied that they have the relevant financial information. I will be consulting with the Minister responsible, to be in a position to assist him in providing the necessary information.

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CANADA DEVELOPMENT INVESTMENT CORPORATION

COMPOSITION OF BOARD OF DIRECTORS—TERMS OF LEGISLATION

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is directed to the Minister of National Revenue and it also concerns the Canadian Development Investment Corporation Bill. I should tell the Minister that we in the New Democratic Party feel that Crown corporations must be open, accountable, and free of patronage, if they are to survive.

If the Minister were to study the Bill would he agree with me that the people associated with the CDIC comprise the same old group, the Strongs, the Bells, the Austins, and the Cohens, the old NEP gang, the return of the Jedi, if you like, who are known for being elitist and independent of Parliament? Can the Minister tell the House how he can say that the CDIC is responsible and accountable to Parliament when, in fact, the CDIC will be almost completely directed by Order in Council?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I find the question of the Hon. Member rather amazing, because I was myself pleasantly surprised today to read a headline in a newspaper saying that the new Corporation would provide more information to parliamentarians, and more important to the public, about the activities of these corporations, and second, that parliamentarians would also be able to question the managers of these corporations and hold them accountable to Parliament. Indeed, the bill contains provisions requiring the parent corporation to file regular financial statements for its subsidiaries, as a result of which parliamentarians will be able to ask questions, be better informed about management matters, and give a much more detailed account of the administration and operations of these corporations to their colleagues and the public.

[*English*]

Mr. Waddell: The Minister should have the experience of trying to challenge an Order in Council, as I did. It took me three years to get into court to challenge the pipeline Order in Council.

Mr. Lalonde: No case.

PURPOSE OF GOVERNMENT

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I would like to ask a supplementary question in a more general vein. If the Minister reads the Bill, he will find that there are, in fact, inconsistent goals in it. At first, it is to privatize. Second, it is to have a window in the industry, for some corporate or commercial information. Finally, it speaks of a corporate plan, which is more like modern social democratic economic planning. I want to ask the Minister which is it.

Mr. Hnatyshyn: Smile, Svend.

Mr. Waddell: I know that the Conservatives do not like that. They want to sell it off.

Mr. Beatty: Who would buy it?

Mr. Waddell: Is it, in fact, the purpose of the Government—because it is not really spelled out; it is inconsistent—to begin modern economic planning to solve the work crisis we have in Canada by using the Crown corporations in part, or is it just to provide a tool, a vehicle for the old Austin gang to play some

power games, and to leave undefined what the Government wants to do?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, first, I should like to remind the Hon. Member of the four major objectives of the Corporation. He must know that the Government and the taxpayers are concerned about the way some corporations operate. There is no need for me to mention specific cases. I am certain that all Hon. Members already have some in mind. It was therefore necessary to take drastic action to ensure a closer control over these corporations and provide a businesslike solution to the business problems they were facing. The first objective of the new Corporation is therefore to oversee these corporations more closely.

The second objective is as follows. We all know that the Government has holdings in several corporations which could easily be privatized when market conditions make it possible to get a good return on the sale of these holdings for Canadian taxpayers. That is the second objective to be met by the Corporation.

The third objective—

Madam Speaker: Order, please! The answer of the Hon. Minister is a bit long.

[*English*]

CORPORATION'S OBJECTIVES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my final supplementary question is directed to the Prime Minister. Could the Prime Minister assure the House that the new umbrella corporation will be more than just the latest evolution of the bureaucratic state capitalism that we have received from the Liberals over the years?

Some Hon. Members: Oh, oh!

Mr. Nielsen: You've got to be joking.

Mr. Hnatyshyn: Author?

Mr. Blaikie: Does the Prime Minister intend to ensure that, in the future, Crown corporations will become an instrument for the pursuit of genuine alternative economic development, that is, accountable to social and environmental indicators of productivity as well as traditional profit criteria—

Some Hon. Members: Hear, hear!

Mr. Blaikie: —and that it is a kind of economic planning—

Some Hon. Members: Louder!

Mr. Blaikie: Does he intend to insure that it is a kind of economic planning over which Canadians have authentic control?

Some Hon. Members: Hear, hear!

Mr. Blaikie: Or are—

Madam Speaker: Order, please. That enumeration and that long preamble are just a bit too much on a third question on the same subject. I would ask the Hon. Member to proceed immediately to ask his question.

• (1430)

Mr. Blaikie: Are we to see the continuation of Crown corporations merely being mirror images of their counterparts in the private sector?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I can only advise the Hon. Member to read carefully what the Minister responsible said in the important statement he made yesterday, when he indicated the main objectives of the Corporation and how this new instrument the Government had created would be used to resolve a number of existing problems and also other problems that might arise in the future.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM MEXICO

Madam Speaker: I have the honour of drawing the attention of the House to the distinguished presence in our gallery of a parliamentary delegation from Mexico, which is headed by Senator Celso Humberto Delgado Ramirez.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF THE LEADER OF THE OPPOSITION IN MALTA

Madam Speaker: I also wish to draw the attention of the House to the distinguished presence in our gallery of the Leader of the Opposition in Malta, Dr. Eddie Fenech Adami.

Some Hon. Members: Hear, hear!

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FISHERIES

GEORGES BANK BOUNDARY DISPUTE—STATEMENT MADE BY UNITED STATES PRESIDENT

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, my question is directed to the Right Hon. Prime Minister. At the present time the U.S.-Canada Georges Bank boundary dispute is before the International court at The Hague. In light of the recent presidential proclamation which says that in case of conflicts the boundary of the exclusive economic zone shall be determined by the United States and other states concerned in

accordance with equitable principles, was the Prime Minister aware of this statement and, if so, will he discuss this matter at Williamsburg with the United States President to make certain that the U.S. move does not pre-empt the International Court's decision at The Hague on the boundary issue as it applies to Georges Bank?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, first I should inform the Hon. Member and the House that the purpose of Williamsburg is not to have bilateral discussions with the U.S. President but to discuss the agenda which is before the Economic Summit, and particularly the importance of having a lasting economic recovery both in the industrialized countries and Third World countries. Therefore I do not propose to raise any specific bilaterals with President Reagan.

If I understood the quotation correctly, and I was not aware of it, there seems to be nothing wrong, in my opinion, with the President suggesting that the solution be found in terms of equitable principles. I believe that is what the reference to the court leads us to expect. We hope that the court will judge on equity and international law. That is our expectation, and nothing has changed.

REQUEST THAT PRIME MINISTER DISCUSS ISSUE WITH U.S. PRESIDENT

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I thank the Right Hon. Prime Minister for his answer. I can appreciate that it may be difficult to discuss this matter at Williamsburg.

However, since Canada contends that the dividing line on Georges Bank should be equidistant between Canada and the United States, while the Americans claim the entire Georges Bank, will the Prime Minister undertake to hold discussions, when convenient, with the United States President, pointing out that their move to declare a 200 nautical mile coastal economic zone further complicates the boundary problem between our two countries and could establish precedents affecting other international boundary disputes?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker, the declaration of the 200-mile economic zone by the United States is no different from our own declaration which was made a few years ago in terms acceptable to the Law of the Sea conference. That is another matter entirely. In my view I think the Hon. Member is a couple of years too late. We have negotiated this situation. Of course there is a difference of interpretation of where the boundary lies, whether it be in the trench or on an equidistant line.

That whole matter had been solved in bilateral negotiations with the United States. It was rejected by the U.S. Senate. Consequently, we have gone to the international court of arbitration. It is now before the court. There has been no move on the part of U.S. or Canada to withdraw it from the jurisdiction of the court, where it is by mutual consent.

THE ADMINISTRATION

MEMBERSHIP OF CABINET COMMITTEE ON ECONOMIC DEVELOPMENT

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is directed to the Minister of National Revenue. Can the Minister tell the House whether he has recently been made a member of the important Cabinet Committee on Economic Development?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): I am sorry, Madam Speaker, but I did not hear the first part of the Hon. Member's question.

[*English*]

Mr. Lewis: Could the Minister tell the House whether or not he is presently a Member of the strategic Cabinet committee on economic development?

[*Translation*]

Mr. Bussières: Madam Speaker, I think these questions should be put to the Government House Leader and not to individual Ministers.

[*English*]

REQUEST THAT MINISTER BE APPOINTED TO COMMITTEE

Mr. Doug Lewis (Simcoe North): Madam Speaker, my supplementary question is for the Prime Minister or the President of the Privy Council. In view of the importance of the Canadian Development Investment Corporation to the country, in view of the fact that it seems to report through a member of the other place, and in view of the fact that the Minister of National Revenue has expounded at length on the strategic importance this company will be to the economy, does the Prime Minister or the Government feel that the Minister who does all the reporting should be a member of the Cabinet Committee on Economic Development?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, a list of Members of the various Cabinet Committees is tabled regularly in the House, and perhaps my learned colleague would like to read it. He will see for himself whether there have been any changes. Obviously, we will be announcing these changes in due time, but since the last election, we have made a habit of regularly tabling a list indicating the membership of our various Cabinet Committees.

* * *

HOUSING

$3,000 GRANT PROGRAM—GOVERNMENT POSITION

Mr. Marcel Roy (Laval): Madam Speaker, under Standing Order 21, I brought to the attention of the House the fact that

the Canadian government apparently had dropped, on May 4, its $3,000 Grant Program promoting home ownership, and this had raised a number of questions. I see that the Minister responsible for the Canadian Mortgage and Housing Corporation is in the House. I would now ask him the following question: Further to the representations made by thousands of Canadian renters who wanted to take advantage of the program and purchase a home under the federal program, and further to the many meetings which Members on this side had with the Minister to convey those representations submitted by thousands of Canadian residents, is the Minister willing to extend the program and accept the applications already filed with the various offices of the Canadian Mortgage and Housing Corporation across Canada?

These are applications filed by people who wanted to buy homes but because of the bad weather conditions that have prevailed these last few months, building operations have been delayed. So I would ask the responsible Minister whether he wishes to state the government's intent as to the representations made by thousands of Canadians and discussed in caucus?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I thank the Hon. Member for raising this very important question. I am indeed amazed that the Opposition critic, to whom I had indicated my readiness to answer within 48 hours, has failed to do so. I am very pleased to report to this House that further to consultations with Cabinet Ministers, and especially the Minister of Finance, the Government is ready to accept all valid applications that were filed with the Canadian Mortgage and Housing Corporation offices up to May 5, the date after which applications were no longer accepted.

I would also indicate that in the case of remote areas, rural areas where construction could not start, we will be accepting applications until June 15 to accommodate people in those parts of the country where construction operations are more difficult.

* * *

[*English*]

TRADE

REQUEST FOR RESUMPTION OF RELATIONS WITH POLAND

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is directed to the Prime Minister. Since the Western Allies will be meeting in Williamsburg this weekend to deal with foreign debt problems in many countries, is the Prime Minister prepared to deal with the case of Poland which is one of the smaller international debtors when compared to Brazil and Mexico? Our trade with Poland has degenerated because of adherence to the Reagan line. Will the Prime Minister take a Canadian position at Williamsburg so that we can re-establish our trading links with Poland? Specifically, what steps will the Prime Minister take, with or without his Summit partners, to resume trade with Poland?

• (1440)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, on that specific question I would have to defer to the Secretary of State for External Affairs for an answer. I am not sure whether any specific steps are being contemplated beyond the ones we have already taken and are following.

On the general matter of debt ridden Third World countries, or weaker countries, it is a concern that certainly will be discussed at Williamsburg and which I personally intend to bring to the attention of my colleagues at the Summit if it is not otherwise raised. It is certain that it is not only the huge debtors which must be of concern to us but the dozens and dozens of much smaller debtors, each of whom could see their economy and systems imperilled if the question of their debt is not addressed.

EXTENSION OF CREDITS

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I would like to go a little deeper into the subject. Poland has been our third largest grain purchaser, has a better debt record than either Mexico or Brazil, and we have extended credits to those countries. Will the Canadian Government extend credits to Poland for Canadian grain purchases, and allow us to sell some of the two million tonnes which we have on hand of frozen and damaged grain which the Poles will buy?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the House knows we have extended credits to Poland to buy wheat.

Mr. Benjamin: Not lately.

Mr. Trudeau: If the Hon. Member is asking for further steps in that direction, once again I would have to defer to the Secretary of State for External Affairs for the answer.

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DISARMAMENT

INQUIRY RESPECTING PRIME MINISTER'S ROLE AT WILLIAMSBURG SUMMIT

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, I would like to follow up with the Prime Minister on the Williamsburg Summit and once again refer to the not so amusing musings of the Prime Minister with respect to the warlike nature of the President of the United States.

Since making those observations, has the Prime Minister had any personal discussions with President Reagan with respect thereto, and in pursuit of his honest broker role of trying to maintain an even handed approach with respect to Canada's approach to the Soviet Union and the United States,

does the Prime Minister intend at the Williamsburg Summit to raise the question of the detente agreements which were lapsed by the United States following the Soviet invasion of Afghanistan?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in his question the Leader of the Opposition has managed once again to distort the reality of what I said. He has spoken at least four or five times in this House about my statements concerning the "warlike" attitude of the President of the United States. Either the Leader of the Opposition is extraordinarily gullible and he just reads headlines, because I do recognize that those words were used in a headline, or he is determined not to place my position in the sense in which it was stated. I would like to quote what I said in that interview with a representative of *The Toronto Star* and put it on the record. I was talking about members of the peace movement. Here is what I said:

They—

Members of the peace movement.

—are demonstrating against what they—

Members of the peace movement.

—see as the policy of an American president who has rightly or wrongly been perceived as warlike—

The sentence is not me saying the President of the United States is warlike. That is saying he is perceived, rightly or wrongly, as warlike by members of the peace movement. Perhaps the Hon. Member would rephrase his question. Perhaps he would even want to recouch his entire frame of mind—

Some Hon. Members: Oh, oh!

Mr. Trudeau: —in order to try to ask questions which are based on the truth and not on some fabrication of the media.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Madam Speaker, perhaps the Prime Minister will the next time he rises, answer my question which he failed to do in putting that explanation on the record which failed to refer to his further observation with respect to the justification of the holding of that perception of the warlike nature of the President of the United States.

CANADIAN POSITION ON DETENTE

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, in addition to answering the question that I just put to the Prime Minister, which remains unanswered, can he explain to the House whether in view of the lapsed detente agreements, something which took place after the Afghanistan invasion, and in view of the threat to detente caused by the pro-Soviet takeovers in Angola, Ethiopa, Southern Yemen, and Afghanistan, and the deterioration resulting therefrom, he believes there is any point in Canada continuing to support a detente stance in view of those circumstances and in view of the United States lapsing of those agreements? Does the Prime Minister intends to raise those matters at Williamsburg?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, very much so.

PRIME MINISTER'S CONVERSATIONS WITH UNITED STATES PRESIDENT

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, there is one more important aspect to the question which the Prime Minister has failed to answer yet.

Some Hon. Members: Oh, oh!

Mr. Cousineau: Nonsense.

Mr. Nielsen: Since making those statements has the Prime Minister had a conversation with President Reagan with respect thereto?

Mr. Lalonde: Thereto what?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have had very many conversations with President Reagan over the years, some personal visits, some phone calls and so on. I have had two conversations very recently with President Reagan, one in Washington in the White House about two and a half weeks ago, and another in a phone call about ten days ago. It was the Sunday preceding the last Sunday that the President phoned me from Camp David, just as I was leaving for my beloved Edmonton.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Crosby: They love you too, Pierre.

Mr. Trudeau: And again we continued exchanges we had begun in Washington on the subject of disarmament.

Mr. Nielsen: With respect to those statements?

Mr. Trudeau: Madam Speaker, I can say that the President may or may not have known those statements. If he did know them, I can assure the Hon. Member that he knew them correctly and not incorrectly as quoted by the Hon. Member and carried in the headline.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Before or after you talked?

* * *

FISHERIES

RESTRUCTURING OF EAST COAST INDUSTRY—GOVERNMENT POSITION

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is for the Minister of Fisheries and Oceans. As he knows, Georgetown Seafoods Ltd. in Prince Edward Island and other fish processing plants throughout the Atlantic region

are desperately awaiting government action on the Kirby report's call for a multimillion dollar restructuring strategy. Given that the Government has now had some several months to negotiate such a strategy with the companies involved, with the banks, with the fishermen and the employees of the various plants, is the Minister in a position to tell the House, and through the House, all interested parties, what action it is prepared to take on this urgent problem?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, my hon. friend is referring to a problem of great magnitude that concerns over 60 plants in Atlantic Canada, starting with Quebec, Nova Scotia, and also Newfoundland. This comprises assets of over $500 million, thousands of employees and 60 plants and, as the Hon. Member knows, the question of industries in the different Provinces is essentially a provincial matter.

• (1450)

Because of the magnitude of it, the federal Government has decided to do its utmost to prevent any major failure of that industry. We are having intensive negotiations with all partners at the moment. For instance, two days ago we had the pleasure to meet here in Ottawa with Premier Peckford. The meeting was chaired by my colleague, the Minister of State for Economic Development and the Minister who represents the Province of Newfoundland. I hope our efforts of the last few months will show up in the very near future in the reopening of as many plants as possible. I cannot guarantee to the Hon. Member that every single plant will reopen. I am working toward a maximum solution—

Madam Speaker: Order, please.

COMMITMENT OF FEDERAL FUNDS

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is directed to the same Minister. Last night the CBC reported that the federal Government has already made a decision to pump $100 million into the restructuring strategy to which I made reference in my first question. Will the Minister confirm that report? Will he at least indicate when an official announcement will be made? In connection with that restructuring will he assure the House that any such strategy for restructuring Atlantic fish plants will ensure that the Georgetown Seafoods plant in Prince Edward Island will be allowed to operate as a separate entity, perhaps in the context of an over-all strategy, rather than being the rear end of some larger plant which will smother it and make it impossible for that plant to operate as a viable and profitable entity?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I understand the intention and inspiration of the Hon. Member, but surely he is not asking me to say what level of assistance the federal Government will provide, because that is at the core of the negotiations with the creditors. Surely the Hon. Member expects the Provinces to play their share. The banks and the financial institutions will also have to put in money. We represent all taxpayers of the country. We are ready to do our share, but it would be most unwise for me to say at the outset what will be the ultimate position of the federal Government. As for this or that plant, that is not the way we are looking at it at this moment. We are trying to revamp the different companies which are technically bankrupt, and after that of course we will have to address each of the different plants.

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[*Translation*]

FISHERIES

CONFLICTS WITH QUEBEC—GOVERNMENT POSITION

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans and concerns the fishermen on the Magdalen Islands. There is a conflict between the Federal Government and the Provincial Government. The Federal Government controls fishing licences and the Provincial Government has control over the fishing companies. Is the Minister prepared to settle its problems with the Provincial Government so that the fishermen can get on with their work?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I wish to thank the Hon. Member for his question. It will not doubt interest him to know that representatives of Pêcheurs Unis, and Madelipêche is one of the branches of this company, came to see the Canadian Government to ask for help. Today, I am happy to say that most of the Pêcheurs Unis plants are open again, thanks only to a financial contribution made by the Canadian Government. In two weeks we have already paid more than $1 million. The first bills paid in order to reopen the plants were accounts with the Government of Quebec, but we are prepared to go that far. The only plant that did not open was the only Pêcheurs Unis plant whose licences the Government of Quebec would like to have. If it is a matter of money or administration, we are prepared to help, but if licences are involved, I think this kind of action for obtaining access to resources is unacceptable.

URGENCY TO RESOLVE CONFLICTS STRESSED

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, this is a matter of federal-provincial co-operation, and I would like to know whether the Minister realizes that a sit-in is being staged at the Federal offices in the Magdalen Islands and that a solution to these problems is urgently needed so that these fishermen can earn their living.

Hon. Pierre De Bané (Minister of National Revenue): Madam Speaker, I can inform the Hon. Member that before

the Government of Quebec seized the ships, they asked me whether the licences could be transferred. My answer was negative. Subsequently, they seized the ships, and today, unlike what the Hon. Member said, it is no longer a matter of federal-provincial relations but blackmail or worse. I understand perfectly well that the people on the Islands are only concerned about their plant. However, if I allow one creditor, even if he happens to be the government of one of the provinces, to proceed with seizure, there are sixty other plants where creditors could also act to protect themselves by seizing plants. If that happens, there will be a wave of bankruptcies throughout the Maritimes, and it is my responsibility to consider the welfare of all concerned.

* * *

[*English*]

HOUSING

REGISTERED HOME OWNERSHIP SAVINGS PLANS—WITHDRAWAL OF FUNDS

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, my question is directed to the Minister of Public Works, who is responsible for housing. May I first thank him for responding positively to the pressures applied by the applicants and by this side of the House. In regard to the Registered Home Ownership Savings Plan, since there is some confusion and it seems impossible to withdraw funds without any guidelines, will the Minister indicate when certain guidelines or legislation will be brought forward so that people can take advantage of the program announced in the budget?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I apologize to my hon. friend if I cannot give him a full answer. As he well knows, this program is not administered under my responsibility. Although we have been working with the Department of Finance and the Department of National Revenue to ensure that as much information is distributed to CMHC offices as possible, I am told that some institutions are releasing funds. I think it was really a question of clearing up some details, and this appears to have been done. However, I would defer for details to my colleagues who are more responsible than I am.

Mr. Baker (Nepean-Carleton): Are you saying that you are irresponsible?

APPLICATION OF PROGRAM TO RENTERS

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, perhaps the Minister of Finance may be able to enlighten me on this particular situation. Since there seems to be some discrimination against apartment dwellers and people who rent homes, and since this plan is supposed to be a stimulation for the furniture industry, could the Minister look at providing these people with a similar opportunity as home owners enjoy?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the provision in the budget concerns the use of registered home ownership savings plans, and only Canadians who are eligible for such plans will be able to make use of this provision.

* * *

[*English*]

INDIAN AFFAIRS

NATIVE ECONOMIC DEVELOPMENT FUND—APPROVAL OF EXPENDITURES

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, in the absence of the Minister of Indian Affairs and Northern Development I will direct my question to the Minister of Industry, Trade and Commerce. It relates to the $345 million "phantom" Native Economic Development Fund. I see the Minister returning to his seat. Would he be in a position today to tell the house whether Cabinet has given approval to the spending of this money and whether this approval is in accordance with the memorandum to Cabinet of April 29, 1983?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, that is being discussed by Cabinet at the present time. We hope to make an announcement shortly.

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AUDITOR GENERAL

TABLING OF REPORT RESPECTING COMPREHENSIVE AUDIT OF HOUSE OF COMMONS

Madam Speaker: I have the honour to lay upon the table the Report of the Auditor General of Canada on the follow-up of the 1980 Comprehensive Audit of the House of Commons.

* * *

● (1500)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Lewis: Madam Speaker, today being Thursday, I would like to ask the Government House Leader what is the business of the House for tomorrow and for as much of next week as possible.

Mr. Pinard: Madam Speaker, tomorrow, Friday, we will deal with four items. First, 45 minutes will be allowed to start debate and consideration of the objections which are Nos. 5 and 6 on the Order Paper relating to the Electoral Boundaries Commission for the Province of Alberta. I have had consultation and if within 45 minutes, which seems to be a reasonable

period of time, we have terminated consideration, fine. If not, it will be adjourned for further consideration at a later date.

After 45 minutes we will consider all stages of the Bill to amend the Salaries Act, to be introduced later today concerning the Lieutenant Governors. We have an agreement for one speaker per Party.

Third, two resolutions to approve the appointment of Inger Hansen, Q.C. as Information Commissioner and John W. Grace as Privacy Commissioner will be dealt with. We have an agreement to deal with the two resolutions with two speakers per Party.

Fourth, we will deal with Bill C-152, an Act respecting the organization of the Government. That is the business for tomorrow.

[*Translation*]

Monday will be an Opposition day. Tuesday, unless we finish today, we shall resume debate on Bill C-151, which authorizes the Government to borrow certain sums of money. We are now at the second reading stage, and this Bill must be passed as soon as possible. Wednesday will be a day set aside for Private Members' Business. As for next Thursday, agreement has been reached between the parties to pass all stages of Bill C-156, an Act to amend the Unemployment Insurance Act, 1971 (No. 3), with the amendments relating to this Act, by 6 p.m. at the latest.

Madam Speaker, that was the order of business for next week.

* * *

[*English*]

POINT OF ORDER

MR. HNATYSHYN—APPLICATION OF EIGHT-HOUR TIME LIMIT ON DEBATE—RULING BY MADAM SPEAKER

Madam Speaker: I would like to rule on the matter which was raised concerning the inclusion of the time concentrated on points or order in calculating the time of speeches and the total amount of time that is given for discussing a certain matter. After having examined the arguments put forward very carefully, I would like to make the following points touching on the substantial elements put before by me last Thursday.

First, I must say that it is highly unusual for me to consider arguments on a ruling given by the Deputy Speaker or an Acting Speaker. We all know that a Speaker's ruling under our Standing Orders and our practice cannot be appealed. In this case I heard the Hon. Member because he made it clear that he had been invited by the Acting Speaker on May 16 to make those arguments to the Speaker, but I am now making the point that an Acting Speaker's decision has the same finality as if it had been rendered by the Speaker.

Second, the Acting Speaker gave a ruling as to the substance of the problem. That ruling is entirely correct and reflects our rules and our practices in that whenever a specific length of time is attributed to any proceeding in this House, the time taken up by points of order within that period is not subtracted from the total time allowed. That is the general rule. However, as the Hon. Member for Hamilton Mountain (Mr. Deans) stated, the Chair at its discretion can extend the time allowed for a Member's speech if, in his opinion, he has been unfairly interrupted by points of order. Whether such an extension ought to apply equally to the total time for debate is similarly to be determined in any specific case at the discretion of the Chair.

The general practice of counting the time used by points of order against the allotted time for a specific proceeding is not new to this House. It certainly was the practice under the Standing Orders prior to September, 1982, and I see no reason to change that practice under the Provisional Standing Orders.

Hon. Marcel Lambert (Edmonton West): Madam Speaker, may I get clarification of your ruling with regard to points of order. I believe you indicated that a ruling by the Acting Speaker is the same as that of the Speaker and is not subject to appeal. May I ask when is the Deputy Speaker the Acting Speaker and when are the two Assistant Chairmen Acting Speakers? Because the ruling that was originally made, I submit to you, was made by the Deputy Speaker. Our rules provide very clearly for an appeal from a ruling of the Deputy Speaker. There is a procedure for it. Therefore, I say that there is a difference between the Speaker and the Deputy Speaker. When is a Deputy Speaker and a Chairman not acting in his or her capacity? There is only one Speaker in this House.

Madam Speaker: The Hon. Member knows that whenever a Speaker or Acting Speaker or Deputy Speaker is in the Chair, what I said about their decisions applies. I think the Hon. Member is confusing the time at which a Speaker is sitting as Chairman of the Committee of the Whole. At that time there is a procedure, I believe, to appeal the decisions of the Chairman.

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I listened intently to your ruling but I have to confess I was not altogether clear as to the exact nature of your ruling. Maybe you can clarify it for me from this point of view. In terms of the debate on Bill C-155, which is the proposed amendments to the Crowsnest Pass rates, is it your ruling that the time, which consisted of about one hour, taken up by points of order with respect to the interpretation of the rules is to be subtracted from the eight hours which is allocated to the 20-minute speeches, or is it your ruling that that time is included in the eight-hour calculation?

Madam Speaker: Hon. Members are in the habit of asking for clarification of rulings. They should know they can read them in *Hansard*. If they require clarification, they can speak to the Table officers. The Hon. Member perhaps had a moment of distraction. I said that there is an amount of discretion allowed on the part of the Speaker.

LABOUR CONDITIONS

THREAT OF WEST COAST PORTS STRIKE

Hon. Don Mazankowski (Vegreville): Madam Speaker, I have a brief point of order. It arises out of a response to a question yesterday to the Minister of Employment and Immigration (Mr. Axworthy) at page 25693 in his capacity as Acting Minister of Labour. I believe that he, inadvertently perhaps, misled the House when in reference to the question of the grain handlers dispute on the West Coast he indicated in his answer that a strike vote had been taken. This morning I was informed by the President of the grain handlers that a strike vote has not been taken and that—

Madam Speaker: That is not a point of order, it is debate. Furthermore, the Hon. Member may not correct a statement made by another Member. If that Member wants to correct his statement that is up to him.

ROUTINE PROCEEDINGS

[*English*]

INFORMATION

TABLING OF TWO DOCUMENTS

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Madam Speaker, pursuant to the provisions of Standing Order 46(2), I wish to table in the House two documents, one under the English title "Information Technology: A Call for National Dialogue on the Emerging Information Society", and one bearing the French title "A L'Heure de la Société Informatisée: Invitation au Dialogue".

* * *

[*Translation*]

RACIAL DISCRIMINATION—ECONOMIC, SOCIAL AND CULTURAL RIGHTS

TABLING OF REPORTS

Hon. Serge Joyal (Secretary of State): Madam Speaker, pursuant to Standing Order 46(2), I have the honour of tabling, in both official languages, the Sixth Report of Canada on the International Convention on the Elimination of all Forms of Racial Discrimination; and the First Report of Canada on Articles 10 to 12 of the International Covenant on Economic, Social and Cultural Rights.

• (1510)

[*English*]

PETITIONS

MR. WENMAN—PENALTIES FOR DRUNK DRIVERS

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I have the duty to present a petition today on behalf of Mothers Against Drunk Drivers. Madam Speaker, the petition that I have to support is in fact on behalf of 7,000 Canadians who share in the tragedy of these mothers who have lost their sons and daughters to drunken driving. The name of this organization is becoming known across the country as MADD, and support for this particular petition comes not only from the 7,000 names that are affixed to it but from the Canadian Medical Association, the Canadian Association of Police Chiefs, the Attorneys General of many Provinces; and as well the Minister of Justice (Mr. MacGuigan) has indeed indicated some sympathy and concern toward this type of correction.

This petition purports to have a threefold purpose: the first is that upon a third offence and subsequent conviction there would be a mandatory six-month incarceration and ten-year licence suspension. Second—

Madam Speaker: Order, please. The Hon. Member may not read all that out. We have heard the title of the petition and the object of it so I believe that is sufficient for the time being.

Mr. Wenman: Madam Speaker, the petitioners hope that you will receive, find in good order and refer this matter to the appropriate committee. The petitioners hope that you, Madam Speaker, might, with your own strong sense of fairness and justice, give full force to the capacity of your office and make the appropriate reference which, under precedent, does appear to be within your authority. This petition is the type of petition by which both justice and democracy can be forwarded at the same time, and through the limited capactity of your office I urge you to give support to this petition by recognition of—

Madam Speaker: I will show the Hon. Member how strong I am by interrupting him now.

MR. OGLE—SASKATOON REGIONAL PSYCHIATRIC CENTRE STAFF CUTBACKS

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I present a petition from 160 citizens of my constituency of Saskatoon East where the Regional Psychiatric Centre comes under the jurisdiction of the Solicitor General (Mr. Kaplan). A recent recommendation to cut back on staff has given me this petition.

To the Honourable the House of Commons of Canada in Parliament assembled, the petition of the undersigned citizens of the City of Saskatoon in the Province of Saskatchewan do now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your Honourable House will therefore

provide a remedy, humbly sheweth that staff cutbacks have occurred at the Regional Psychiatric Centre in Saskatoon. Wherefore the undersigned, your petitioners humbly pray and call upon Parliament to provide sufficient staff at the said Regional Psychiatric Centre to assure the safety of the staff and the general public, and as in duty bound your petitioners will ever pray.

RETENTION OF CROWSNEST PASS RATES

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, it is my honour and duty to present a petition on behalf of 158 residents of Canada.

To the Honourable the House of Commons of Canada in Parliament assembled, the petition of the undersigned residents of the Provinces of Saskatchewan and Ontario who now exercise their right to present a grievance humbly sheweth that the removal of the Crow rate will see its replacement by rates that will impose higher freight costs of five times the present Crow rate; that the increases will be imposed at a time when prices for producers' grain are now at the 1974 level; that detailed calculations show that a rate of 5.1 times the Crow rate will cost the community of Hudson Bay $789,700 in each year in the payment of grain freight that would have otherwise stayed in the community based on the actual deliveries in 1980-81. Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the Crow rate in perpetuity as presently guaranteed by statutes, and as in duty bound your petitioners will ever pray.

Mr. Les Benjamin (Regina West): Madam Speaker, I have the honour and the duty to present a petition from 37 residents of Canada, 34 of whom are members of the Saskatchewan Wheat Pool and who come from Melville, Invermay, Preeceville and Spy Hill, in which they humbly sheweth that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year. This grain in turn contributed $6.3 billion to the balance of trade; the undersigned believe this is the farmers' fair contribution to the Canadian economy and that western farmers will pay one times the Crow. Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the present statutory grain rate, and as in duty bound your petitioners will ever pray.

[*Translation*]

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I wish to present a petition.

The petition of the undersigned residents of Canada who now exercise their ancient and unchallenged rights to present a grievance, with the assurance that your Honourable House will provide a remedy.

Humbly sheweth that:

Whereas western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year.

That this contributed $6.3 billion to the balance of trade of Canada

Whereas the undersigned believe that this is the farmers' fair contribution to the Canadian economy.

And whereas western farmers will pay one time Crow.

Wherefore the undersigned humbly call upon Parliament to maintain the present statutory grain Crow rate.

And as in duty bound your petitioners will ever pray.

[*English*]

Mr. Simon de Jong (Regina East): I thank you, Madam Speaker, for this opportunity to present the following petition to you and to the House. It is a petition, Madam Speaker, of some 35 Canadian citizens, mainly from centres such as Cut Knife, North Battleford, Adams, Grand Forks, et cetera, in the Province of Saskatchewan.

The petitioners wish to petition you, Madam Speaker, and the House, and humbly sheweth that western Canadian farmers paid some $131 million to move export grain under the Crow freight rate in the 1981-82 crop year and that this grain in turn made a contribution of some $6.3 billion to the balance of trade for Canada. The undersigned petitioners are mainly farmers and believe that this is a fair contribution to the Canadian economy. They are willing to continue to pay this amount to move export grain. They do feel, however, that the proposed legislation will put a burden on them which will force many of them out of business. They therefore wish to present this petition, Madam Speaker, and I as well as the petitioners thank you for being afforded the opportunity of presenting this petition.

Mr. Jim Fulton (Skeena): Madam Speaker, I too have the honour to present a petition in relation to the Crow rate, a petition primarily from the residents of Dawson Creek, Pouce Coupe, Grand Prairie and other small communities in that area.

To the Honourable the House of Commons of Canada in Parliament assembled, the petition of the undersigned residents of the Provinces of British Columbia and Alberta who now exercise their right to present a grievance humbly sheweth that the removal of the Crow rate will see its replacement by rates that will impose higher freight rate costs of five times the present Crow rate and higher by 1990; that such increases are being imposed at a time when prices for producers' grain are now at 1974 levels; and that detailed calculations show that a rate of five to one times the Crow rate will cost the community of Dawson Creek $4,658,800 in payments for grain freight rates that would otherwise have stayed in that community based on actual deliveries in the 1980-81 crop year. Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to maintain the Crow rate in perpetuity as presently guaranteed by statutes, and as in duty bound your petitioners will ever pray.

[*Translation*]

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I wish to present a petition on behalf of residents of Landis, Wilkie, Unity and Luseland in Saskatchewan.

The petition humbly sheweth that:

Whereas western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year.

That this contributed $6.3 to the balance of trade of Canada.

Whereas the undersigned believe that this is a fair contribution to the Canadian economy.

And whereas western farmers will pay one times Crow.

Wherefore the undersigned humbly call upon Parliament to maintain the present grain Crow rate.

And as in duty bound your petitioners will ever pray.

• (1520)

[*English*]

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I have the honour of presenting a petition from the residents of Asquith, Saskatchewan, named, of course, after the late Liberal Prime Minister who did not believe in pushing things down people's throats.

The petitioners say that western Canadian farmers paid $131 million to move export grain under the Crow freight rate in the 1981-82 crop year; that the grain in turn contributed $6.3 billion to the balance of trade; that the undersigned believe that this is the farmers' fair contribution to the Canadian economy; and that the western farmers will pay one times the Crow rate, that is, no change. Wherefore these petitioners, all 36 of them, humbly pray and call upon Parliament to maintain the present statutory grain rate, that is, the Crow rate, and they are duty bound in petitioning this House.

Mr. Laverne Lewycky (Dauphin-Swan River): Madam Speaker, it gives me great pleasure to present a petition mostly on behalf of constituents in the Swan River area of my riding who now exercise their right to present a grievance and humbly sheweth that the removal of the Crow rate will see its replacement by rates that will impose higher freight costs of five times the present Crow rate and higher by 1990; that such increases are being imposed at a time when prices for producers' grain are now at the 1974 level; and that detailed calculations show that a rate of 5.1 times the Crow rate will cost the community of Swan River some $1,187,000 in payments for grain freight that would have otherwise stayed in that community based on the deliveries that were actually made in the 1980-81 crop year. Wherefore the undersigned, your petioners, humbly pray and call upon Parliament to maintain the Crow rate in perpetuity as presently guaranteed by statute.

SALARIES ACT

AMENDMENT TO INCREASE SALARIES OF LIEUTENANT GOVERNORS

Hon. Jim Fleming (for the Prime Minister) moved for leave to introduce Bill C-160, an Act to amend the Salaries Act.

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

* * *

PARTICIPATION OF VISIBLE MINORITIES IN CANADIAN SOCIETY

APPOINTMENT OF PARLIAMENTARY TASK FORCE

On the order: Government Notices of Motions:

May 24, 1983—The Minister of State (Multiculturalism):

That a Special Committee consisting of seven Members to be named later to act as a Parliamentary Task Force on Participation of Visible Minorities in Canadian Society, be appointed to examine the subject-matter described by its title, and in particular:

(1) to seek positive and constructive ideas and models pertaining explicitly to ameliorating relations within Canada between visible minority and other Canadians;

(2) to identify and investigate positive examples and models of the promotion of harmonious relations between visible minority Canadians and other Canadians, particularly in institutional areas, and find ways and means of improving those relations;

(3) to seek the views that contribute constructively and positively to the promotion of racial tolerance, understanding and harmony of concerned voluntary, community and minority groups and organizations and individuals, as well as business, professional and trade associations, labour unions, public and private institutions and relevant specialists;

(4) within a general review to consider Federal Government policies and programs in the area of race relations;

(5) to recommend the development of positive programs that the Committee finds necessary to promote racial understanding, tolerance and harmony in Canadian society; and

(6) to encourage the continuation of the dialogue that will be initiated, in a climate that is open and constructive.

That the committee report no later than six months after its membership is named;

That the committee have all of the powers provided to standing committees pursuant to Standing Order 69(8);

That the committee have the power to retain expert, professional, technical and clerical staff;

That the committee be empowered to adjourn from place to place within Canada; and

That the provisions of sections (4) and (9) of Standing Order 69 of the House of Commons should be suspended, unless otherwise agreed to by this committee.

Madam Speaker: Pursuant to Section (2) of Standing Order 25, this notice of motion is transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

Order Paper Questions

INFORMATION

APPOINTMENT OF COMMISSIONER

On the order: Government Notices of Motions:

May 24, 1983—The Minister of Justice:

That, in accordance with Section 54 of Schedule I of an Act to enact the Access to Information Act and the Privacy Act, to amend the Federal Court Act and the Canada Evidence Act, and to amend certain other Acts in consequence thereof, Chapter 111 of the Statutes of Canada for the present session of Parliament, this House approves the appointment of Inger Hansen, Q.C., as Information Commissioner.

Madam Speaker: Pursuant to Section (2) of Standing Order 25, this notice of motion by the Minister of Justice (Mr. MacGuigan) is transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

PRIVACY

APPOINTMENT OF COMMISSIONER

On the order: Government Notices of Motions:

May 24, 1983—The Minister of Justice:

That, in accordance with Section 53 of Schedule II of an Act to enact the Access to Information Act and the Privacy Act, to amend the Federal Court Act and the Canada Evidence Act, and to amend certain other Acts in consequence thereof, Chapter 111 of the Statutes of Canada for the present session of Parliament, this House approves the appointment of John W. Grace, Esquire, as Privacy Commissioner.

Madam Speaker: Pursuant to Section 2 of Standing Order 25, this notice of motion of the Minister of Justice (Mr. MacGuigan) is transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

Mr. Lewis: Madam Speaker, I have a point of order. I was not exactly sure which notices of motions you were transferring. That was my difficulty.

Madam Speaker: May I remind the Hon. Member that one was by the Minister of State for Multiculturalism (Mr. Fleming) and two were by the Minister of Justice (Mr. MacGuigan).

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,518 and 4,798.

[*Text*]

DREDGING AT WOOD'S HARBOUR, NOVA SCOTIA

Question No. 4,518—**Mr. Crouse:**

1. What is the amount approved for dredging at Wood's Harbour, Shelburne County, Nova Scotia in 1982?

2. What is the anticipated date when dredging operations will be carried out?

3. What is the extent of the area to be dredged?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): 1. While no dredging was approved for Wood's Harbour (Fall's Point) for 1982, dredging will be done in the next fiscal year.

2. Dredging will begin in 1983/84.

3. There will be 60,000 cubic metres of class "C" material plus some additional class "A" rock of undetermined quantity which will have to be dredged. The dredging will be carried out to a depth of 4.3 metres below low water ordinary spring tide.

LABOUR FORCE SURVEY—NEW BRUNSWICK

Question No. 4,798—**Mr. Howie:**

As of April 1 (a) 1981 (b) 1982 (c) 1983, how many persons were receiving unemployment insurance benefits in (i) New Brunswick (ii) the area served by the CEC at King's Place, Fredericton, New Brunswick?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): The requested statistics are kept by Labour Force Survey reference week. The most current information is:

(a) April, 1981	(i)	53,787	(ii)	4,464
(b) April, 1982	(i)	64,607	(ii)	5,337
(c) January, 1983	(i)	69,061	(ii)	5,806

Statistics as of April 1, 1983 are not yet available.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1983-84 (NO. 2)

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Cosgrove that Bill C-151, an Act to provide supplementary

borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Tom McMillan (Hillsborough): Mr. Speaker, Bill C-151 now before the House seeks to provide the Government with authority to borrow $14.7 billion. That money is needed because, as has been the case from the time the Prime Minister (Mr. Trudeau) took office 15 years ago, the Government's uncontrolled expenditures have greatly exceeded its revenues. Indeed, this is the seventh time in the current session that the Government has had to come to Parliament, cap in hand, for additional borrowing authority.

The implications for the Canadian economy of such massive borrowing by the federal Government are as harmful as they are far reaching. The main problem for the Atlantic Provinces is that in the years ahead exorbitantly high interest payments on the national debt will leave little budgetary room for stimulative measures designed to resuscitate the crippled economy of the region.

In particular, I ask how the Government will find the $500 million that the Kirby Report says is needed for a complete restructuring of the Atlantic fishery. Clearly the state of the fishery on the East Coast is the single most urgent problem faced by the four Atlantic Provinces since World War II. Unless it is resolved, we in the Atlantic Provinces, all four Provinces alike, will continue to be forced to be wards of the federal Government, reduced to living from hand to mouth on the strength of transfer payments to provincial Governments and individuals.

Throughout the Atlantic region, the fishery has a potential work force of something like 100,000 people, about half engaged in the fish processing plants and the other half engaged in the actual catch. Much of the potential, however, is not being realized because the industry is literally on its knees. The fishing season is upon us and a black cloud hangs over those trying to eke out a meagre living from what was once a thriving concern.

The immediate challenge, of course, is to rationalize the small handful of major fish plants that employ the bulk of the 50,000 workers in the fish processing part of the industry. For example, H. B. Nickerson and Sons Ltd., which is of vital importance to Prince Edward Island because of its Georgetown Seafoods plant, at one point had a work force of some 10,000 people. In fact, in Georgetown alone, in that one plant, some 300 full-time jobs were eliminated when the doors were closed in the Fall of 1982. When part-time workers are taken into account, as many as 570 jobs were at stake.

I have been pleading with the Minister of Fisheries and Oceans (Mr. De Bané) and the Government as a whole to help revive Georgetown Seafoods. But those pleas have fallen largely on deaf ears.

• (1530)

Now I would be the first to admit, Sir, that the plant's problems cannot be resolved, cannot be dealt with or addressed, and should not be, in isolation from any over-all strategy for the Atlantic fishery. By the same token, however, the plant's difficulties should not be totally ignored while a broader solution is being pursued. In fact, the major obstacle to the reopening of Georgetown Seafoods is the lack of high quality fish supplies required for processing and for making the plant profitable. Only a more generous fish quota from the federal Government—and the federal Government is the one with authority in this respect—is keeping Georgetown Seafoods from once more playing an important role in the Island's economy. But in response to overtures from myself and my colleague, the Hon. Member for Malpeque (Mr. Gass), and from the P.E.I. Government for such increased access to fish supplies in the Gulf of St. Lawrence, the federal Minister of Fisheries and Oceans (Mr. De Bané) has stubbornly refused even to consider the proposal, arguing that it would dislocate supplies in other parts of the Atlantic region, especially in the Province of Nova Scotia. The Minister's concern is grossly misplaced, Mr. Speaker. The fact is that any assured fish quota for the Georgetown Seafoods plant, even if it involved a transfer of licences from Nickerson's to another operator, would not necessarily jeopardize fish supplies elsewhere in the region.

The Atlantic fishery, Sir, is on its knees. Fish processing plants are closing all over the region. Consequently, there is an oversupply of fish for procesing purposes. The Government has had the Kirby Report in its hands for many months, well beyond the point when it could justify procrastination and delay. The report was publicly released on February 17. The Deputy Prime Minister told me in the House, in Oral Question Period, on April 29, that the Government concurred with virtually all of Mr. Kirby's recommendations, including presumably those relating to the restructuring of the fish processing plants. If that is the case, why is action being delayed? Surely there has been ample time to consult with all concerned, among them the companies themselves, the banks, the respective provincial Governments and the workers.

If the fishery were instead located in Ontario and Quebec, central Canada in general, action would long since have been taken. The Government has hinted broadly that it may not be able to afford a master plan for the fishery in the current fiscal year, but it was able to come up with $200 million out of thin air within 24 hours to save what little was left of the reputation of the Minister of Finance (Mr. Lalonde) in order to patch up the celebrated budgetary leak a few weeks ago. Why could that money not have been spent instead on the Atlantic fishery? The budget provides some money, I grant you that, to the fishery under general categories like Special Recovery Capital Projects. But as Mr. Kirby has rightly pointed out, what is needed is not a few dollars here and a few dollars there for a wharf or a vessel here or there or wherever; a total strategy designed to rebuild the fishery from the ground up is what is required. I urge the Government to recognize the fact and get on with the job.

In conclusion, Mr. Speaker, I should like to point out that the task will be costly. On the other hand, the cost of not

acting now in terms of lost output, lost wages and lost taxes on earned income would be even greater. If the federal Government still refuses to act, it should step aside and let someone else do the job. That is a message, Sir, which I think the Atlantic Provinces will doubtless send to Ottawa in the next federal election.

Mr. Derek Blackburn (Brant): Mr. Speaker, it is with pleasure that I enter this debate this afternoon, albeit for only ten minutes, on Bill C-151, an act respecting borrowing authority. In this Bill the Government is asking for a total of $14.7 billion. It used to be that we would talk around here in terms of "well, what's a million?" Today the buzz words are "what's a billion?" We all know that the cost of running a government and the country has increased substantially, but we on this side of the House constantly wonder whether or not those funds are being wisely spent.

This afternoon I would like to address very briefly one aspect of Government expenditure, that of national defence, and more specifically, the defence of our most northern reaches, the high Arctic. The reason I have chosen to zero in on this specific aspect of Government spending and the woefully inadequate aspect of Government expenditures for our defence in the far North is that I recently returned from a 13,000 kilometre trip in the High Arctic along with other Members of this House and European deputies and Members of Parliament who are members also of the North Atlantic Assembly. I was absolutely shocked to learn of the woefully inadequate defences that our country actually has in the far North when one considers the Soviet Union encompasses the whole eastern and far northern part of the High Arctic. I am not going to give a brief sabre rattling speech, but I just want to give you a few facts and statistics. Believe me, our European friends were more shocked than we were when we discovered some of the following figures and facts.

To begin with, the Government is at present engaged in negotiating the purchase of several hundred F-18A jet fighters. I do not know why this country is involved in the purchase of jet fighters. We no longer have a raison d'être, as it were, to be in that phase of defence or offence should a war occur, except in a very limited capacity in Europe within the NATO umbrella. But in North America we are dealing with ICBMs, and the Russians would have to have rocks in their heads to send manned bombers over the Arctic ice cap to bomb North America. I notice some of my Liberal friends are getting a little excited over there. They are still thinking in terms of the 1950s. Those jet fighters are going to cost us at least $5.5 billion. They will be totally useless for Arctic patrol. They cannot go any distance at all, whether it is in the High Arctic or in Europe. In the High Arctic there is no place for them to land. There are only three airfields in the entire far North, and I am speaking of well above the 60th parallel. Now, Mr. Speaker, this is $5.5 billion for a useless jet plane which cannot be used to defend our own country. I am not talking about NATO or the European theatre.

What have the Soviets got? They have six divisions, 400 warships and 600 aeroplanes, mainly for reconnaissance and surveillance. Against that, Mr. Speaker, we have a junior ranking general at the brigadier level. We have the grand total of 75 people attached to National Defence in the High Arctic, of whom 42 are civilians. The rest are professional soldiers. In addition to that, we have several hundred Inuit and Indian scouts on a part-time basis. They perform a very valuable service in search and rescue, but really, as a fighting unit, with all due respect, they cannot be considered professional soldiers. Our Air Force in the far North consists of two planes, both of them Twin Otters, one of them seconded from the RCMP. Again, facing us across the polar ice cap: six Soviet divisions, 400 warships and 600 fighter airplanes.

• (1540)

The other aspect of our woefully undefended High Arctic is, of course, our relations with the United States. No one is anticipating an invasion from United States, granted. However, from an economic point of view and from the point of view of maintaining our sovereignty, it was not until 1969 that we even attempted to prove to the United States that we in fact controlled our High Arctic up to and including the North Pole and the polar ice cap. It is so bad, we learned from our military advisers in Yellowknife, that the Americans send their nuclear powered submarines through our territorial waters, under the polar ice cap, and when they return to the U.S. bases, only then do we give them permission for the journey that they have already made. This means that the Americans do not respect the longitudinal line that geographically divides the Yukon from Alaska as it is extended to the polar ice cap.

The reason the Americans refuse to accept this line and de facto, in effect, refuse to accept our sovereignty over the high North or the High Arctic is that the Prudhoe oil well basin comes down in a southeasterly direction and it does not extend in a northwesterly direction. The Americans know that much of that oil may very well fall under Canadian jurisdiction. So, for the time being, militarily, as a first step, the Americans are refusing to recognize the extension of the Yukon-Alaska border to the North Pole. Economically, that will of course be extremely important to Canada if and when we strike oil in the Beaufort Sea.

The Government is requesting $14.7 billion more, to borrow most of its money on the open market, I presume, and is proposing to spend at least $5.5 billion on the F-18A jet-fighter, which is of virtually no tactical use in North America in view of the fact that the Americans already have a massive interceptory jet-fighter presence in the United States, and in view of the fact that if the Soviets should attack Canada and the continental United States, it will not be from manned bombers of 1955 vintage but, rather, with ICBMs.

I really question the wisdom of borrowing $5.5 billion. Indeed, by the time we receive delivery of these planes, the capabilities and, in fact, safety of which are extremely questionable at the present time, the figure might well reach $7 billion or $8 billion, which would be half the $14.7 billion which Bill C-151 is asking the House to give the Government authority to borrow. In the next three or four years, half of that amount could conceivably go toward a jet-fighter which

we do not need, which is, tactically speaking, unnecessary in this part of the world. We all know very well that the Government should be spending money on reconnaissance and surveillance, hardware in the form of reconnaissance and surveillance planes and sea-based craft, such as submarines. That is our role within NORAD and within the purview of our own defence. It is not to spend $5 billion to $8 billion on jet-fighters when, at the present time, we have 75 military personnel in the North, two Twin-Otter planes, one of which is seconded to us from the RCMP, and a few Inuit and Indians attempting to scout for us, mainly in the area of search and rescue.

Therefore, on the one hand, in conventional surveillance and reconnaissance, we are woefully inadequate in the North, and on the other hand, the Government is proposing to waste $5 billion to $8 billion on tactical jet-fighters which we do not need and which cannot be deployed in the High Arctic.

I notice, Mr. Speaker, that my allotted time has expired, and I appreciate the opportunity to make this intervention.

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I am deeply distressed, as I am sure many Canadians are also, that the Government has once again come forth to borrow more money, this time under the authority of Bill C-151, with very little thought given to the fact that the money must be squeezed out of the already hard-pressed Canadian taxpayers. To date, the Government has come to Parliament an unprecedented seven times in this session to ask Parliament for more and more money. In fiscal year 1982-83 alone, the Government came to Parliament four times to seek more and more money. At present, the Government already has borrowing authority for this fiscal year, 1983-84, for $16 billion.

Bill C-143 provided for $14 billion to be granted for fiscal year 1983-84, and for an extra $2 billion, which was slated for last year, to be carried over into this year. All in all, some $16 billion was already earmarked for the present fiscal year. Now, based on the Government's financial requirements of $26.7 billion, and existing borrowing authority of $16 billion which I just mentioned, the Government requires some $10.7 billion in additional borrowing authority for this year. However, the Bill which we are asked to pass is requesting $14.7 billion in new money, $4 billion more than is indicated by the national requirements of the $26.7 billion. Of this amount, it has been estimated that $2 billion does not have to be used this year, and may be carried forward into the future. What this really boils down to is that the Government not only has a cushion of $2 billion for this year, but it has also arranged for itself a further cushion of $2 billion to be used in any year.

I would also like to point out that there is really no urgency to the passage of this Bill, because the Government already has $16 billion in borrowing authority, as I have already indicated, which is more than enough to last for several months.

Spending taxpayer's dollars without due attention to priority by the Government, or by any person, is an act of irresponsibility and a violation of trust which should never be condoned. Further, the Government does not even follow its own guidelines of six and five, because spending for this year alone will be up some 12 per cent. What is even more calamitous is that spending by the Government has risen from 21 per cent of the Gross National Product four years ago to 26 per cent. When one adds all of this up, including the spending of all the provincial and municipal Governments across Canada, this figure is dangerously close to 50 per cent of the Gross National Product. When one takes into comparative consideration the figures for the United States of approximately 35 per cent to 36 per cent of their Gross National Product, one can readily see that the total public spending in Canada is completely out of hand, to the detriment of the private enterprise system which is being financially drained of its capacity to produce jobs and to increase production.

To emphasize this point further, in 1982, borrowing by the federal Government accounted for 51 per cent of all new security issues placed in Canada. Borrowing of that magnitude has a marked effect on the supply and demand for money and on the interest rates, again to the detriment of private enterprise. To make matters worse, the budget points to little by way of deficit reduction over the next four years. If this keeps up, there is no question but that the deficit will be in excess of $25 billion for each of the next four years.

The gross debt of the Government has risen from $134 billion as of March 31, 1982, to between $160 billion to $165 billion by March 31 of this year. However, this does not include the debts of the 306 Crown corporations and the money that is owed by Governments to the various pension funds. All in all, when everything is taken into consideration, the true debt of the Government is a staggering $262 billion to $265 billion, which works out to just about $11,000 for every man, woman and child in Canada.

I would ask, Mr. Speaker, what has happened to common sense? The taxpayers' pockets are not bottomless pits. There must be an end to this terrible injustice done to the people of Canada. What has happened to a responsible Government and to responsible spending by Governments in Canada? I believe that all Governments must come down from cloud nine and face the realities of this nation.

• (1550)

I would also suggest that Ottawa in itself is a very poor example of what makes up Canada. I would suggest that the decision makers in this capital come down from their ivory towers, get out of Ottawa, and face the real Canada of two million unemployed, the real Canada of continuing high interest rates, the real Canada of people living on relief through no fault of their own and living on a subsistence allowance which is often less than what some bureaucrats charge to their expense accounts for an evening out on the town entertaining at Government expense.

That is the real Canada about which many people living in Ottawa know nothing and about which some care even less. Yet the Government ignores these realities and extracts more

and more money from the taxpayers for more and more questionable spending.

I have no quarrel with productive and necessary spending on such things as old age pensions, medicare, hospitalization and other similar worth-while projects. I fully support those, but I draw the line at some questionable spending that has been going on. I have listed just a few examples that highlight the magnitude of these expenditures and provide instances of questionable spending on the part of the Government. I have drawn these examples from several sources including the annual reports from the Auditor General, Order Paper questions, newspaper articles and the Estimates.

We all know that bureaucrats have a reputation for being paper pushers. In 1981, the Department of Supply and Services purchased 12,600 metric tonnes of office paper at a cost of $17 million. That works out to roughly 90 pounds of office paper per public servant. Between March 1, 1980, and May 31, 1981, the Government gave out $3.5 million in taxi fares. The largest single bill from any Government Department was perhaps appropriately from Transport Canada, amounting to $422,000. At current Ottawa taxi rates of approximately $1.20 per mile, this is enough to go around the world about 100 times.

In fiscal year 1981-82, eleven Government Departments spent a total of $10.4 million on hospitality which includes food, booze and entertainment. That is the equivalent of 700,000 bottles of liquor. It is also only the tip of the iceberg since it only includes contracted hospitality where the total bill of a Department was greater than $25,000.

Between April 1, 1980 and June 30, 1981, the federal Government spent $674,972 to supply public servants with briefcases. Surely Government employees are paid enough to buy their own briefcases.

With the full blessing and knowledge of the CMHC President, CMHC paid $15,000 to defray the travel costs of employees participating in a staff hockey tournament in Toronto.

In February of 1981, the CNR spent $64,244 to purchase advertising space for wishing the CPR, its chief competitor, a happy birthday.

In 1978-79, the cost to CIDA of late and damaged food shipments was $1.5 million. To date, spending by the federal Government on the metric conversion program exceeds $65 million. Last year alone the Metric Commission spent $12.4 million.

During the 1981 postal strike the Metric Commission spent $12 to send a 14-page metric cookbook by air courier to a Winnipeg woman. In 1981, two TV chefs—Bruno Gerussi and Madame Benoit—were given a six-week TV contract worth $110,000 to promote metric cooking. This list goes on and on.

On the day that the Post Office became a Crown corporation, the Government helped employees celebrate by providing $300,000 of taxpayers' money for free coffee, doughnuts and souvenir envelopes.

In July, 1981, the Post Office spent $200,000 to run advertisements in 39 newspapers and publications to tell Canadians that postal service will improve in the future. One would think that improved service would speak for itself.

Janet Smith, an assistant secretary to the Cabinet, was sent to Nice in southern France for four months to learn French. The cost to the taxpayer of this Riviera education was $12,000 plus Ms. Smith's salary which is in the range of $60,000 to $70,000 per year. I can go on and on.

The Acting Speaker (Mr. Corbin): Order.

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, it seems like a long time ago but once there was some real economic growth and progress in this country. It now seems that we are spending more of our time in this Parliament in an ironic kind of situation where the only real activity in this country is unemployment and its related spin-offs. It has become something of a growth industry.

The borrowing Bill we are dealing with today has the title "The Borrowing Authority Act, 1983-84 (No. 2)". That is appropriate because it is only a few weeks ago since we discussed Bill C-143 under which the Government borrowed a substantial amount of money. But that does not begin to tell the story.

I believe that the people of Canada should know that this Government has come to Parliament seven times in this session to ask for more borrowing authority. In the fiscal year 1982-83 alone the Government has come to Parliament, cap in hand, four times to seek borrowing authority.

As other Members have said, it is absolutely imperative that we keep the federal programs involving social and other essential services for our country funded. It is becoming equally evident that we cannot go on bleeding to death from wasted expenditures, some of which previous Members have outlined.

I wish to talk about another area of great expenditure which was not touched upon by the Hon. Member for Brant (Mr. Blackburn) or the Hon. Member for Grey-Simcoe (Mr. Mitges). In this year's Estimates, $2.5 billion is projected for professional and special services, which is for consultants for the most part. You will remember, Mr. Speaker, that ten years ago the figure for professional and special services was $700 million. That was a figure that many of us, specifically those from Atlantic Canada, thought rather excessive at that time. It has now more than tripled to $2.5 billion.

The Public Service has grown enormously as well. I ask Members of the Government: why do we need both? Do we not have a very large and capable Public Service? If so, why must we spend over $2.5 billion to back it up with consultants' reports? Is this not, rather, another convenient tool for patronage?

The Minister responsible for CMHC—who holds my old portfolio which I occupied for a few months—conceded to me in a letter recently that no less than 25 different consultants were used to try to set up a mortgage portfolio management

system which the Minister has now concluded cost $24 million. I still maintain that it cost a lot more than that.

I have a list of these consultants. I would like to read them into the record but that would take too long. Let the record simply show that all 25 are in this list. Again, I believe that there were probably more than 25 consultants used when one learns the whole story.

We are also disturbed by the way money is wasted, even under the guise of worth-while projects. I can talk about our own region of Atlantic Canada, Mr. Speaker. The replacement of the old ferry *Abegwait*, which has been probably taken in the past from Borden, P.E.I. to Tormentine, N.B. cost $100 million. It is beyond any shadow of a doubt that CN Marine needlessly spent about $100 million. The old vessel was quite good and seaworthy and, in many ways, a better vessel than the new one of the same name. If $2 million or $3 million were spent on that vessel it would have provided good service for another ten years. Just think of what we could have done with that kind of saved money in Atlantic Canada.

Of course I could go on for hours relating such horror stories. In passing let me mention another story to which allusion has been made today. It is the $125 million spent on a project of which the President of the Treasury Board (Mr. Gray) is very familiar since he was very instrumental in it, the celebrated Consolidated Computer debacle. In that case $125 million of taxpayers' money went right down the drain.

While it is not particularly positive, I would like to trace how our image in the world has gone down as our economic capabilities have declined. There was an interesting feature in a recent issue of *Time* magazine which described how our influence in the United Nations has become that of a bit player. We now have a walk-on part, when Canada once had an influence that was disproportionate to our population, disproportionate because we had the capability, the respect and the capacity to do great things on the world scene. What has happened to us since 1968? Canada's position has declined steadily. Anyone who wants to look at the OECD statistics—you need not believe me—will see that right now Canada is last in terms of the industrialized nations of the West. Why has this occurred? I think it has occurred largely because of economic mismanagement. The results of that economic mismanagement we see here today. The Government wants more and it has to come to Parliament to borrow money which, as the previous speaker said, is not really needed. If this Bill goes through, the Government will have an extra $2 billion to play with, almost as much as the Government is going to spend on professional and special services this year. This is very bad for economic development. I do not understand why this Government continues to abuse the priorities that made this country great.

• (1600)

The Hon. Member for Brant in his previous speech pointed out the ridiculous situation that exists in our North, one of the greatest storehouses of wealth, treasure and pride that any country in the world could possibly have. But we cannot even patrol it. We are reduced to using native people, who have the skills to be trackers, to provide the kinds of services which other nations have provided by military means, electronic surveillance and things like that. We are reduced to almost frontier Daniel Boone or Davy Crockett techniques in the twentieth century to patrol our own North. We do not have the money to improve the situation. Even the wealthiest nation in the world, the United States with its large internal market, has made some tough choices. By contrast, countries like ours which have placed their faith in unrestrained deficit spending and socialist policies are having extreme problems. We do not have to look very far to see the results.

Recently the great nation of France elected a socialist government. Now its President, President Mitterrand, is reaping the benefits of his particular socialist policies, which have a startling resemblance to the policies this Government has been prescribing for our country. François Mitterrand came into power on the basis that France was going to spend its way to prosperity. What does France have now? It has monetary and currency controls, and the freedom of French citizens to take vacations has been curtailed. There are riots in the streets and there is talk about some of their more radical elements beseiging Parliament.

Let us take a look at Michael Foote, the Opposition leader in the United Kingdom. He has espoused all sorts of socialist policies, again similar to the policies which this Liberal Government, under the guise of asking free enterprise to be the engine of economic recovery, is foisting off on this country. What has happened in Great Britain? The Prime Minister, Mrs. Thatcher, has made hard choices for the U.K. She has reduced inflation and put a sense of pride and priority back in that nation. She is ahead in the public opinion polls by an unprecedented lead as the British approach their upcoming election. The socialist opposition is once more having difficulty and obviously will go down to defeat.

Why cannot Canada learn from the experiences of our neighbours? I cannot understand why not. I know it is trite in this House to quote cliches and homilies from the past, even though I maintain it is useful, Sir, but if they did not have some intrinsic value they would not have survived.

Let me put a few passages on the record from the statements of a great American president, Abraham Lincoln. He has been noted in the past for uttering the odd word of wisdom. Some of his prescriptions for national development are as follows:

> You cannot bring about prosperity by discouraging thrift. You cannot help the wage earner by pulling down the wage payer. You cannot establish sounder security on borrowed money. You cannot keep out of trouble by spending more than you earn.

I believe, Mr. Speaker, that you are signalling to tell me that my allotted time has expired. That is a pity because I would have liked to have put more of Abraham Lincoln's philosophy on the record. Certainly my friends opposite would benefit from reading them.

Mr. Robert C. Coates (Cumberland-Colchester): Mr. Speaker, I am especially pleased to follow the Hon. Member

for Central Nova (Mr. MacKay) in this debate. Many things that affect his contituency also affect mine. We are neighbours and we attempt to work together over and over again to be of assistance to the constituents of northern Nova Scotia. One of the facts of life, as I see it, as much as I object to this borrowing Bill, is the gigantic sums of money that will be taken out of the free market system. This will do two things. First, it will take away money that could be used by free enterprise to inject the economy in a productive way and to provide the employment required that we do not have. Second, there is a real danger that interest rates which have slowly declined are going to escalate once more because of the tremendous interference in the money markets by the central Government. This takes away potential funds that would be available at more sensible interest rates to small business and medium sized business, the real effective backbone of this country. These business people are the people who produce the jobs that would eliminate the unemployment problem facing us today.

Right now we have an unprecedented rate at which home building grants have been requested. This has happened because of lower interest rates and because of a re-evaluation by the Canadian public which has created new confidence. Instead of the Government using additional funds to assist those new home owners to build the homes that will provide the jobs—the home building industry is the best indicator of the degree of prosperity that will exist—what does the Government do? Because of its intransigence and insensitivity to the individual Canadian, no more funds are available. Indeed, for a period of time the Government initially said it would. Assistance to prospective new home owners and the home building industry would be the greatest single stimulus we have to help this nation pull out of this recession. We do not have that.

In Atlantic Canada, the Maritimes and in many parts of Quebec we are still in a very deep recession. The one thing I have found out in the time I have served in this House is that even when we are coming out of a recession we, in Atlantic Canada, experience it last. Usually we need an extra degree of stimulation to catch up with the rest of the country that starts enjoying the new prosperity that happens following a recession.

One of the sad things about this Government and its insensitivity to our part of Canada is that we see no new capital works projects of any significance. We had the Minister from Nova Scotia, the Minister of State for International Trade (Mr. Regan) come to Halifax. Rather than trying to produce some industrial infrastructure for Halifax to stimulate the building of new industry, what does he do? He announces that he is going to build another office building to interfere with the private sector. If additional office space is required in Halifax, the private sector will produce it.

Mr. MacKay: Right.

Mr. Coates: But what does the Minister say? He says, "We are going to build a new office building". This is to be built on a piece of land which the federal Government does not even own. In other words, the federal Government is trying to take a piece of land from the provincial Government that could be used for industrial purposes to put up an office building which will be in competition with office building owners in the private sector who would be quite willing and able to produce new office space, if that is what is required. That is the insensitivity of this Government to our area and the difficulties we face.

• (1610)

The Government wants to take money out of the money market and run a deficit in excess of the six and five it is asking public servants to accept over a two year period as increases in their incomes. The new spending estimates for this year are running something like the 11 per cent in one year that the Government is asking public servants to accept as increases in their salaries over two years. Members of the House of Commons are faced with a situation where they are not in a position to give their office staff even a 1 per cent increase because of the passage of the Bill which put the six and five in place. Some people wonder why there is bad morale on Parliament Hill. The Government's insensitivity to the people who work here is the best example.

We hear talk about the things the Government will do for our areas. At the same time we are facing a cut in the transportation subsidy available to our businessmen upon whom the Government relied to move their products to central Canada. What will the Government do with that subsidy? It will cut it by 10 per cent. It will try to eliminate it altogether and put us in the position where we were after World War I when we were nothing more than the captive market of central Canada.

I say to western Members of Parliament, who are now thinking about allowing the Government to do something with the Crowsnest Pass rate, to use Atlantic Canada as an example of what happens when one gives away something that is one's birthright, as were the Maritime freight rates to Atlantic Canada. What happened? We found out that the Government sold us a bill of goods, and just when things started to happen, it pulled the rug out from under us. I say to western Members that the Crow rates are a birthright of the people of western Canada. Canadians gave tremendous advantages to the railways of the country which made CP one of the largest multinational companies in the world. I say that we should let the railways work under the Crowsnest Pass rate from here to eternity. I say to western Canadians that they should never give away what they have to bureaucrats, especially to Government Members across the way who will tell them one thing today and something else tomorrow.

The Crow rates should be protected. Every Member of the House, regardless of where he comes from, should tell the railways to work out some other scheme. I say to the Government that if the railways figure they are being shortchanged by the Crow rate, they should work out a scheme whereby they can present evidence to Canadians that they are not being paid the equivalent of the difference between the Crowsnest Pass rates and their actual costs. Also I say that they should pay

them out of the general revenues of Canada but keep on the statute books forever the Crowsnest Pass rates. It was a special deal given to western Canadians. It was to entice people to go to western Canada, to entice people to farm and to grow wheat and other grains in western Canada. That is what made our country great today. I ask Members from western Canada to stand firm and fight against any tinkering with these rates. If they do not, they will get the same double deal as we in Atlantic Canada got as far as the Maritime Freight Rates Act was concerned. Tomorrow they will discover that they are not able to sell their wheat because the federal Government has shoved up the prices of wheat so that we are no longer competitive with the other great wheat growing nations of the world.

Those are just some of my concerns about this borrowing Bill and some of the ways in which I think we might be able to do something that would be advantageous to the people of Canada, especially the people of Atlantic Canada.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Central Nova (Mr. MacKay)—Ships and Shipping—Protest against use of foreign-owned vessel on Atlantic coast; the Hon. Member for Athabasca (Mr. Shields)—Western Grain Transport Act—Report of Prime Minister's statements. (b) Position of Prime Minister; the Hon. Member for Vancouver East (Mrs. Mitchell)—Income Tax—Deductions for child care expenses. (b) Request that tax credit replace current provision.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1983-84 (NO. 2)

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Cosgrove that Bill C-151, an Act to provide supplementary borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an opportunity to put a few remarks on the record regarding another proposed borrowing by the Government. I think most Members of the House are aware of the rather unusual and somewhat immoral borrowing practices of the group across the floor. With Bill C-111 just less than a year ago, the Liberals borrowed $6.6 billion. With Bill C-125 last July, they borrowed another $7 billion. With Bill C-128 they borrowed another $4 billion in November. Will Bill C-143 they borrowed another $19 billion just over a month ago. Now they come before the House to borrow another $14.7 billion. This accounts, in just 11 months, for $51.3 billion. I think the House should look quite carefully at the matter this time. The Government comes before us with $16 billion in borrowing authority still available to it.

According to its budget, which was brought down only a few weeks ago, it estimated a $26.7 billion deficit. The amount proposed here, combined with the existing borrowing authority which is still available, means that the amount of deficit listed in the budget will be exceeded by an additional $4 billion. Once these kinds of amounts are being borrowed ahead of time and we have bureaucrats from the Department of Finance telling the public that they are just for a contingency fund, we have to start informing Canadians and looking inside ourselves to see just what exactly is the Government's plan. Some people say that it is patronage. Some people say that it is slush. Some people say that it is a pork barrel. But the Government's own record demonstrates its inability to spend the dollars of Canadian taxpayers appropriately.

I would like to put a few examples of this on the record. A recent one was Consolidated Computer with $100 million down the tube. There has never been a proper parliamentary investigation into it. It has never really been revealed as to who in the chain of command was responsible or the kinds of firings that would be appropriate. Then we had Candu. I am glad to see the Minister of Energy, Mines and Resources (Mr. Chrétien) in the House. We know that the Candu program is running into continued rough times. It is continuing to write off more than $100 million per year just on its heavy water production. Our recent customer, of course, is Argentina. Its head of state is on record as publicly saying that he wants the Candu reactor program to continue so that Argentina can make atomic weapons, perhaps to use against Great Britain or even against Canada. Who knows whether or not we would be drawn into the Falklands conflict?

The Cruise is another example of where the Government has gone to seed. The majority of Canadian public opinion is opposed to it, but because of some desire to have more credible links with the White House and the Pentagon, the Government is dragging us along on that. As the former speaker mentioned, now there is the proposed Crow change where the Government, through the Minister of Transport (Mr. Pepin), is trying to describe the position of the New Democratic Party as reactionary. Of course we have some concern about the position of the Tories on this. We have some Tories who are for it and some who are against it. It should be clear that what

is being proposed by the Minister of Agriculture (Mr. Whelan) and the Minister of Transport will certainly not help farmers on the Prairies. The Minister of Agriculture knows that by 1990 it will take at least $1 billion out of the farming communities on the Prairies. These are dollars which will simply not stay there. These are dollars which will not go into the purchase of new machinery or new equipment. These are dollars that will not go in the form of municipal taxes for road upgrading, so everybody has to rubberhaul and so on. Yet Government Members, the few it has who will travel west of Ontario, are saying that the NDP position is reactionary and will stop the movement of all kinds of commodities.

The fact of the matter is that we have proposed the only sensible way to deal with any kind of rail line upgrading, that is, to pay the difference between the Crow and the real costs to the railroads for grain and other commodity movement to their point of exit from Canada and to take Canadian tax dollars to pay for the actual upgrading. However, to change the Crow is ridiculous. That is the sleeper in that Bill, along with the sleeper on the Dominion coal blocs.

• (1620)

I am not going to spend a lot of time speaking on the record of the Liberals because they will not be the Government very much longer. I am worried that there may be a minority Tory Government and we will have some trouble keeping them in line. Perhaps Canadians will come to their senses and elect the NDP in the next federal election. Perhaps they will do so as a result of a few of the remarks I want to make. We do not get to hear any Liberals speaking in the House. They rely on their flacks and hacks upstairs with the machinery to put the glint on everything and then put it out on the street and try and make it saleable. The Party is so unsalvageable now, the flacks and hacks are beginning to head for cover knowing there will be a change in Government fairly soon.

The Hon. Member for Central Nova (Mr. MacKay) made some interesting comments. He said the Government of France is in great difficulty because it is a socialist government. What he tried to focus on in that case was exchange controls, particularly related to people travelling outside the country on holiday. The Hon. Member for Central Nova should recall, since he likes to rely so frequently and heavily on Americans, that his idealogical predecessors, Richard Nixon and Lyndon Johnson, brought in exchange controls in the United States, something the Tories do not like to talk about too often.

I want to deal with the relevance of his argument with regard to Margaret Thatcher's lead in the polls. That is because of the way she is taking food out of the mouths of children. Many people in this world are aware of that kind of reactionary politics of taking milk money away from families with school-aged children who cannot afford to provide milk for their children. That is where a pretty good chunk of the funds in terms of cutting those kinds of social programs came from for Mrs. Thatcher and her Party. I seriously hope that the Brits show a little more sense in the coming election than to re-elect the "iron lady" who has laid all over the working people in that country.

I would like to talk about what I see as the main difficulty with the Liberal-Tory policy. I think the Liberals waste more than the Tories would, but it is hard to know because we have not had a chance to observe them in action for more than two decades. The Liberals have a tendency to throw money at things rather than having any kind of industrial plan or a plan that involves the workers and small business people. The Tories are always saying that if you only give private enterprise a chance, away it will go. An example of free enterprise failing to operate is B.C. Timber in my area. Prince Rupert was shut down. The operations in Terrace were shut down, as well as The Nass, Kitwanga and over into the Hazeltons where Rim Products is still down.

What does the Government come in with? The Tories say to leave them alone, they will come back to life, don't worry about the fact that all these communities are dying. That is what you get with free enterprise, a lot of dead communities all over the place. What do the Liberals do? They use a new kind of right-to-work legislation which is called NEED, FLIP, JET, all Government programs that are supposed to salvage the communities. They are, of course, short-term. They get everybody up on their feet again. They really are right-to-work. However, what it does is effectively to lower the wages being paid to those working on these sites. It effectively destroys the concept of collective bargaining, or at least makes it much more difficult in many of those communities where literally thousands of workers are out because of this "free enterprise".

I want to say that this is another sleazy attempt by the Government to borrow money when it does not even need the money. It still has $16 billion. It wants to slip this through so that if it has to go to a quick election in the Fall, it will have a little bit of pork to throw around.

It is about time there was some kind of intelligent approach to expenditures. There should be a certain amount of statutory expenditures for social programs, and all Parties should work to keep those safety nets and social programs in place. The important money should be put forward to encourage co-ops, worker-owned and operated industries. We have seen the problems private enterprise gets into when it does not go out and find adequate markets, as with B.C. Timber. It should be going into panel board, chipboard, paper, furniture and other items. That will only come if the local communities are given the opportunity and some support, technical, R and D and financial, to re-tool and re-finance those industries to make them locally owned.

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I rise today to speak on Bill C-151. It brings back memories of the Liberal platform in the 1980 election. They were going to be all things to all people. What have we seen? They asked the people for their confidence, that they will lead them to the Promised Land, and everything else. This is a complete reversal. It has been nothing but downhill and borrowing all the way.

This budget, were it tabled when the polls showed the Liberals in an advantageous electoral position, would be called an election budget. This borrowing authority Bill will provide the pork barrel, as mentioned by the Hon. Member for Skeena (Mr. Fulton) used to finance the next election, whenever it comes. I want to say this: the people will not be fooled as easily as they were before.

I will deal with the summer student program because it affects my riding to a great extent. There was an allocation of a further $70 million in addition to the $170 million already allocated to try to beef up the unemployment situation with respect to students across Canada. In my constituency of Victoria-Haliburton, last year we received $151,876 in funds for this program. The formula devised for the allocation of funds this year was based on a survey of the student surplus rate in each constituency. This survey, taken last summer, indicated that only 358 students were unemployed in my riding. I am not sure who did the survey, but I can assure Hon. Members that that figure bears no relation to reality. The method used in conducting the survey varies from riding to riding.

There was a great discrepancy with regard to rural ridings. My riding is 150 miles east and west and close to 150 north and south. There is a manpower Outreach office in Haliburton, a manpower office in Peterborough, one in Lindsay, one in Oshawa and one in Newmarket. Students in rural Ontario do not have the facilities nor the funds to travel to the manpower offices. They know perfectly well that there is no work for them. Why should they travel 100 or more miles to a manpower office to be told, "We will take your name and if something comes up, we will let you know"? This formula was wrong for determining the number of students unemployed in a riding such as mine.

I have appealed the additional allocation of only $4,194 to the Minister, but as yet I have not had a reply. It is unbelievable that neighbouring constituencies have received thousands of additional dollars. Why is that? They are close to a manpower office. There is no problem for the students there to register. It is a totally different situation from the one in my riding.

If this survey is upheld, the additional funding in the budget will not be seen in my riding, even though we have applications this year for well over $500,000 on an allocation of only $156,100. Obviously, judging by these figures, the additional $4,000 funding is welcome and is most needed, but it will be only a drop in the bucket. The $100 million allocated to the Farm Credit Corporation will be helpful only to a few farmers, those who are really in distress. When you realize the depth to which farmers are in debt, you quickly see that $100 million will not go very far in this day and age. The change in loss carry-over rules will help the struggling farmer, but it will do little to help those who are in dire straits and cannot get any of this $100 million. The expansion of the role of the Federal Business Development Bank may or may not be of assistance to farmers. Details in the budget are quite sketchy as to exactly how the role of the Federal Business Development Bank may be expanded.

• (1630)

I want to say something about Government institutions and how their employees treat farmers. I may say that I personally have experienced this treatment when speaking on behalf of my constituents to some of the managers of the Federal Business Development Bank. I want to tell you at this time, Mr. Speaker, that their attitude was less than co-operative, and yet these civil servants are there to serve the people. Their attitude could be a little better, and I have been very disappointed especially by the attitude of one manager whom I personally contacted on behalf of a very sincere, dedicated business within the farming community. I was more or less told that the affair was none of my business, but this businessman eventually got the money. I do not want to go into detail about how he received the money, but he received the money from the Federal Business Development Bank. There probably was a change in the people who were dealing with his specific application. Now, this should not happen. This did not happen on only one occasion, and I think that this is something that the Minister in charge should probably look into. This is just not the way people should be treated when they go to a Government office.

The Government's intention to remove the Canadian ownership special charge in respect of companies was merely a formality. I do not think that anyone expected the Government to remove this tax even after Petrofina and Dome had been paid for. It is, however, an additional tax that was originally to have been of limited duration. Yet another new 6 per cent tax has been added on probably in order to pay for cable TV and Pay TV.

Related to what I said a few moments ago regarding Dome and Petrofina, let us look at the gasoline tax situation. Approximately a week ago, we in Ontario saw a gasoline price war. Gasoline was selling for 25.6 cents per litre. The price of gasoline went down as low as 24.6 cents or 24.5 cents per litre, but today at the same pumps this gasoline is selling for 45.6 cents per litre. This can be seen here in the City of Ottawa, it can be seen any place in Ontario. This is a 20 cent difference in the price of a litre of gasoline.

What does the price of gasoline do to inflation in our economy? The price of gasoline in this day and age is probably one of the biggest creators of inflation in the cost of productivity, and hurts the tourist industry and probably every sector of the economy. Why is there such a discrepancy in the price of gasoline, a discrepancy of 20 cents a litre? I have put this question to the Minister of Energy, Mines and Resources (Mr. Chrétien) in the House of Commons before. The Minister has never really given me an answer; he just skates around the question. The tourist industry is a big industry in Canada today and it is especially big in my area, and one of the biggest deterrents to the tourist industry is the difference between the cost of gasoline per litre or per gallon in Canada and the cost of gasoline in the United States.

The second deterrent to the tourist industry is the Government tax on the cost of beverages. I do not argue whether or not beverages, as we know it in the tourist industry today, are needed. It is something which is there and it is there to stay, my friends, and it is something which plays a big part in bringing tourists to our country.

Then we may move to the field of accommodation as well. These are all services which are greatly affected by the Government tax here and the Government tax there. I will conclude in just a moment, Mr. Speaker, if you will give me a second. The Government is very, very prone to imposing a tax here and a tax there in order to raise money that is ill-spent. Thank you very much for your patience, Mr. Speaker.

Mr. Bill Wright (Calgary North): Mr. Speaker, it gives me no great pleasure to rise again to discuss another borrowing Bill. Not too long ago, the Government came before the House to ask permission to borrow money under a previous Bill. Bill C-151 seeks the aproval of the House to borrow $14.7 billion. This, Mr. Speaker, is almost an unbelieveable amount of money in view of the fact that the Government has come before this session of Parliament with the same request seven times. It came before Parliament under Bill C-30 to borrow $12 billion, under C-59 to borrow $14 billion, under Bill C-111 to borrow $6.6 billion, under Bill C-125 to borrow $7 billion, under Bill C-128 to borrow $4 billion, under Bill C-143 to borrow $19 billion, and now the Government is seeking to borrow $14.7 billion. That is a total of $61.6 billion, an unbelieveable amount of money to be borrowed in one session of Parliament.

This year's deficit as forecast by the Government will be approximately $31.3 billion, but can we believe that figure in view of the changes that have been made over the past year? I believe that we all recall the $200 million which was tacked on to the budget so that the Minister of Finance (Mr. Lalonde) could squeeze out from under the allegation that he had leaked some of the provisions in the budget. In addition to that, Mr. Speaker, the Government has said that its financial requirements are $26.7 billion, and yet, as of April 1 this year, it had $16 billion in unused borrowing capacity, which means that it really needs to borrow $10.7 billion. However, the Minister has told us that he needs a cushion of $2 billion this year just in case. He does not really tell us what "just in case" means. Then he wants a surplus of another $2 billion next year "just in case", and again we do not know what that means. But we do have a clue that perhaps there will be a run on the Canadian dollar. That does not augur well for any of us. If the Government has to borrow money in the case of a run on the Canadian dollar, then we will be in desperate trouble over the next year.

I believe that it can be said without any exaggeration, Mr. Speaker, that the Government's expenditures are out of control. I do not think that it really knows how much the deficit will be this year. I do not think that it really knows about or has planned for a true expenditure plan. In effect, the Government is just hoping. It is hoping that the American economy will turn around sufficiently to pick up the Canadian economy.

The Government's expenditures boggle the imagination, Mr. Speaker. We are told that it spent $6 million each on two water bombers for the Yukon, and of course the fire season in the Yukon occurs at a time when ice covers most of the lakes. We would like to know what the Government are going to use the water bombers for. Perhaps they will be used to take Liberal Cabinet Ministers to the Yukon on fishing trips. As we get closer to the election, we will need to have these little handouts just in case they do not come back.

We heard in committee just recently, Mr. Speaker, about some of the wasteful expenditures of the Canadian International Development Corporation. Last year, the Government of one of the developing nations asked for an advance of $20,000 against a loan that it would be receiving from the Canadian Government. Did the Canadian Government give it the $20,000? Of course not. It gave that country $250,000, and no one knows why. The acting Deputy Minister says, "We don't have an answer". Last year over $8 million was allocated in such a manner. The record goes on and on and on. Petro-Canada, the window on the oil industry, has investment capital of somewhere around $7 billion, and last year had earnings of $10 million. That is unbelievable. This oil company is supposedly in the private sector yet it is wrapped up in bureaucracy. Perhaps this is speculation, Mr. Speaker, but it would not surprise me if one of the greatest scandals in this country in the next five to ten years will be the way the Government has operated Petro-Canada.

• (1640)

How did we arrive at this stage of excess, uncontrolled expenditure by the Government, with one hand not knowing what the other is doing? For the answer we must go back and consider a number of things. First, there is the National Energy Program. No one really believes that the National Energy Program ever did any good. One does not just have to read the newspapers; one can easily tell by talking to the bankers and investment people in many parts of the world. I have visited England, Germany and the United States in the last three months, and people there all repeat the same thing. They have told the Government their opinion, but Government Members would not repeat that in the House. They have said, "If you want investment capital in Canada, get rid of the National Energy Program, get rid of FIRA." The Government knows this.

Mr. Whelan: Mr. Speaker, I rise on a point of order. Recently the head of the Bank of Cologne from West Germany was in my city. He said that Canada was one of the easiest countries in the world in which to invest and one of the best countries in the world to invest in.

The Acting Speaker (Mr. Corbin): Order, please. That may be a contribution to the debate but it is hardly a point of order.

Mr. Taylor: Mr. Speaker, I rise on a point of order. All day the Liberals have not got up once. Why do they not get up and make a speech if they have something to defend instead of rising on fake points of order?

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

Mr. Wright: Mr. Speaker, it does too take much imagination to know what the Minister of Agriculture (Mr. Whelan) is good at flinging.

Mr. Whelan: Mine would grow something, but what you are flinging will not grow anything.

Mr. Wright: What he says about the head of the Bank of Cologne is hogwash.

Mr. Whelan: I would not try to wash any hogs in what you are saying.

Mr. Wright: He knows that and he knows that not one Canadian ambassador in Europe, the United States or any western country will agree with the statement he made. He knows, or should know, that reports have come back from our ambassadors, in either written or verbal form, outlining the problems. They have said, "We will not invest money in your country".

The Minister of Agriculture is interested in figures. He should know that $6.8 billion in investment capital left Germany last year for the United States. If the Minister is so bright and knows what is going on, he should be able to tell us how much came to Canada. I can tell him that it was not very much. He can sit there and say that people tell him this is a great country, but that is not true. He cannot back it up.

Until we get rid of the national energy policy and FIRA we are not going to solve the problem of investment capital in this country.

Mr. Deputy Speaker: According to the best of my information, the Hon. Member's time has expired.

Mr. Taylor: Mr. Speaker, I rise on a point of order. The Hon. Member for Calgary North (Mr. Wright) was interrupted by the Minister of Agriculture. Surely that is not going to be taken off his time.

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

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, it may appear from your vantage point that the side of the House to your right was ready for the question before the debate even started. That is the side of the House where the sheep sit. They have been told to be here today but not to participate in the debate because, after all, it is just a little Bill. I hold it in my hand. It is unfortunate that the automatic cameras are not permitted to scan this place. Those Canadians who keep an eye on it would be interested in the fact that we are discussing Bill C-151 to give the Government authority to borrow on our behalf the sum of "fourteen billion seven hundred million dollars as may be required for public works and general purposes." We are permitting the Government to spend that amount on our behalf and to put the signature of the taxpayers of Canada on instruments that will be marketed throughout the world and which the taxpayers of Canada will have to pay back at some point.

If the cameras could scan the House they would see five Liberals, none of whom has made a speech or given any explanation of why—

Mr. Whelan: Oh, oh!

Mr. Oberle: If the Minister of Agriculture interrupts me—

Mr. Whelan: What are you going to do about it?

Mr. Oberle: He will find it very difficult to do that because he is one of my very special friends. He has a sort of foghorn voice and only speaks when his gas moves him. That usually happens when someone else has the floor.

Canadians would be interested in the situation we have here because they know full well the crime of taxation. They know full well that the promises of today usually end up as the taxes of tomorrow. Canadian taxpayers and small and medium-sized businessmen know that today's deficits are going to be the taxes of tomorrow. Canadians have become accustomed to the fact that the Government adjusts its economic forecasting almost every three months.

Over the last two years we have gone from a projected deficit of $11 billion to $19.8 billion; that is almost double. And that was just a miscalculation, Mr. Speaker.

For people who do know what a billion dollars is, Mr. Speaker, I can tell them that it is 1,000 million dollars, which would make a stack of one dollar bills about 85 miles high. At one time there was a Member of this House who said, "What's a million?" It was a large sum of money when the Government took over power. I say "took over power" because there is no longer any power with the Canadian people or with Parliament. That has all been usurped by the Government. When these people took over, the total spending authority that the Government used to lay before Parliament was about one-third of what it is now running in deficits alone. The deficit went from $11 billion to $19 billion to $24 billion, and it is projected now at $31 billion. One could say, "So what, we live in difficult economic circumstances. We have entered into all kinds of social contracts from which we cannot extricate ourselves. The Unemployment Insurance bill this year is $12 billion and there are of course statutory arrangements with the Provinces where the federal Government is locked in, and these agreements cannot be renegotiated. So up goes the deficit".

• (1650)

There is another way to pay back borrowed money rather than raising taxes later on. You can pay it back through inflation. That is the great con game which governments of this type have become accustomed to and comfortable with throughout the world. Spend money today, water down the currency, and pay your debts with watered down dollars. Not only are governments like that cheating themselves, they are really cheating the old age pensioners and people on fixed incomes who rely on governments for their sustenance. They are being paid in watered down dollars. When the currency is

devalued through inflation by 10 per cent, the old age pensioner who thinks he is getting $480 a month is really getting 10 per cent less, but for all intents and purposes the social contract has been fulfilled. But the Government has cheated them out of a lot of money. This is even more serious for people such as civil servants who have, in good faith, paid into pension funds all their lives and find that the benefits are much less than what they thought they had contracted for. That is how the con game works. That is how you can pay for a deficit of $31.8 billion.

There is one other part of this Bill I must point out to you, Sir, because it is the one which causes me even greater concern. Listen to this very closely, Mr. Speaker. I know you will be shocked by it. Clause 2, Subclause (3) says:

> For greater certainty, any amount borrowed under this Section may be borrowed in a currency other than that of Canada and may be repaid in the currency in which it was borrowed.

What that means, Sir, is that the Government no longer has any lenders in this country from whom it is welcome to borrow money.

Mr. Fisher: Wrong.

Mr. Oberle: Our pension funds have run dry.

Mr. Fisher: Wrong.

Mr. Oberle: They are already over-committed. Our banks are in such a precarious situation, they are now looking for Government to bail them out because of stupid decisions they made in international lending and financing of certain Canadian companies with the endorsement of the federal Government. They are now coming to Government to bail them out, so they do not have the extra $14 billion to lend to the Government. Where does the Government go then? It goes to New York and Switzerland—

Mr. Fisher: Wrong.

Mr. Oberle: —and I assume it will borrow from the Arab countries or wherever the Government can find the money. That is particularly important because the Minister of Finance (Mr. Lalonde) gets up repeatedly in this House, as does the Prime Minister (Mr. Trudeau), to compare our situation with that of the United States. That is rather like the first mate of the Titanic who said, "I am no worse off than the captain". Well, they all sank together.

The fact is that the U.S. deficit in comparison with ours is roughly half, if you calculate it on a per capita basis. But the problem is that when we go abroad to borrow money, the interest is paid to foreign lenders, it does not recirculate in this country. In the U.S. the Government does its borrowing internally and the interest paid stays in the country and is recycled. It is available to small business for venture capital and risk capital and for the development of a much needed recovery in the economy. In our situation the interest we pay on this $14.7 billion will all be paid abroad.

Mr. Fisher: Wrong.

Mr. Oberle: That money will come right off the top, so that 25 cents of every taxpayer's dollar will of course go to a foreign lender, to some American or Swiss bank. It will not stay in our economy, and that is why it will take so much longer for our economy to achieve the recovery necessary to create jobs and build a bright future for our children.

I see you rising, Mr. Speaker. I think I have made my point.

Mr. Gordon Towers (Red Deer): Mr. Speaker, if I remember correctly, you came into the House about the same time that I did, that is, in 1972. Well, I stand to be corrected, but anyway, in 1972, as you will remember because you were here at that time, we had a minority Government. That was the time when the Government started to get into trouble because, as I understand, prior to that time the federal Government had a surplus of approximately $700 million. That was in 1970. In order for that minority Government to stay in power for as long as it did, and it lasted two years, it had to respond to the wishes and kicks of the NDP. That is where we started to go wrong. Then, of course, the problem escalated until the Auditor General, in approximately 1978, made the statement that to all intents and purposes Government expenditures were out of control.

I believe that to be true, Mr. Speaker. I do not think that even today the Government has the public purse under control. In fact, I was speaking to an individual not so long ago who made the comment that unfortunately the Government is not aware that it does not have control of the purse strings. This is where the danger comes in. If we do not do something very quickly, we are going to create the situation where we are going to have a financial collapse. Consider our total debt, including provincial debt. It increased last year approximately $35 billion. We cannot stand that, Mr. Speaker. The total debt of the Third World is somewhere in the vicinity of $700 billion, and yet here we are in Canada with a debt of about one third of that amount. Certainly that is a disastrous situation to find ourselves in.

• (1700)

The worst part of it all is that this year the Government will increase that amount, possibly up to $35 billion, and it will probably be the same next year. How long can we stand that? Surely the members of Government should have enough basic business knowledge and understanding to know that the Government cannot continue along those lines. Surely they must realize that Government is the biggest business we have in Canada today, and that the guidelines which must be followed by any successful businesses in our communities must be applied to the federal Government. This is not happening. This is the part that concerns me. For instance, as I said earlier, this year it will cost us $18 billion just to pay the interest alone. If one uses one's mathematics, one will find that that amounts to $2 a day for every man, woman and child living in Canada. Every Canadian should realize upon rising in the morning that the first two dollars each person makes must go to pay for this interest cost.

So much of our funding is going without any return. Take, for instance, payment of interest. We do not make any financial gain from that. There is no productivity. The Government is placing a heavier load, as each successive year goes by on our people, on our Canadian taxpayer, on our business community. Actually, it is killing the goose that laid the golden egg, and yet it does not seem to realize it. Unless a change is made very soon, we will find far too much of the productivity of our country going simply to finance the debt. There does not seem to be any inclination on the part of any Hon. Members opposite to stop that.

Some years ago I was flabbergasted when the Minister in charge of the Canadian Wheat Board, the Hon. Otto Lang, brought in the stabilization program for the western Canadian grain producer. It was set up in such a manner that the farmer, the producer, paid his dollar into the fund and the Government was to pay its $2 into the fund. I would have thought that it was a fair, honest and straightforward way to set up any program. However, what happened shortly there after? Your Honour will remember that Mr. Lang brought in another piece of legislation providing that the Government did not have to put in its $2. It would calculate it and keep it as a paper figure; but it would pay interest on it. However, somewhere along the line, there must be a payout. Otherwise, the program will not do the job for which it was intended. So what will happen? Next year, in our Estimates, and the Minister of Agriculture (Mr. Whelan) will probably have to be responsible, a pretty substantial payout to the western grain producer will be necessary because of the fact that we are now going through times of extremely low prices. This is the irony of the whole situation.

In 1970 there was a surplus in the budget. These 12 or 13 years have been good years to us, except perhaps for the last two or three years. Those were the times when the Government should have been building up a balance in the bank. However, what did it do? Each successive year it went further and further into debt. What will happen now? Suppose that in 1984 or 1985 the economic cycle makes a turnaround. It is said that it makes a turnaround every 50 to 60 years. If Hon. Members opposite would remember, it is now just exactly 50 years from the 1930s. Now we are going into a down cycle and must pay off the tremendous debt. It will put a tremendously heavy load on our children and our grandchildren. However, there does not seem to be any thought concerning this matter. That is my concern.

What is the Government doing during these good years, by exploding the budget to this extent? It is unbelievable, the way it is exploding. For instance, last year when the budget was presented to us, it was supposedly to be just a bit over $10 billion; but it ended up being $25 billion or $26 billion. We do not have the final figures. However, it will be somewhere between those figures. Then, of course, as the Minister said, next year there will be a deficit of $31 billion. Are we to have another escalation of $16 billion? That would put it up in the $47 billion bracket, if that holds true.

Certainly, as my colleague, the Hon. Member for Prince George-Peace River (Mr. Oberle) mentioned, and also my colleague, the Hon. Member for Calgary North (Mr. Wright), a part of the problem was the National Energy Program. It is true that the Government saw some bucks out there and wanted to get its hands on the money, and it did. It took a few hundred million dollars out of the system. However, what has happened now? The chickens have come home to roost because of the fact that this year it is estimated that there will be a $6 billion payout on refunds on income tax alone, simply because the oil energy business has been cut back.

I could go on with other figures and show Your Honour where the Government is going wrong, but hopefully some Hon. Members opposite will be wise enough to see what the Government is doing to our country.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I welcome this opportunity to speak today with regard to the borrowing legislation, because it gives me an opportunity to put on the record my concerns over the economic policy, the taxation policy, of the Government. When we consider the borrowing Bill, we really must not look only at the numbers. Certainly, the numbers involved in the Bill are enough to impress anyone. The number of times the Government has come before the House to borrow are impressive in and of themselves. However, the real question upon which we must focus our attention is: What is the purpose of all of this borrowing? What kind of policies have led to this present situation? What are the values, the fundamental priorities of the Government when it comes to borrowing?

I think I would feel much better about this borrowing request if I thought it related to meeting the needs of people and to providing employment for Canadians. However, if we consider what is going on in the country, if we take a brief look at the budget which the Government introduced and which was recently passed through the House, we find that there is double-digit unemployment in Canada. We find the fact that the budget has accepted unemployment of 12.4 per cent for this year and unemployment of 11.4 per cent for next year. It even made predictions that after recovery, after a number of years, the best we could hope for would be to bring unemployment down to 7 per cent or 8 per cent.

In this context, it is very difficult to accept the notion that this borrowing will continue for the purpose of putting people back to work, because it is clear that the economic and manpower policies of the Government have failed to put Canadians back to work. The Government has, in fact, accepted a level of unemployment in this country which, until today, was unheard of. This is unprecedented in terms of a Government accepting such a level without really facing up to the problem and making a commitment to do something about it. So there is no way we can justify this borrowing by saying that the Government has turned its effort toward employment creation.

• (1710)

I might approve of this borrowing if I thought it would improve equality in the country. For example, if the money were used to bring about greater equality between men and women in the Public Service I would be in favour of its expenditure. We know from a recent report that was made public and tabled recently that the gap between the wages of men and women in the Public Service has increased by some 12 per cent between last year and this year. That is a direct result of legislation brought into the House by the Government. The Government's policies have had the impact of increasing inequality, certainly in the Public Service. Therefore I cannot justify this legislation on the grounds that the Government is borrowing money that will fulfil worth-while human purposes and result in greater equality between men and women in the work place.

If I thought that this legislation concerned rational economic policies for the country, I might be able to approve of it. However, when one considers the budget which was recently passed through the House, the words that stand out are those of the Minister of Finance (Mr. Lalonde) when he said that he was leaving the lead in economic matters to the private sector. The Government has actually washed its hands of the very tools that could allow it to provide employment for everyone and bring about a real recovery in this country. It has ignored its opportunity to give some energy and thrust to economic activity in the country. I make that point because when one considers a country such as Japan one can see that it learned long ago the lesson of economic planning, which is, that you cannot leave the direction of the over-all economy to the private sector. Unemployment in Japan is currently in the neighbourhood of 3 per cent, while our unemployment rate is well over 12 per cent. We should learn from our neighbours on this planet.

We should understand that we have a responsibility for what happens in our community and our country. We must set objectives and goals and be committee to the importance of employment for every Canadian in order that we might grow as individuals through meaningful work.

If this borrowing authority being requested by Members opposite were put to a useful and sane purpose, I would approve of it. So long as the Government washes its hands of economic matters by saying that it no longer takes the responsibility to steer the ship of state and to provide employment for every Canadian, it is incumbent upon Members of this side of the House to condemn the financial activities of the Government. It is important to condemn the amount of money that the Government continually asks for authority to borrow.

The Government's request for this money could be legitimate if it came to the House in good conscience to borrow that money for Canadians so they could meet their own basic human needs and find employment for individuals who are unemployed today. This borrowing request would be acceptable if it were meant to bring about greater equality between men and women, between handicapped and other Canadians and between natives and the rest of the population. But borrowing without reason is irrational and deserves to be not only questioned but condemned.

I call upon the Government to re-examine its commitment. Rather than attempting to redefine the notion of full employment upwards, which it has been doing lately, it talks participation rates, the regional nature of the country and the difficulty of penetrating foreign markets. All of this talk is an attempt to convince Canadians that it is acceptable to have the number of people unemployed that we have today. That certainly is unacceptable to our Party and unacceptable to a majority of Canadians.

Before the Government comes to the House to ask for borrowing authority it should first examine its purposes and adopt as its first objective the provision of employment for all Canadians and the greater equality for the people in this country.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, my colleague, the Hon. Member for Red Deer (Mr. Towers), lamented the fact that in spite of all the serious problems and challenges facing the nation today and the seeming inability of the Government to react, he felt that the Government did not even realize the seriousness of those problems.

As is my usual custom, on Sunday I went to church. I listened to the minister as he referred to the fact that it is sometimes necessary to use dramatic or sensational methods in order to catch the attention of the people before they are willing to listen. He used this illustration: a man had a donkey which was hitched to a cart. No matter what he said to it, it would not move. He kept shouting at it until he got rather disgusted and took a hammer and hit the donkey between the eyes. A bystander asked, "What in the world did you do that for?" Why did you hit the donkey in the head?" He said, "I had to do it to get his attention."

I believe that is similar to the situation we have today. It seems to necessitate the use of some dramatic or sensational effort to get the Government to realize the seriousness of the situation and to act upon it.

I am not implying that the Minister of Finance (Mr. Lalonde) or anyone else is a donkey. I do not know if that would be parliamentary. I am not implying that the Minister of Finance is a donkey, but it appears as though he shared that proverbial characteristic of a donkey, that is stubbornness.

It has been pointed out that this is the seventh time that the Government has introduced a measure asking for authority to borrow more money to finance its operations. Therefore, it has been seven times that we have endeavoured to use that hammer of reason to convince the Government that the direction in which it is headed is not the one which will lead us to a satisfactory destination.

Instead, the Government is leading us in the opposite direction. Rather than bringing us out of the problems and difficulties which we face at present, it is driving us deeper into the ground and making the problem even more difficult.

The Government has failed to recognize and acknowledge the challenges that have been drawn to its attention and the warnings which have been given to it by successive Auditors General, the Comptroller General, taxpayers of this country and Members of the House. We are convinced that continuing overspending, increasing deficits and massive borrowings could bring this country to economic collapse.

• (1720)

The amounts for which the Government has asked borrowing authority have been placed on the record. They are in the following order: $12 billion, $14 billion, $16 billion, $11 billion, $4 billion, $19 billion and $14.7 billion. Clearly this indicates that this request is not a request to meet an emergency but is consistent with the Government's propensity to overspend. Then, with indecent and unblushing arrogance, it forwards a dunner to the taxpayers of Canada to pay up or face the consequences. Everyone knows that the country has been going through a very difficult period and, although some signs would indicate some slight improvement, I have seen nothing to indicate that anyone is about to celebrate a dawn of a new era. In fact, I saw three economists on the television not long ago. One said that things are looking better, another said just about the opposite, and the third one was in between the other two. He indicated that even among economists, which is perhaps usual, there is such a divergence of opinion that they know nothing more about the situation than any other sectors of the community.

If we reviewed the record of the Government we would find there is little to justify the Government's calling upon the people of Canada to increase the borrowing and the money available to Government. Not only should we consider the following facts: That Gross National Product is falling sharply, that capital investment is to fall again, that manufacturing is at only 63 per cent of capacity, that business bankruptcies continue to increase, that we have record unemployment, that corporate profits are down, that manufacturing and shipments are declining together with inflation—that is the record—but we have to take into account the predictions for the future. Woods, Gordon in its April, 1983 "Business Conditions" report expresses concern that inventory shortages could lead to higher prices. In that document we find this paragraph:

> In particular, inventories of many raw materials appear to be exceptionally low and cannot be replenished quickly. The business recovery could trigger sudden bottlenecks and sharp price increases, which could, in turn, touch off renewed fear of inflation, tighter monetary restraint, and rising interest rates.

The record is pitiful, the forecasts are discouraging, yet the Government continues on the course, and rather than improving the conditions of this country it is even threatening to make them much, much worse.

Speaking about the deficits, an article appeared in the paper under the heading "Deficit cuts needed as soon as possible." The article is written by Mr. Ronald Anderson. He pointed out a very significant factor. He wrote:

> —the proposed increase in federal spending this year and next, together with the absence of any new spending restraints in later years, will result in an increase in the federal Government's share of the Gross National Product. In 1980, before the recession, Ottawa absorbed 21 per cent of GNP; in the November, 1981, budget, the federal share was projected to increase to 22 per cent; this proportion now is expected to increase, in the 1983-1984 fiscal year, to 26 per cent.

I want to put more on the record from this article but there are time constraints. However, the C. D. Howe Institute said:

> —the federal public debt will rise to 46 per cent of GNP in 1987, compared with 29 per cent in 1982 and 15 per cent in 1975.

This statement concludes with these words:

> —the commitment contained in the budget to reduce the deficit is not a convincing one. If the deficit persists, little room will be left for stimulative measures if they are needed in the years ahead.

The Government is moving in such a direction that it is evident that rather than improving the situation it will eventually make it worse. I call upon the Government, without hitting it on the head with a hammer, I beg the Government to take another look at the course it is following and the course it is leading us into and request that it change direction and do something really worth-while for the great nation of which we are a part.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, it almost seems like yesterday when I last spoke on a borrowing authority problem. I spoke during the budget debate about what the Minister of Finance (Mr. Lalonde) indicated would be his financial requirements for the coming year. At that time it was indicated we would have this present Bill sometime during the course of this year. We have not yet reached the month of June and already the Government is upon us with Bill C-151.

Mr. Fisher: Four more days.

Mr. Lambert: Bill C-143 asked authority to borrow $19 billion. In between Bill C-143 and Bill C-151 only eight Bills have been introduced. Let us look at the totality of what has happened in this session which started, of course, in April, 1980, and is now well on into its fourth year. We get this cradle of numbers, I said cradle, I should have said litany of Bills—Bills C-30, C-59, C-111, C-125, C-128, C-143 and C-150. They come along like a series.

Last year the Government came before Parliament four times. I suppose this year it says, "Never again", and yet it has come twice with ever increasing gulps. It may be that this is what the Government is going to do in the future if this administration continues for another year. We have been told, on the good authority of the Minister of Finance, that the projected shortages, the Government requirements, will be something like $93 billion by the time we get to 1985-1986. One can understand that the gobbets will be bigger and bigger each year. It may be that the Government is doing a job on the public, accustoming it to a bigger dose every time.

• (1730)

What will be the result of the Bill? Several of my colleagues have indicated what it will do. At the present time there is a carryover of $2 billion for 1982-83, and there is at least $5 billion now. Bill C-143 provided for a carryover of $2 billion

for 1983-84. This particular Bill also provides for an unexpended portion of $2 billion to be carried on into 1984-85. What do they do with all this money? Is it an absolute necessity? The public tells us, "halt". I do not know whether the present administration has stuffed cotton wool or noise preventers in its ears. It simply continues to spend and spend and spend. Unfortunately, the expenditures are of a kind that are temporary. There is no lasting effect. There is no multiplier effect, with the possible exception of the $3,000 grant for the acquisition of new homes. That program has come to a halt. While the Minister of Public Works (Mr. LeBlanc) boasts about the increased rate of new home construction, as soon as that program effectively stops, there will be a most dramatic downturn in the construction of new housing units. Canadians lack sufficient confidence in this administration and in economic recovery to say that they will take chances because their employment is insecure. There are still very serious lay-offs. Some of them are reaching very high levels. As soon as one sees serious cuts in mid-management, those below who still have employment in the firms become very, very conscious of just how precarious their employment tomorrow may be.

We are going through a very unbalanced time. What this massive borrowing will do to the domestic market of savings, I do not know. It could be that this will wipe out a lot of funds sitting in pension plans and others that are not normally active in industrial investment. Certainly I think it is the Government's good fortune that at this time the industrial demand for funds for investment is not as high as it might be, because there is a great deal of unused capacity and uncertainty as to the value of future investment and the Government has more freedom of action in the sale of its bonds. What the Provinces will do under the circumstances is hard to say. In view of the fact that the Government only needed about $10.7 billion in order to arrive at a fair balance of figures, why must there be a cushion of an additional $2 billion?

When we talk about $2 billion, we are not talking about a weekend's expenditures. For the likes of Hon. Members of the House and most of the public, $2 billion is a great deal of money. It is difficult to provide for a $2 billion carryover, but personally I think it is totally wrong for the Government to come at this time and ask for this much money. The Government must become accountable, and to that extent I am opposed to the Bill.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, it is a pleasure to rise to address a few remarks to Bill C-151 with which the Government seeks to borrow $14.7 billion. That amount of money is rather difficult for anyone to imagine in terms of his or her own funding. I thought it might be interesting to try to relate it to how it affects the average Canadian in my riding of Simcoe North.

Government spending for which it is borrowing money this year will be equal to $10,100 per taxpayer. That is quite a sum of money, especially when one realizes that when the present Prime Minister (Mr. Trudeau) took office in 1967-68 the Government was spending $1,700 per taxpayer. The Government, on a per capita basis, is spending $4,000 per man, woman and child in Canada, as opposed to $500 per capita that it spent in 1967-68. One tax dollar in three is used to service the Government debt, compared with one tax dollar nine or ten years ago.

The people of my riding are quite concerned about deficits of $31 billion per year and about a Government with runaway spending. When I am in my riding, they stop me and ask, "Doug, how can the Government spend that kind of money; where is it going?" I tell them about the pork-barrel which the Government has going with a sort of bottomless pit. I tell them that they have to be like Maislin Transport which needed $31 million to $34 million because it made a bad business deal and the Grits, the Government, decided to bail the company out. They shake their heads. I tell them about Dome Petroleum which got into trouble—

Mr. Fisher: How much did we put into Dome?

Mr. Lewis: —because of the National Energy Program.

Mr. Fisher: Not a penny.

Mr. Lewis: I tell them about the Great City of Windsor and ILAP. I compare the City of Windsor and its three Liberal Cabinet Ministers with metropolitan Toronto, represented by my noisy friend across the way, which has 30 seats and five Cabinet Ministers, none of them with anywhere near the power of those from Windsor. One might think about that if one represented Mississauga North. One might find it embarrassing to explain to one's constituents the case of Windsor with three seats and three Liberal Cabinet Ministers and that of metropolitan Toronto with 30 seats and five Cabinet Ministers. That might be a little tough to take home to Mississauga North, if my friend had the nerve to go back there on occasion.

• (1740)

The ILAP Program, on which the Government was spending money, was rather important to Simcoe North, in particular the areas of Penetanguishene and Midland which has 33 per cent unemployment under this Liberal Government. It applied for an ILAP grant. I put together a brief. I was at the initial meeting of the committee. It worked long and hard putting together a comprehensive brief indicating exactly what the situation was, thanks to Liberal economic planning. It was sent here in February.

There was a latecomer, Allan Martin, a former Member from the unrepresented City of Toronto. He jumped on the bandwagon at the last minute. He went to great lengths to say how he would get an ILAP grant and that the money would be spent on Penetanguishene, thanks to Mr. Martin. On budget night, the Minister of Finance (Mr. Lalonde) found that the ILAP restrictions were rather tight. He had only been able to get it for nine or ten Liberal ridings, one NDP riding and one Conservative riding. He wanted to spread the pork. ILAP was dumped.

Mr. Martin had another excuse. He was going to do something else. We now have what is called the special recovery fund, which is the pork-barrel gone global. The Minister is

going to spend money according to a development index. Very nice. For years the Government has calculated unemployment according to 60 economic regions in Canada. Now it is going to be 260. It will be done by census regions. That is one part of the development index. The other part is average income and the ability of the Province to pay. That is how money will now be spent. We, as a responsible House of Commons, are being asked to condone that kind of hokery-pokery.

Today in the House we heard the epitome of Government spending gone mad on the Canada Development Investment Corporation. It is a neat little corporate manœuvre, in place for some six months, designed to allow the Government to invest taxpayers' hard-earned money in some of the classic income earners such as Canadair. It is an opportunity for more of our money to go to Grit ridings, an opportunity for the Government of Canada to have a Crown corporation in the hands of an esteemed Member of the other place. One would have to caution the corporation not to try to float any share issues on the Vancouver Stock Exchange, not under the management of the esteemed Member of the other place.

We heard the Minister of National Revenue (Mr. Bussières) go on at great length. He is our link to that Crown corporation which is spending our money. He is the House of Commons link. The only problem with the link is that he is not part of the chain. The Minister has not been made part of the chain because the Economic Development Committee of Cabinet includes Senator Austin, but does not include the Minister who reports to this place. He comes in and waxes eloquent at great length, but he has no idea of what is going on because he is not a Member of the Committee. That is how the Government is spending our money. When I go to Simcoe North, my constituents ask what the Government is doing. I have to try to defend the Government in its mad spending. That is how it is seen at the riding level. It is not seen that way by Members on the Treasury benches. They think they are helping by spending money. However, it is the people of Simcoe North who pay the shot.

We are opposing this Bill. We are opposing this grand scheme which asks for more than $4 billion, more than the Government needs, according to his recent budget. This is the seventh time this Government has come to this House to ask for more borrowing, and we oppose it. It has some $16 billion worth of borrowing authority left. The Government suggests it needs only $26.7 billion. The balance, according to my arithmetic, is $10.7 billion, not $14.7 billion. Once again, under the aegis of the Minister of Finance, who found $200 million worth of spending over the course of 24 hours, we see sloppy arithmetic from the Government.

In closing, we oppose the mad spending of this Government as we have opposed all of its roughshod tactics. We continue to stand on behalf of the taxpayers, not only of Simcoe North, but of every riding in this country. It is obvious the Members supporting the Government have no interest in supporting their ridings. We are pleased to do the job for them as well.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I would like to say that I am both pleased to speak on this Bill and not pleased. I represent constituents who are very concerned. Farmers, business people and other taxpayers are as concerned as Members of Parliament about the additional borrowing of $14 billion.

It is significant to note that when I came to this House four years ago, the total debt of the Government of Canada was $78 billion. Today the total debt is almost $160 billion. The increased debt for each man, women and child is in excess of $800, and for each taxpayer it is in excess of $1,700. These figures are very alarming.

It is not enough to just point out the problem. There must be a solution. We on this side of the House have some very positive solutions regarding the direction in which this country has been going. One of the major vacuums in this place is the complete lack of understanding of supply-side economics. We must stimulate the private sector to create wealth in this country. You cannot continue spending money to create jobs or in any other direction that is not, in return, building and strengthening this country.

We have a very serious problem in Canada. Governments are too loose with the taxpayers' money. I represent an agricultural riding. Productivity is very imporant in my riding. Productivity has been eroded by the reckless spending by Government. We see this in our oilfields and farms. Taxpayers now find there is not a great deal of incentive to work and to produce, basically because taxation is so high. When an employee works overtime, he finds that he is taxed to death by the income tax department. There is no incentive to produce. As a result, the balance of payments in the country has dropped to a level where we cannot compete in many ways in the international marketplace.

• (1750)

I believe that we must take a whole new look at production, a whole new look at taxation in Canada. The Government's whole taxation program is counterproductive in many areas of society, and particularly in the House.

One area of expenditure that the Government does not seem to be concerned with is the larger bureaucracy which is being created year by year, day by day, in the House of Commons. It is significant to note that while 5 per cent and 6 per cent guidelines were created, many members of our society, and particularly farmers, realize that they face increased costs of production along with dropping world prices for wheat or beef, or whatever it is that they produce, and in that case, the six and five guideline is not there. But the bureaucrats are protected by the 5 per cent and 6 per cent increase, and if one makes a wage of $70,000 and gets a 6 per cent increase, that is a pretty healthy increase, Mr. Speaker. This is happening year after year at the expense of the taxpayer.

Somewhere down the line, there must be some accountability to the taxpayer by the Government, and I as one Member of the House believe that the Government and each Member sitting in the House owes a great deal of responsibility to the taxpayers of the country. We in the House, and I suppose I am speaking for the Government now, have not in many cases

been accountable to productive people who have found it difficult to pay the kind of taxes that are demanded of them by the Government of the country. I call upon the Government to be more accountable to the taxpayers and to bring into practice some incentive program for production that will allow this Government to decrease some of the heavy-handed taxes which have been placed upon the people of Canada.

I suppose that there are many areas which I could look at in terms of expenditure. I have already mentioned a couple of items like the large bureaucracy that the Government carries and the circulation of funds in many areas. In latter years, the Auditor General has spoken out and suggested that Government spending was out of control, that it was not being controlled by the Finance Minister, and yet year after year the deficits have been rising and the budgets have been coming later and greater.

Four years ago when I came to the House of Commons, I believe that the deficit was $13 million. Today we are looking at a $31 billion deficit. Expenditures are out of control, Mr. Speaker. I call on the House to bring them under control. I call on the Minister of Finance (Mr. Lalonde), each Cabinet Minister and the Prime Minister (Mr. Trudeau) to be accountable to the taxpayers of the country to whom I am sure we owe a debt of responsibility as Members of Parliament.

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I am pleased to be able to address myself to the particular Bill under consideration as we resume debate on the motion of the Minister of State for Finance (Mr. Cosgrove) on this, the second reading and reference of Bill C-151, an Act to provide supplementary borrowing authority.

This afternoon, Mr. Speaker, I would like to be able to register some of the concerns I have as a Member of Parliament who represents a western riding, a riding which is in northern Manitoba, and I would just like to state why we are in opposition to this particular Bill. Doubtless, Mr. Speaker, you have heard quite a bit from this side of the House with regard to the position we have taken on the Crow rate, for example. The way the Government has been spending money is of real concern to us because in debate on the Crow rate, for example, a great deal of attention has been paid by the Government to trying to bring forward its position. I am referring especially to the Crow advertising which was seen all across the country. The Government spent a considerable amount of money, and in the process of spending that money, it purported to bring forward its position. However, when the Bill was finally introduced in the House by the Hon. Minister of Transport (Mr. Pepin), we found that the Bill was incomplete in its form and that whatever changes would be introduced would make the advertising obsolete. I would ask you, Mr. Speaker, if this type of Government spending on obsolete advertising is not a waste of taxpayers' money.

Mr. Fisher: You people sound like good Tories.

Mr. Lewycky: As I mentioned, that advertising is obsolete. I think it is important for us to consider this sort of thing.

Mr. Fisher: I have been listening to this from the NDP all day.

Mr. Lewycky: The Hon. Member opposite is shouting and is trying to generate a little bit of noise because he is afraid to listen to the concerns which we have in this regard. I think one of my hon. colleagues has also indicated that the CNR has been purchasing bankrupt railways in western Canada. What is happening with regard to money which should be spent to upgrade the railways and upgrade certain branch lines in constituencies such as mine is that we find that that money has been given to the railways without proper accountability. I personally have never been able to get a reasonable explanation from the railways with regard to the formula which is used for money that the railways are receiving and expenses which they claim for depreciation of equipment, and it is of great concern to us that the Government constantly gives money hand over fist to agencies or companies such as the CPR, a corporate welfare giveaway, and there are no real results in various constituencies such as mine.

There has been no focus or plan with regard to some of the expenditures which the Government has brought forward, and by this I am underlining what is of great concern to many of the younger people in my constituency, a group of people with a high percentage of unemployment. I know that we in the House have heard that the unemployment rate among youth is well over 20 per cent, but I would just like to point out to the Hon. Members opposite that there are quite a few Indian reserves in my area. There are some seven Indian reserves, and if I were to look at any one of them, Hon. Members would be horrified to find out that the unemployment rate for youth would be 100 per cent, Mr. Speaker.

I am concerned that this borrowing authority does not have the kind of focus that is needed to deal with the problems which we as Members of Parliament are facing on a day to day basis. Our constituents come to our constituency offices and bring to us some of their concerns. As well, a high proportion of women are unemployed, especially in the rural areas. There is supposed to be an affirmative action program that is concerned with unemployment in this area, and yet there is nothing from the Government which really addresses these concerns and problems.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

SHIPS AND SHIPPING—PROTEST AGAINST USE OF FOREIGN-OWNED VESSEL ON ATLANTIC COAST

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, yesterday the Minister of Transport (Mr. Pepin) apparently did not really understand, or deliberately chose to evade my question about vessels of foreign ownership or registry being permitted into this country. The Canada Shipping Act does give the Minister of Transport authority to do something about foreign vessels of dubious quality and design being allowed to serve as offshore vessels for standby rescue and supply purposes.

I want to read into the record Section 22 of Part I of this important piece of legislation as the basis for what I am about to say. It is as follows:

Notwithstanding anything in this Part, a ship built outside Canada shall not, without the consent of the Minister, be registered in Canada.

The Minister knows that shipbuilding and ship repair is an important industry in this country. He must know as well, that the Canadian Shipbuilding and Ship Repairing Association has been making very sensible recommendations to see that our Canadian interest may be protected. Henry Walsh has been very assiduous in bringing certain things to the attention of the Government.

On September 2, 1980, the Association made a number of proposals for non-subsidy measures of support for the shipbuilding industry. Proposals No. 9 and No. 10 recommend the banning of importation of old vessels, and No. 9 reads as follows:

Fishing vessels over five years of age should be prohibited from importation into Canada.

Proposal No. 10 says:

"All other vessels over ten years of age should be prohibited from importation into Canada."

Even so, we have the current example of an old, obsolete Norwegian whaling ship being brought in to Halifax by the Karlsen Shipping Company Ltd. and undergoing sea trials in Halifax harbour. At the same time, as I pointed out to the Minister yesterday, Ferguson Industries Ltd. of Pictou, Nova Scotia, has been attempting to secure a charter for a vessel that it has extensively modified in order to make it suitable to fit in with offshore oil and gas development and the attendant regulation. You would think that the Government and the Minister would be anxious to help an industry like this in an area of Canada that suffers from high unemployment. Apparently that is not the case.

On January 6, 1983, the Government of Canada announced a series of measures to promote Canadian shipbuilding, including the extension of custom and excise laws for goods used in resource exploration and development, from the present 12-mile limit out to the limits of Canada's Continental Shelf; the closing of loopholes to existing customs jurisdiction, resulting in a 25 per cent duty to all ships and 20 per cent for offshore drilling rigs, and the retention of the 3 per cent performance improvement grant and the extension of the 9 per cent shipbuilding industry assistance program subsidy for ships delivered by June 30, 1985.

Adjournment Debate

I want to give the Government credit for taking some constructive steps. These measures made some sense, but why is the Minister so slow in acting on other measures that are needed to protect our coastal shipping and our small shipbuilding yards? Frankly, although I like the Minister of Transport, I am sick and tired of his cordial but very often evasive and ill-informed answers on vital matters. I am also very disturbed at the obvious prejudice being exhibited against small industries in certain parts of my Province of Nova Scotia.

Recently I pointed out that one of the largest employers in Nova Scotia, Hawker Siddeley, Canada, Ltd. situated in Trenton, is not being given fair treatment. Now we have another example of a key industry, again in my constituency, Ferguson Industries Ltd., being prejudiced by the inconsistency, or perhaps even outright negligence of the Department of Transport in not putting Canadian marine interests first.

The sensible thing to do is to take some of the actions that other countries have taken to inhibit fishing vessels of over five years of age, and other obsolete vessels over ten years of age from coming into service in our waters. If nothing is done these kinds of vessels can come in under international rules and conventions in the absence of any specific ban or controls by Canada.

Our fleet is aging so we need modern and upgraded vessels. Our shipyards can do the job. As usual, it is the indifference of the Department of Transport and the carelessness of the Minister that is making it hard for them to get on with this type of program. Once more I ask the Minister and his officials to read the very sensible proposals made by the Canadian Shipbuilding and Ship Repairing Association, and, after reading them, to do something positive.

• (1805)

The Department of Immigration, I might add, should also take a very close look at some of the practices being followed in allowing mariners from other countries to come in and take jobs from Canadian seamen. Certain companies often advertise very complex job descriptions which are not really indicative of the actual work which has to be done, and use that as a basis for taking in mariners from other countries, often the United Kingdom, to do jobs that could be done just as well and sometimes better by Canadian seamen.

I hope the Government will do something about this because it is ironic that, at a time when we are discussing the borrowing of billions of dollars, a little bit of help to some of the indigenous industries we have could generate some wealth in this country and stop the financial hemorrhaging which sees Parliament tied up in a constant parade of Borrowing Authority Bills.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I will take the Hon. Member's representation for review by my Minister and also by officials of the Department.

The Government's policy, as the Hon. Member knows, is to support an environment whereby shippers and shipowners have freedom to make commercial choices with a minimum of interference from Government. Surely that policy should be supported by the Hon. Member. This allows shipowners, for example, to purchase vessels from the cheapest source. This policy is consistent with Canada's international position on free trade. However, this policy of minimal interference does not prevent the Canadian Government from taking steps to protect shipping interests in Canada.

On January 6, 1983, the Government announced policies to extend and modify the coasting trade regime, thereby providing greater opportunities for Canadian flag vessels to work, increasing employment opportunities for Canadians. At the same time an extension of the customs and excise regime to the offshore was announced which will encourage the building of more ships in Canada. I was pleased that the Hon. Member gave the Government credit for that. This will support the new shipbuilding policy which extends the shipbuilding assistance program until July 1, 1985, and which provides for duty rates on ships operating in Canadian coasting activities of 20 per cent to 25 per cent of the fair market value.

With particular reference to the *Rescue Kim*, standard procedures must be followed by those wishing to register ships in Canada. Entry is not normally denied to ships which meet the ownership criteria and Canadian safety standards, which are among the highest in the world. The *Rescue Kim* has followed normal procedures and has complied with coastguard requirements.

The Government is concerned about Canadian shipping interests and, until new legislation is introduced into the House, all applications for foreign ships to work in Canadian waters, either temporarily or permanently, are being monitored closely. However, it is not the intention, through powers given by the Minister under the Canada Shipping Act or otherwise, to embark on a program of import restrictions that could be contrary to Canada's international obligations under GATT.

WESTERN GRAIN TRANSPORTATION ACT—REPORT OF PRIME MINISTER'S STATEMENTS. (B) POSITION OF PRIME MINISTER

Mr. Jack Shields (Athabasca): Mr. Speaker, I am thankful for this opportunity to respond to an answer I received from the Prime Minister (Mr. Trudeau) during Question Period on May 20. This flows from my feelings as a sitting Member in this House representing every man, woman and child in my riding, whether they be Conservative, Liberal, NDP, Communist or Rhinoceros. That is the fundamental tenet underlining the parliamentary system.

When an election is called and the writ is handed down, everyone lines up behind their favourite candidate and goes hell bent for election to get every possible vote so that candidate can arrive here in this House. But once those candidates arrive they become Hon. Members of certain ridings, as I am the Hon. Member for Athabasca. It really upsets me when the Prime Minister of my country, holding the highest office in this land, goes from one end of the country to the other stating certain things to western producers who question the Crow rate changes because they are going to have such detrimental effects on western farmers.

• (1810)

Mr. Mills represents the cattle producers in Alberta. The *Edmonton Journal* of May 17 states:

> Mills said Trudeau told the prairie wheat pools and farmer and cattle industry representatives "he didn't think this was the best solution they could come up with . . . not the best economic solution".

The Prime Minister (Mr. Trudeau) was admitting that the Crow was bad.

I would also like to quote from the *Edmonton Journal* of May 19, which states:

> At his recent Jasper dinner to discuss freight rates, Prime Minister Pierre Trudeau told agriculture industry representatives legislation to replace the Crow will not be changed to suit the West because the region "can't deliver Liberal votes in Parliament".

It is easy to be outraged at a statement from the Prime Minister of my country to western producers because they happen to vote NDP or Conservative. I see two Hon. Members sitting across the way who think that this is a big joke.

Mr. Fisher: No, no, we're just looking at you, Jack.

Mr. Shields: Come with me to my riding and speak to some of the producers who are going bankrupt. They are upset because of the Crow debate and the change in statutory freight rates which will actually increase their shipping costs by 500 per cent within three years. Just think of that, 500 per cent! Yet people have come from across Canada to march on the House of Commons because they had mortgage rates which, when they renewed them, rose by 100 per cent. In some cases, their mortgage payments doubled. They marched on this House, they made their feelings known, and legislation was brought in to help these people. They were helped by the Provinces and by this Government.

In the last two years input costs to the farmer, the producer in western Canada, indeed in all of Canada, have increased four fold or five fold. They are hit with high energy costs.

One might think that increase applies only to gasoline and diesel fuel. Of course, it does not. One of the largest single outlays of a producer is the cost of the fertilizer he uses when he plants in the spring. Where does the fertilizer come from? It comes from plants that are users of energy. The energy is being taxed. Fertilizer comes from Petrosar and some of those plants which are paying the wellhead tax, the petroleum gas revenue tax. All of those taxes are included in the price of the very basic commodity of the fertilizer.

The producer must use diesel fuel to move his machinery around. Where does that fuel come from? He pays the same amount for his diesel fuel as the trucker or anyone who drives a diesel car. There are increased gasoline taxes. The Government is hitting the farmer with all those taxes, not recognizing

or considering the fact that the farmer produces from renewable resources—constantly renewing—and adds to the balance of payments of this country by something like $8 billion.

Yet the Prime Minister goes out to western Canada and says, "I know that this is not the solution", and he shrugs. "I know that this is not the best economic solution for the producers in western Canada, but they cannot produce votes in western Canada. You people cannot produce Liberal votes". That underlines a feeling in this House.

I had a totally different perception when I came to Ottawa. I felt that I would be able to work hand in hand with many of my colleagues on the other side and, indeed, many of my colleagues in the NDP. At times, we have sat on committees and have done that. It must be at the direction of the Prime Minister and a bankrupt front bench that the Government has taken this different attitude toward these matters that have come before the House for discussion.

• (1815)

The Government has now introduced a borrowing authority Bill through which something like $4 billion or $5 billion will be held in reserve to be used to buy votes. I was aware that this does happen, but I was surprised to see it done so blatantly.

It is totally bankrupt, immoral and unjustified on the part of the Prime Minister to go to western Canada and say such a thing to producers who are worrying about their very livelihood, about losing their farms, who fear they will not be able to pass their family farms on to their children because they foresee bankruptcy as a result of a change in statutory freight rates that the Government is forcing through under closure. He has the unmitigated gall to tell those people, "You cannot deliver votes, therefore the Bill will go through."

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I could not agree more with the Hon. Member when he says that once a Member arrives in the House he or she represents every Canadian in that riding. If we expand that, the Prime Minister and this Parliament represent all Canadians across Canada.

The Prime Minister (Mr. Trudeau) did not say what the Hon. Member suggests. If the Hon. Member spent more time in the House, and it has been quite some time since I have seen him in his seat, although I am pleased to see him here during the Adjournment Debate, he would not misquote the Prime Minister as he has today in an attempt to score a few political points. I think it is a disgrace that the Hon. Member stands in his place and misquotes the Prime Minister of Canada the way he has done tonight.

I think the Crow rate debate involves a very emotional issue. I think we can categorize it into two areas. The first is whether there should be a change. I think most organizations across Canada agree that there has to be change. Even those organizations which want no change, proceed to give five or six points they would like to see changed in the Bill. They are saying, "yes, give us the Bill but with these changes." I suggest that we have come a long way in an effort to accommodate those amendments that Canadians, especially those out west, have asked for. Whether there should be change is not negotiable. There must be change.

The second element of the Crowsnest debate is what sort of change should take place. The bigger question is what change is considered desirable. It is clear that on this question there are deeply held differences of views in the west and across Canada.

The Prime Minister and the Minister of Transport (Mr. Pepin) have been candid in admitting that the original proposal was perhaps better—that is what the Prime Minister was saying out west—but that the present proposal under Bill C-155 is still considerably better than doing nothing, which is what the Hon. Member and the NDP want to do. His Party does not want to do that. Their official critic and Members speaking on that side have been saying we should bring the Bill to committee, but with changes. I do not know where the Member has been during these weeks, because he seems to be missing what his own Party is asking for. His Party is not rejecting the Bill outright. It is saying to bring in the Bill but with some changes.

I urge the Opposition to understand the need for the revision of the Crow rate to allow for the upgrading of the western rail transportation system. It is important to all Canadians that this legislation should pass.

INCOME TAX—DEDUCTIONS FOR CHILD CARE EXPENSES. (B) REQUEST THAT TAX CREDIT REPLACE CURRENT PROVISION

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I am pleased to elaborate on my question of May 2 to the Minister of Finance (Mr. Lalonde).

The child care expense deduction is intended to help defray expenses incurred for the care of children under 14 while parent or parents are working. The system of providing some relief for child care costs through the current tax deduction is inadequate, inequitable and discriminatory. The Minister's answers were also inadequate.

A change to the child care expense deduction proposed in the April budget which removes one discriminatory aspect of this deduction creates a new and more insidious discrimination against the unemployed. Prior to the April budget any working mother could claim the deduction, regardless of the husband's presence or absence, and regardless of his activities, whether he was working, studying or unemployed. However, a man could claim the deduction only if his wife was clearly not available to care for the children, one circumstance being separation. In addition, the man had to meet stricter requirements, such as legal proof of separation. No one would deny that it is overwhelmingly women who assume child care responsibilities, or that the law was seen to reinforce the traditional view that women are responsible for child care, but as well created inequities for some fathers.

• (1820)

The budget proposes to remove sex discrimination from the Income Tax Act and make the child care expense deduction

available equally to men and women. Once the proposed change comes into effect the spouse with the lower income will be required to claim the deduction. For a couple, both spouses must have jobs to be eligible for the deduction, unless one spouse is infirm, in an institution or a full-time student. Before the change a mother could claim the deduction if her husband was laid off or unemployed. When the law is changed neither the mother nor the father will be able to claim it if one of them is unemployed. This is the point I was trying to stress to the Minister.

With a record number of unemployed, this inequity will hurt many Canadian families who require assistance with their child care costs. Many, as I pointed out, have been unemployed for a period of over one year. The lack of child care is often a barrier for women looking for jobs. The costs of child care are even more prohibitive for people without an adequate income or for a family with both parents normally working suddenly faced with only one pay cheque.

The new budget change will be of greater aid to rich mothers. Tax deductions always benefit higher income families more than lower income families. Even though many people in lower income brackets claim this deduction, those in the higher brackets receive a bigger benefit.

An example of how this inequity comes about was mentioned in an article by George Brett in his column "Dollars and Sense" in *The Toronto Star* on May 2. It referred to two Ontario women, a secretary and a lawyer, each of whom has two children in day care. The low paid secretary when she makes out her 1983 tax return will get back $1,124 while the high paid lawyer will get back $1,776. Doubling the deductions simply increases this inequity and the regressivity of the tradition. Neither women receives anything close to the actual amount she spends on child care costs estimated at $12 a day or $3,200 a year.

There are other problems with the child care expense deduction besides its inherent regressivity. Many people cannot claim the deduction because of the requirement for receipts and the social insurance numbers of the care givers. A large group of parents not claiming the deduction are low income parents who are unable to get the required receipts. While receipts are readily available from day care centres and live in nannies, these types of care are the most expensive and, therefore, used by higher income parents. Lower and middle income families tend to use unlicensed less expensive babysitters who do not provide receipts. More families in the coming year will find that they cannot claim the child care expense deduction if one of them is unemployed.

We believe the Government could have chosen other mechanisms to spend money more equitably on child care. In the 1980 taxation year the cost to the federal Government in forgone revenue was approximately $54 million. This money should be spent in the most equitable manner possible.

The NDP believes that all families regardless of income must have access to affordable quality child care. Our long-term goal is a universally accessible fully funded child care system. In the interim, a refundable child care expense tax credit would be the most equitable system. This conclusion was supported by the Royal Commission on the Status of Women in 1970, by the Canadian Advisory Council on the Status of Women, the National Action Committee and many other groups across the country. The National Council of Welfare and the Canadian Council on Social Development have long been calling for a restructuring of the child benefit system. The Government should stop ignoring good advice and act to create a better system of contributing to child care costs.

I am sure, Mr. Speaker, being very interested in child care services yourself, you will agree with this.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Hon. Member has raised four points which I would like to address very quickly. First of all she claimed that the new measure discriminates against unemployed people. For the second time I would like to clarify for her that this is not the case. The work status of the taxpayer is irrelevant. The income level of the taxpayer is the only relevant standard applied here. The taxpayer cannot claim more than two-thirds of earned income under this deduction. If a taxpayer with two children wants the full $4,000 deduction, that taxpayer must have $6,000 of declared earned income; from where it comes is irrelevant. Whether it is unemployment insurance, private income or working income is irrelevant. It must simply be no more than two-thirds of earned income. That is the only test.

Second, she said that in the past we discriminated against fathers. That was true, and that discrimination was removed in the budget.

Third, she said that the budget measures discriminate between rich and poor. I ask her to look at the other measures which are connected very directly in the budget to this one. For example the employment expense credit can only be used to its fullest impact by low income earners, by people who earn up to $16,000. People with incomes beyond that level do not obtain the full benefit of that deduction. The high Child Tax Credit is being continued and indexed fully because of our concern for lower income workers.

Finally she said that low income people cannot obtain receipts for their child care expenses. She should recognize in those circumstances that the people providing the child care will not give receipts because they do not want to pay income tax. She is asking us to approve and to continue a system of cheating. We are not about to do that.

I would like to close with the observation that I agree with her that there should be a full system of child care available from the day of infancy until a child graduates from school. I ask her to join with the Government and with other spokesmen to pressure some of the provincial Governments into accepting their responsibility. We pay half the cost of the Canada Assistance Program and the other cost sharing efforts in this regard, and it is about time people like the Honourable Bill Davis in Ontario accepted their full responsibilities under these measures.

[*Translation*]

Mr. Deputy Speaker: Order, please! The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at 11 o'clock.

At 6.29 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, May 27, 1983

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S. O. 21

[*English*]

CROWN CORPORATIONS

ACCOUNTABILITY TO PARLIAMENT

Mr. Scott Fennell (Ontario): Madam Speaker, last week the Liberal Cabinet dished out another $250 million of public funds to Canadair to continue its money losing fiasco. The Cabinet did not think that this transaction required parliamentary approval. This is one example, of many, of the failure of parliamentary accountability and thus the failure of democracy. Crown corporations for too long have escaped public and parliamentary scrutiny.

To correct this the Liberals have brought in Bill C-153, which I can only describe as feeble. The Bill does not provide for comprehensive audits and fails to improve in any substantial way the accountability of Crown corporations to Parliament.

Crown corporations must be made accountable to Parliament. Burgeoning sub-government must be controlled. In the first place, all audits should be done by the Auditor General and not by some external auditing firm. Second, the competitiveness of Crown corporations should not be enhanced by public funds. Any and all public funds allotted to Crown corporations should be detailed in the budget and then thoroughly examined by a parliamentary Committee.

The accountability of Crown corporations should not stop at the Cabinet level. Crown corporations should be made accountable to the people through the Parliament of Canada.

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GARRISON DIVERSION

UNITED STATES PLANS FOR PHASED DEVELOPMENT

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, earlier this week I and two other Members of this House, and two from the Manitoba legislature, travelled to Washington to meet with a number of Members of both Houses of the American Congress to inform them of Manitoba's concerns about the proposed Garrison Diversion Unit. These types of meetings are very good and will go a long way to ensuring that Manitoba's waterways are protected from the negative aspects of the current design of the Garrison Diversion Unit.

The bottom line, Madam Speaker, is that the Garrison Diversion Unit must be redesigned to remove any transboundary transfer of water.

A new wrinkle is that the U.S. Interior Department is now proposing a phased program. It maintains that in Phase I nothing would be constructed that would adversely affect Manitoba, but Phase I includes the Lonetree Reservoir which is on the Hudson Bay side of the Continental Divide.

Even more alarming is that Interior is now proposing that the fish screens proposed for the McClusky Canal not be built, thus allowing foreign biota clear sailing across the Divide. I would point out that the International Joint Commission found the screens to be an uncertain protection against the biota transfer. Now to propose no protection at all is especially alarming. Perhaps Interior is hoping this threat will scare us into accepting these screens, flawed as they may be. Manitoba's bottom line, I repeat, is that Garrison must be redesigned so as to prevent any and all biota transfer.

Madam Speaker: Order.

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BANKS AND BANKING

WITHDRAWAL OF RHOSP FUNDS

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, in his April budget speech the Minister of Finance (Mr. Lalonde) proposed an additional economic stimulus whereby individuals would be permitted a tax-free withdrawal of part or all of their accumulated savings in RHOSPs for the purchase of new home furnishings and appliances. This special short-term consumer incentive was intended to spur the sale of furnishings and appliances which Canadians have delayed purchasing as a result of the uncertainty caused by the recession. In the budget papers the commencement date of this proposal was stated as being April 19. However, several of my constituents have complained that when they have gone to their bank or trust company to make their RHOSP withdrawal for the purchase of furnishings and appliances, their request for the withdrawal has been denied.

The denial of these RHOSP withdrawals affects not only individuals wishing to purchase home furnishings and appliances but also affects the sales of manufacturers such as Camco Limited, which is located in my riding of Hamilton West. I would therefore strongly urge the Minister of Finance

to clarify the present status of this proposal with banks and trust companies, and I would also urge the Opposition to abandon their procedural delaying tactics so that legislation for the budget measures, as well as other necessary legislation, can be passed before the summer recess of Parliament.

* * *

REGIONAL DEVELOPMENT

ATTENDANCE AT PORT DOVER PROJECT ANNOUNCEMENT

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, earlier this month the Minister of Indian Affairs and Northern Development (Mr. Munro) held a press conference in my constituency at which he announced a $2 million recreation and fisheries project for the Port Dover Basin in front of, to quote the press, some 50 councillors and local dignitaries.

It was interesting that the regional chairman and myself were not invited to this function, although we had worked with many of the people for many years on this project. I do hope it was not because we happen to be Conservatives. However, I will take the Minister's word that it was the responsibility of the local mayor to invite the dignitaries, but I will also take the local mayor at his word that he thought it was the Minister's responsibility to invite the dignitaries.

• (1110)

In any case, Madam Speaker—don't get me wrong—I am not opposed to the Minister coming into my area, and I am certainly not opposed to him announcing a "pork barrel project". In fact the Minister can come down to my riding at any time he so wishes and announce funding for some of the projects we are trying to get going in that area. I will go even further. If the Minister would have someone in his office contact my office I will ensure that he gets a list of the projects we would like to see the Liberal Government "pork barrel" in Haldimand-Norfolk. I even promise, if he so wishes, to stay away when he comes down to make the announcements of funding.

* * *

INCOME TAX

EXPENSE EXEMPTIONS SOUGHT FOR VOLUNTARY FIREMEN AND NON-PAID COUNCILLORS

Mr. Gordon Taylor (Bow River): Madam Speaker, it is high time that the Canadian Government recognized the contribution being made by volunteers like firemen who work without remuneration, and councillors who work without pay. Provisions for exemption from income tax now for such councillors is one-third of the general expense allowance. Firemen who work without wages receive no consideration whatsoever, even though they work for the good of the community.

I recommend that consideration be included in the Act for income tax purposes for such volunteer firemen who ruin their clothes and give their time, et cetera, in fighting fires in an amount of the average claimed by firemen who do accept wages and qualify for expense exemption. I also recommend that where councillors and mayors receive a sum of money in lieu of wages to cover costs attending meetings, travelling, checking hydrants, checking buildings, checking complaints, checking wild dogs, et cetera, this be acknowledged and accepted in the amount approved by their councils. MPs, MLAs, and MNAs all receive an expense allowance exemption from income tax, and Canadians who give their time freely, without pay, warrant consideration.

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WESTERN GRAIN TRANSPORTATION ACT

REQUEST THAT BILL BE DIVIDED INTO THREE PARTS

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, according to news reports last evening, the Conservatives and Liberals are back together again discussing ways and means of doing away with the Crow rate. Parliament and the country know nothing of what is going on, what items are now negotiable, what new policy changes are under consideration. The only thing that is consistent in this process is the apparent support of both of the old Parties for the killing of the Crow.

This House has been asked to pass a Bill, Bill C-155, that is not yet complete. By the Minister's own statements there is more to come. He says he has important amendments to make to the Bill, yet we are being asked, in effect, to buy a pig in a poke. We are asked to hear witnesses' opinions at committee stage prior to the introduction of the amendments to the Bill, because amendments come after the evidence of witnesses. This process is totally unacceptable.

I call on the Progressive Conservatives to reconsider the cozy relationship they continue and insist upon maintaining with the Liberals on this issue, in order that all of the proposals can be placed in the legislation before us. For that to happen it is vital that the current Bill C-155 be withdrawn to be broken into three separate Bills, so we can deal with each of the three separate policy items in a full, proper, and a public manner.

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INCOME TAX

DEPARTMENT'S TREATMENT OF FUR TRAPPERS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, the lot of the trapper is these days not a happy one. Revenue Canada has set snares and deadfalls for him at every turn. Whereas previously the Income Tax Act was administered with some degree of leniency and common sense as far as trappers were concerned, they are now subject to the harshest impositions the Act allows.

If we cannot go back to the days of yester year, then at least a special simplified form should be made available to trappers

so that they stand some chance of understanding what is required of them.

This problem, however, pales into insignificance when the question of foreign opposition to the Canadian leg hold trap comes into view. It is incumbent upon the Government of Canada to go to bat for the Canadian trappers, just as it did for the Newfoundland sealers, when this threat to the future of our fur industry is raised by foreign opposition groups.

• (1115)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

WILLIAMSBURG SUMMIT—EFFECT ON AUTOMOTIVE INDUSTRY OF MINISTER'S PROPOSAL

Mr. Scott Fennell (Ontario): Madam Speaker, my question to the Secretary of State for External Affairs arises out of my concern over his statements in the newspapers this week regarding free trade which he will promote and propose at the Summit meeting in Williamsburg. This is the same week that the task force report on the automotive industry was read and reviewed by everyone in the House. It was very important because it was written by employers of a large number of people in the country, and by union leaders who represent a large group. Could the Minister explain what might happen to the automobile industry if he proceeds with the free trade proposal which he is taking to Williamsburg?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I should explain to the Hon. Member that last November at the GATT ministerial meeting the Ministers present all undertook to resist further protectionist measures. That undertaking was made by all contracting parties to the GATT. Just recently the OECD ministerial meeting not only agreed to refrain from new protectionist measures but also agreed to dismantle, as recovery proceeded, protectionist measures now in effect. Those are commitments which have already been made by member countries. Unfortunately the record of performance is not as sterling as the commitments themselves.

It would seem to me, if the summit at Williamsburg is to have credibility, that commitments with respect to anti-protectionism ought to be conducted in a meaningful environment. For that reason I have explored with my colleagues the possibility of having some way by which members of the Summit could examine the conduct in light of the commitments that have already been made, and will undoubtedly be repeated at Williamsburg. What I am stating is not a new commitment made by any government, but commitments that will appear more credible in the eyes of the public at the present time.

CANADIAN SHARE OF MARKET

Mr. Scott Fennell (Ontario): Madam Speaker, the Secretary of State for External Affairs has a commendable attitude, but he is as aware as anyone that other countries may not be quite as fair as we are. He knows that certain tariff barriers or NTBs within the automotive industry have a negative effect in the country.

We are concerned about jobs. If we go to free trade, there is a danger that American automobile manufacturers will say that it is cheaper to have one large plant in Detroit than to have one in Detroit and another in Oshawa. I would like some assurance that, instead of using the words "free trade", he would try to negotiate fair trade and at least get our fair share of employment in world trade.

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I do not think in my press conference yesterday or in my statements that I used the expression "free trade". I talked about the danger of protectionism and, if it is continued, the danger it poses to recovery and jobs, throughout the world. I think the Hon. Member will realize that open markets for all countries are a pre-condition for recovery and also for additional jobs. There was no suggestion in anything I have said that we do anything more than resist further protectionist measures.

The Hon. Member referred to the automobile industry. I would only make one comment about that. It seems from his argumentation that he regards the report of the task force as protectionist in nature. I have not yet reached that conclusion.

• (1120)

MINISTER'S POSITION

Mr. Scott Fennell (Ontario): Madam Speaker, that report is not protectionist, but at least it sets out a fair base from which to start. That is really what it was all about. My concern is that we are behind in new technology. We should have started five years earlier. I will acknowledge that at the present time the Government is moving very quickly in this direction, but we are behind. If the Minister moves too quickly into free trade we could lose many jobs, not only in the auto, textile, and shoe industries, but in all small businesses across Canada. Will the Minister take a little softer stand on this country going for free trade and the loss of jobs?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member is again drawing conclusions that are not justified. What I have been talking about is the necessity of avoiding further protectionist measures at the present time. That is quite a different matter than to urge the further dismantling of protectionist measures that are in existence at the present time. In fact, at the OECD meeting, that commitment was made.

I have a more modest objective in terms of the Summit, that is, if commitments are made with respect to resisting further protectionism at the present time, that these commitments appear to be credible in the eyes of the public. That is precisely the point. That is why I have been arguing that, if commitments are to be made, they ought to be made with the view that they will be lived up to. Otherwise these Summits will become rather meaningless to the public of all the industrialized countries.

APPLICATION OF IMPORT QUOTA SYSTEM TO TEXTILES AND CLOTHING

Hon. Bill Jarvis (Perth): Madam Speaker, I wish to direct a supplementary question to the same Minister. I do not necessarily accept all the arguments he makes with regard to protectionism and what flows from the GATT negotiations.

It troubles me when the Minister says we do not want to enlarge on any protectionist measure. I would ask him to be a little more definitive. For example, as the Minister knows, we have quotas on imports of textiles. That has been the measure of protection which we have offered that particular industry in Canada. Would the maintenance or expansion of either the quota within that industry, or other quotas, in his view be offensive or be a breach of the GATT negotiations and the intent thereof? In other words, when he says we do not want to enlarge our protectionist measures, would the quota system for imported products such as textiles offend that particular principle, in his view?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I think the Hon. Member realizes that even with the GATT negotiations themselves, which were finally ratified by the Government of which the Hon. Member was a member, textiles certainly had a special status, and that the industrialized countries, including Canada, the United States and the European Community, have had to take measures to protect their domestic industries against very strong competition, particularly from the developing world.

In my reply to the Hon. Member who began the Question Period, I drew a distinction between additional protectionist measures and dismantling existing protectionist measures. It is the former that I had mainly in mind with respect to the Williamsburg Summit.

PROTECTION URGED FOR MANUFACTURING SECTOR

Hon. Bill Jarvis (Perth): Madam Speaker, I am not sure the Minister has answered my question, but let me go on. If we proceed either to dismantling or to no further protectionist measures, we run the risk within certain industries, particularly consumer goods—I have already mentioned textiles; I also think immediately of furniture manufacturing, and I am sure the Minister's colleague responsible for energy would be very informed of this, coming from the riding he does—the risk or peril in which we put a large number of Canadian workers.

I would be much more comfortable about Williamsburg if I knew that within the Government of which the Minister forms a part there was a strategy for protecting or providing alternative employment for large groups of Canadians within various manufacturing sectors, particularly in central Canada. I see no sign of that, so is the Government going to Williamsburg, as the Minister has said, with respect to this anti-protectionism and the implementation of GATT agreement, without any alternative long range strategy for dealing with a situation that could very well create, as I think the Minister would agree, potentially large groups of displaced workers within the various manufacturing sectors in central Canada?

• (1125)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): No, Madam Speaker, I do not agree at all that what is being proposed leads to the displacement of large numbers of manufacturing jobs. I think that to draw a conclusion like that from what I have been saying is very unjustified. What I have been saying is that it is a very simple proposition. If we intend to nurture the recovery that is now beginning, one of the most solid ways of doing it for Canada and for other countries is to ensure that markets are kept open and that there is the possibility for Canadian exporters to sell in other markets. This is in our interests as a country because of our dependence on foreign trade and because of the large proportion of our Gross National Product that derives from foreign trade. It is in our interests to ensure that markets are kept open to the greatest possible extent.

It seems to me that it would be a great mistake for industrialized countries, having gone through the worst part of the recession and having, in my view, resisted protectionist measures to a great extent, to slide into protectionism now that the recovery is beginning. I believe that that would hinder the recovery and hinder the growth of jobs in Canada and in other countries. That is the point of view which I will be expressing at Williamsburg along with the Prime Minister and the Minister of Finance.

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BANKS AND BANKING

SPREAD BETWEEN INTEREST PAYMENTS AND INTEREST CHARGES

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I had intended to direct my question to the Prime Minister, but in his absence I will direct it onto the Secretary of State for External Affairs since it was he whom I heard quoted this morning as indicating that, in addition to the trade matters that he has just finished discussing, the Government intended to raise the question of interest rates when the Ministers met with the world leaders. I wonder if the Secretary of State for External Affairs might tell the House how he can justify the situation which currently exists in Canada with the inflation rate at 6.6 per cent and with chartered banks allowed to charge interest rates of 21 per cent for credit cards, 13 per cent to 14 per cent for consumer loans, 11 per cent to 13 per cent

for mortgages, while paying out interest rates of only 6¾ per cent to 8 per cent on deposits.

Hon. Allan. J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I did say that it would be our intention to raise the question of high real interest rates at the Williamsburg Summit. I believe it is generally acknowledged that the continued persistence of very high real interest rates is not an obstacle but is certainly a drag on further recovery and is a very heavy burden on debtor countries. It is certainly in our interests as a country to see a drop in high real interest rates.

An old and familiar comment that I have made before is that I think there is a very strong relationship between interest rates in Canada and those in the United States. There has been a very great drop in interest rates since the Versailles Summit, for example, and there ought to be a further drop. The best way to bring that about, in my judgment, is to ensure that there is some reduction in fiscal deficits in the United States in order to make room for further drops in interest rates.

REQUEST THAT GOVERNMENT ACT TO REDUCE SPREAD

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, it is clear that the United States Government will pursue the policy that it believes is in its own best interests.

• (1130)

May I ask the Secretary of State for External Affairs if he can explain why the chartered banks in Canada are allowed to charge between 80 per cent and 200 per cent more for the money they lend out than they are prepared to pay for the money that is deposited in their accounts?

How can the Government stand before other world leaders and ask them to take action when it will take no action at home to protect Canadian citizens against this usurious practice?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I think the Hon. Member is overlooking recent Canadian history. The fact of the matter is that we have succeeded in reducing inflation very substantially in Canada. I think the Hon. Member referred to an inflation rate of 6.6 per cent. It was not so long ago that the inflation rate in Canada was close to 13 per cent, if not 13 per cent. Because of a drop in the inflation rate in Canada, in the United States there have been considerable drops in interest rates.

It is my view that what the Hon. Member is talking about is the spread that exists in deposits made by customers and the amount that is paid or sought in interest. I think the Hon. Member ought to have attended the Standing Committee of the House that examined the existence of bank profits and whether there was any extravagant or any unjustified difference or toll taken by the banks. The NDP boycotted those Committee hearings but, if they had attended, they would have concluded, as did other Members on this side of the House and in the Conservative Opposition, that there was no unjustified toll taken by the banks, and that there was no unjustified profit that called for action by the Parliament of Canada. The Hon. Member has the evidence in the form of a parliamentary inquiry to enlighten his mind on this very important point.

Mr. Waddell: Madam Speaker, after Question Period I will send the Minister a copy of our minority report and some letters from my constitutents, about bank interest rates.

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THE ECONOMY

WILLIAMSBURG SUMMIT—PLIGHT OF UNEMPLOYED

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I want to ask the Deputy Prime Minister if he will agree that the world has a new economy where workers are being replaced as old industries change and even new industries follow the quick movement of capital. An example is Atari moving to the low-wage areas of Southeast Asia. Yesterday, Robert Long of the Canadian Advanced Technological Association told a Commons Committee that even our Mitel could some day move to the United States.

I want to ask the Deputy Prime Minister what position the Government will take and what it will tell the other leaders at Williamsburg on behalf of Canadian workers, many of whom are insecure in their jobs or are not working at all. What will the Minister say to world leaders with respect to the recovery which many Canadian workers see as a profit recovery and not a recovery that deals with high interest rates or the continuing long-term problem of people out of work?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I think the Hon. Member is perfectly correct in drawing attention to the existence of very high unemployment. There is very high unemployment in North America and in Europe. That will obviously be an underlying and overlying concern at the Williamsburg Summit. The Hon. Member asks what we will be saying about jobs and unemployment, and what we will be saying on behalf of Canadian workers. I believe that what we have to do is take every possible step to ensure that the recovery that is now beginning will be maintained and sustained and will not be aborted, frustrated, or imperilled by wrong actions taken by a number of industrialized countries.

That is why I think it is important to talk about trade, it is important to talk about high interest rates, it is important to talk about energy, and it is important to talk about the debt of the developing world. Each of these matters, if not properly handled, could imperil the recovery and, I believe, imperil the jobs that are in the making if this recovery flourishes.

PROTECTION OF DOMESTIC TEXTILE INDUSTRY

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, my question is also for the Secretary of State for External Affairs and follows the line that is being approached on this side. The Minister talks about increasing exports, imports, and free or fair trade. Will he go to Williamsburg with the intention of guaranteeing the continued protection of Canada's textile industry?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I think the Hon. Member knows perfectly well that we have frequently taken steps to maintain jobs in the textile industry. In addition, we have attempted to establish adjustment programs that would make the Canadian textile industry more efficient and more competitive. The Hon. Member does not have to fear when we go to Williamsburg we will forget about the interest and support we have already shown the textile industry in Canada.

Mr. Bradley: Madam Speaker, we become concerned on this side when Hon. Members opposite say that they are going to "sunset" the textile industry out, in Canada.

REQUEST THAT MINISTER GUARANTEE PROTECTION

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, I will repeat my question. The Minister and I are aware of the number of jobs in the textile industry and the concern there is in the textile industry about guaranteed employment. Will the Secretary of State for External Affairs go to Williamsburg and protect Canada's textile industry and its guarantees of continued protectionism?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the same answer applies to this question. The answer I have already given is the answer to the second question, as it was to the first.

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PIPELINES

ALASKA GAS PIPELINE—INQUIRY RESPECTING COMPLETION

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources on the Alaska Gas Pipeline. The Minister will know that last week the General Accounting Office, which is the U.S. congressional watchdog, issued a report which concluded that the long stalled pipeline is beset by so many financing and marketing problems in the United States and Canada that its completion, even by late 1989, is doubtful. In view of that, would the Minister care to repeat the iron-clad guarantee given by his predecessor that the line will be built?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, we said that we wanted to build that line and, in fact, we have built a big part of the line in the southern part of Canada. Of course if the Americans are not interested in taking their own gas from Alaska to their own market, there is not much we can do to force their hand. It is as simple as that.

As far as the Canadian commitment to build it is concerned, we passed the law, we cleared the way, and we are ready to get it built. Of course if the Americans do not want to have their own gas in their own system because of the glut they are having—

Mr. Waddell: They will take all ours, like our oil.

Mr. Chrétien: You are waking up, Waddell! You have been very silent on that in the last six months. You were so inefficient that they kicked you out of the job of critic of that portfolio.

We have, as usual, delivered from this House what we have to do, but the American Congress and the American administration are much slower.

POSSIBILITY OF UNITED STATES RENEGING ON COMMITMENT

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I certainly understand the difficulty in which the Minister finds himself but, if he will recall, the deal was not quite the way he said it was. The deal was that we were going to give Americans authority to take our gas for some time on the condition that they would construct a pipeline and then not have to use our gas, so we would be in a position to use it ourselves. At that time all manner of documentation, such as letters between President Jimmy Carter and the Prime Minister, and congressional resolutions, was tabled in the House.

If it is the intention, as it now appears to be, for the Americans to renege on their commitments, Canadians want to know what it is that the Minister plans to do to make sure they keep to their commitments?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, it is amusing to have an anti-American statement made by the Tories, but I will take note of it. When they are complaining about the fact that we are selling gas to the Americans at this time and imply that we should not, I should like them to consult with Premier Lougheed. He is calling me or his minister is talking to me every day to make sure we sell even more gas to the Americans than we do at this time. I said that I am willing to sell Canadian gas to the Americans, and I am not embarrassed about it. I see some Hon. Members over there will agree with me. I believe they should talk to each other because they are blaming me because I am selling too much gas to the Americans.

• (1140)

An Hon. Member: How about the answer?

Mr. Chrétien: We want to sell gas to the Americans. This is the answer. And I am glad to see that some Tories do not want

me to sell gas to the Americans. I will note that and have a lot of fun noting it.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

INDUSTRY

INFORMATION REQUESTED ON USE OF $30 MILLION GRANT GIVEN TO DOMINION TEXTILES

Mr. Dan Heap (Spadina): Madam Speaker, my question is directed to the Prime Minister, since the Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion (Mr. Lumley) is not in the House.

Not long ago, the Government announced that the Canadian Industrial Renewal Board was going to give a $30 million grant to Dominion Textiles for the purpose of re-structuring operations and consolidating its work force of 9,000 employees.

Since the company has already closed down its plants in St-Hyacinthe and near Brantford and is planning to close its Sherbrooke plant, and since it is also in the process of opening new plants in the United States, I would like to ask the Prime Minister to inform the House what Dominion Textiles is going to do with the $30 million the Government has collected in taxes from Canadian workers?

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, Dominion Textiles is still talking to the Department of Industry, Trade and Commerce, and as far as other requests from industries that are experiencing problems in the textile sector, everything is under control. We have experts who are analyzing the situation as it develops, the CIRB has already taken effective measures, and we have the satisfaction of seeing that a lot has already been done in this particular area, and the Canadian Institute of Clothing Manufacturers has even congratulated the Government on the measures it took a year ago.

LAY-OFFS AT DOMINION TEXTILES—GOVERNMENT POSITION

Mr. Dan Heap (Spadina): Madam Speaker, since the Minister is not saying anything, I have a supplementary.

The Government is also aware that Dominion Textiles is going to close the Galt plant in Valleyfield next month. In the spring of 1982, there were more than 300 workers in this plant. Now, there are only seventy-five, and after June 23, there will be none at all.

My question to the Minister is this: since he has given $30 million to Dominion Textiles, what is he going to do for employees who are still working for Dominion Textiles and for those who have been laid off?

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the Hon. Member could also have mentioned the millions of dollars that have been spent to help other companies in the textile sector. My answer to the Hon. Member is that I will prepare a complete report on other measures that have been taken with respect to Dominion Textiles, and in fact, the Department is now talking to Dominion Textiles to see what can be done, not only for the company itself but also for its employees. In fact, a year ago, a series of programs were set up under which hundreds of employees were able to continue working.

* * *

[*English*]

ENERGY

FLUCTUATIONS IN ONTARIO GASOLINE PRICES

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Just before the holiday weekend last week, gasoline in Ontario was selling at many service stations for 24 cents and 25 cents a litre. Prior to the holiday weekend they jumped the price up to 45 cents to 49 cents a litre, depending on the station and the company. What justification can the Minister and his Department give for this increase of over a dollar a gallon in the price of gasoline just prior to the holiday weekend?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, we do not control the price of gasoline at the pumps. There is a big fluctuation in the market at this time because there is a war between the different companies trying to keep their shares of the market. If the Hon. Member thinks there was collusion among the companies to increase the price just before that long weekend, he can always ask the question of the Minister of Consumer and Corporate Affairs who has authority to investigate such matters. We do not control the price at the pump. We control the price at the wellhead. I am happy to see that the Hon. Member does not want the market forces to decide the price, that he would like to have the price controlled by the Government. Unfortunately, however, at the pump level price is not controlled by my Department.

IMPACT OF TAXES ON PRICES

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my concern is that the Government has too much control over the price of gasoline, that Government has interfered too much in the market. This is why we are having the problem with the price of our gasoline. Why can the Americans buy gasoline from Canada and sell it so much cheaper in the United States

of America than can the service stations in Canada? This is government interference, with some 60 cents per gallon of federal tax on a gallon of gasoline.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, the Hon. Member is wrong on his assumption. I would like to tell him that when we made the deal on oil with the producing Provinces we decided to have a Canadian price for Canadians, and at that time there was no provision for the ad valorem tax added to the price in Ontario.

In fact the Ontario Government is receiving more money out of a litre of gas than the federal Government or the Government of Alberta. The energy plan was not made in such a way to inflate the treasuries of Quebec and Ontario, but they have added this ad valorem tax on top of everything. This is why the prices are higher in Ontario than in the State of New York. However, where there is no provincial sales tax, like the Province of Alberta, the price is cheaper than in American States. In Alberta, as in Ontario, the federal Government takes exactly the same amount of money.

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DISARMAMENT

PRIME MINISTER'S STATEMENT ON UNITED STATES PRESIDENT'S POSITION

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, my question is directed to the Prime Minister. Apparently in his telephone conversation with the President of the United States, when he attempted to put a different face on his interview with *The Toronto Star,* the Prime Minister suggested that his remarks were taken out of context and he, indeed, read an excerpt from *The Toronto Star* yesterday. At the risk of living somewhat dangerously in assuming that everything coming from the office of the Prime Minister is the truth, I would like to quote from the official release from his office of the text of that interview. It sets forth what the Prime Minister correctly put on the record yesterday, on page 8, and I quote:

> Basically, once again, they are demonstrating against what they see as the policy of an American president who has rightly or wrongly been perceived as warlike, or so hostile to the Soviet Union that he cannot be trusted to look for peace.

However, in that same paragraph, as the Prime Minister referred to his text, there appeared this further sentence, and I quote:

> As I said earlier, unfortunately President Reagan and some of the people around him, have given some justification for those fears.

Is the Prime Minister saying that that last sentence was taken out of context?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker.

TELEPHONE CONVERSATION BETWEEN PRIME MINISTER AND PRESIDENT

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, the next question then logically follows. Does the Prime Minister stand by that statement, that, unfortunately, President Reagan and some of his people around him have given some justification for those fears, that is, the fears with respect to the warlike stance, or in his telephone conversation with President Reagan did he apologize for making that statement?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker, to the last question. There was no call for an apology. President Reagan knows what I think about these things. I spoke quite openly when I went to Washington. I spoke to Vice President Bush and to President Reagan. I indicated that they had to appear much more interested in successful negotiations than they did. I said in essence what I did to *The Toronto Star*. The record speaks for itself. I only wish the Americans would take as much interest in what I say as the Hon. Leader of the Opposition.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S VIEWS

Hon. Erik Nielsen (Leader of the Opposition): Of course, Madam Speaker, I am always intensely interested in everything the Prime Minister says. Would he please, for the benefit of those of us in the House today, explain what words or actions on the part of President Reagan justified him in describing President Reagan's words or actions as justifying the arousal of the fears of the individuals he was speaking about? Just what did the President do or say which aroused the fears which the Prime Minister feels are justified?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member can refer to the rest of the transcript. If he looks at page 9 and page 10, for instance, and other pages, he will see the answer to his question.

* * *

• (1150)

AIRPORTS

STEINBACH, MAN.—APPLICATION FOR UPGRADING

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct a question to the Minister of Transport. Last year the Minister of Transport announced a program for upgrading of secondary airports and said that those airports, through the upgrading, could become part of the airport infrastructure of Canada. Applications were made. The Government, of recent date, has been stating that these projects should go ahead, that they should be "fast-tracking", I am sure a word that the Minister of Transport understands, and that red tape should be cut.

There has been an application on the Minister's desk from Steinbach, Manitoba, airport for months and months, yet we cannot seem to either fast-track the project or cut through the red tape. Could the Minister indicate whether the program is still valid and whether a decision has been made?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am having a bit of a hard time understanding to which one of the programs reference is being made. There are a number of them. The Hon. Member for Provencher might be referring to the Small Airport Program, the $5 million a year which I have at my disposal for small airport development. If that is the case, then I can report to him fully on what use was made of the money in the past year. If Steinbach made an application and did not receive satisfaction, I will also look into that matter to find out the reason.

REQUEST THAT MINISTER REVIEW APPLICATION

Hon. Jake Epp (Provencher): I would like to ask a brief supplementary question of the Minister of Transport. If he has that plethora of programs for small airports, I would ask him to reconsider the words he used and commitments that he has made to a number of these operators to see whether or not the programs which he has in place cannot be used, when applicants make a great deal of effort and then do not receive a word from the Minister in time.

Hon. Jean-Luc Pepin (Minister of Transport): Yes, I will look into that matter, indeed. However, the Hon. Member is partly responsible for the confusion I am in, because in the next part of the sentence in his question he referred to the recovery project program following the budget, which is an entirely different program. Therefore, I am justified in not being too sure what the Hon. Member meant.

Mr. Hnatyshyn: Just help Steinbach. That's all we ask.

* * *

SPECIAL RECOVERY CAPITAL PROJECTS PROGRAM

ADAPTATION OF PICTOU HARBOUR CAUSEWAY FOR RAIL TRAFFIC

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I want to ask the Minister of Transport a question with respect to another infrastructure program in his Department which would perhaps fit in with the Special Projects Recovery Program. The Minister, being an expert on railways, knows that the viability of the Oxford-Stellarton subdivision in Nova Scotia, of the CN, which is not only a valuable part of the railway network but also a possible alternative in the event that the main line is disrupted, would be greatly improved if the existing causeway over Pictou Harbour were modified to accommodate this rail line. Over the years the CN has deliberately neglected to keep a large bridge in repair, which is primarily the basis of its application before the Railway Transport Committee of the CTC to abandon this important subdivision.

I have already spoken to the ministerial officials in a preliminary way. Would the Minister consider allocating some of the funds from the program to which he referred earlier to assist in making this important modification which would be of great benefit to the railway transport network in Nova Scotia?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, it is obvious that the poor Minister of Transport cannot follow all the aspects of all transportation matters in the country.

Some Hon. Members: He doesn't care.

Mr. Pepin: It is physically impossible to do that. I wish my hon. friend would speak to me instead of speaking to officials before he comes out with these questions. However, in my usual pleasant fashion I will, of course, pay a lot of attention to the case he just mentioned.

Mr. MacKay: Madam Speaker, now that the Minister has indicated the proper channels of communications, I will do that. I always thought that he would have preferred to have a little bit of preliminary work done. I would always assume that his officials would tell him what was going on, saving time for both of us.

* * *

ATOMIC ENERGY OF CANADA LIMITED

REPORT OF PLANS TO INSTALL REACTORS IN NORTHERN AREAS

Mr. Jim Fulton (Skeena): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. I am sure the Minister is aware that many Canadians, particularly in the North, are concerned about the increasing volumes of gas and oil being exported to Chile, Japan, and the United States at costs far below what they have to pay in the North. However, it has now been revealed that the Minister, along with the AECL, has plans to put Slowpoke III reactors in northern Canada. I wonder if the Minister would tell the House in exactly what communities it is being planned to put those Slowpoke III reactors.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I do not know about this question of the Hon. Member. I will check. There is nothing—

Mr. Epp: The reactor is named after the Government.

Mr. Chrétien: I will check and report to the Hon. Member.

Mr. Fulton: Madam Speaker, it has always been my assumption that the Minister of Energy, Mines and Resources had responsibility for the AECL, and they certainly do have these plans well evolved.

REQUEST THAT INQUIRY BE CONDUCTED INTO WASTE DISPOSAL

Mr. Jim Fulton (Skeena): My supplementary question is directed to the Prime Minister. Would he tell the House, in light of the enormous amount of highly radioactive waste which comes from Slowpoke III nuclear reactors, whether or not he would be prepared to have a full public inquiry into waste disposal for nuclear reactors should this proposal from the Department of Energy, Mines and Resources and AECL go ahead?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I do not know whether the Hon. Member wants or does not want such a development in northern Canada. Concerning the problem of disposal of radium waste, there is some consultation taking place at this time between ourselves, the provincial Government and different agencies, to find a mechanism whereby to dispose of waste safely and rapidly. I do not think that there is need for a public inquiry.

* * *

CUSTOMS AND EXCISE

OPENING OF MAIL—INQUIRY RESPECTING PROPOSED LEGISLATION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my question is directed to the Government House Leader in the absence of the Minister of National Revenue. He will recall that last week I asked the Minister of National Revenue whether or not it was the intention of the Government to recommend for inclusion in the new Customs Act, which the minister indicated was ready, a provision for the opening of first class mail, for the purpose of finding contraband, narcotics and other things. The Minister did not answer that part of my question. Would the Government House Leader now indicate whether that particular provision is included within the new Customs Act?

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I was present last week when the question was asked of my colleague, the Minister of National Revenue, and I heard his answer to it. I think that it was a wise answer. He said that he would take the suggetion made by the Hon. Member under serious consideration and that it would greatly help to include that if we had an indication that we could get the Bill through the House before the end of June. I think the suggestion is worth while considering.

We would very seriously consider including it in the Bill provided we have the support of the Hon. Member's Party. I know the Hon. Member was previously Minister of National Revenue. He cares for that disposition. With his support, if we can get the Bill through the House before the end of June, there are indeed good chances that the legislation would include such disposition.

REQUEST THAT AMENDING LEGISLATION BE INTRODUCED

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have nothing to do with the question of the Bill going through before the end of June, but I am naturally very concerned about its provisions, as are many other people in the country, not just with respect to mail opening but also with respect to a whole host of changes. The entire commercial community in Canada is very interested in those revisions which, his colleague will tell him, are long overdue.

Would the Minister undertake in the House to have the Bill at least introduced for first reading so that, whether it passes by the end of June or whether it comes on later this session, whatever the case may be, the interested constituencies in the country will have a chance to study it? It is a large Bill, so I am given to understand, and it contains some rather far-reaching revisions.

Hon. Yvon Pinard (President of the Privy Council): Certainly, Madam Speaker, I am willing to discuss the suggestion with the Minister of National Revenue. However, once again, it would greatly help if, on his side, the Hon. Member would try to convince his House Leader to make it possible for the legislation to pass through the House as early as possible, if it is important and if it is so urgent.

* * *

HIGHWAYS

YELLOWHEAD HIGHWAY RECONSTRUCTION—REQUEST FOR CONSIDERATION

Hon. Don Mazankowski (Vegreville): Madam Speaker, I would like to direct a question to the Minister of Transport. I know the Minister is aware of the significance, the importance, of the Yellowhead Highway in western Canada. I know that he is aware of the various representations which have been made by the Yellowhead Highway Association to his Department for assistance in funding the reconstruction of this very important second Trans-Canada Highway.

In light of the budget and the Special Recovery Capital Projects Fund, I would like to ask the Minister of Transport if he has made any representations to his colleague, the Minister of State for Economic Development, as to whether the Yellowhead Highway reconstruction could be included as a part of that program.

Mr. Hnatyshyn: Through Saskatoon.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, concerning the first part of the question, I am indeed aware of the importance of the Highway. A number of years ago it was considered that the participation of the federal Government was not essential in this particular venture, substantiated by the wealth of the western Provinces and the fact that this was not part of the primary Trans-Canada highway.

The answer to the second part of the question is, no, it did not come up as one possibility under the Recovery Program.

Mr. Hnatyshyn: First you take away our trains, now our highways. What is next?

Mr. Trudeau: You.

REQUEST THAT MINISTER SUPPORT PROJECT

Hon. Don Mazankowski (Vegreville): Madam Speaker, 47 per cent of the potential megaproject development will occur within close proximity to this Highway. In light of the fact that it now carries as much traffic as the main Trans-Canada Highway, and in light of the fact that it could generate a significant number of jobs, would the Minister not reconsider and make representations to his colleague to have this included as part of the special recovery projects?

• (1200)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am glad that my hon. friend acknowledged the fact that there were a great number of other projects in the West that are being accommodated by the recovery program.

Indeed, in the selection of transportation projects there were choices made in different regions of Canada. In other words, the federal Government has not done the same thing in every region. We went out to select what we considered most urgent in each part of the country. It happens to be quite different between one region and the other. In the West there were a great number of airports which requested more funding over a period of time. A lot of attention was given to Fort McMurray Airport, Regina, and others in the West. There will be a great improvement of airports in the West following this program.

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[*Translation*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, May 26, 1983, meet the requirements of the Standing Orders as to form.

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ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF REPORT OF COMMISSION FOR THE PROVINCE OF NEWFOUNDLAND

Madam Speaker: It is my duty, pursuant to Section 19 of the Electoral Boundaries Readjustment Act, Chapter E-2, Rivised Statutes of Canada, 1970, to lay upon the Table a certified copy of the Report of the Electoral Boundaries Commission for the Province of Newfoundland.

ROUTINE PROCEEDINGS

[*English*]

CRIMINAL CODE

AMENDMENTS RESPECTING SEXUAL ASSAULT

Mr. Svend J. Robinson (Burnaby) moved for leave to introduce Bill C-685, to amend the Criminal Code (reasonable grounds).

He said: Madam Speaker, I have the honour to introduce a Bill which would make amendments to the Criminal Code provisions respecting sexual assault in two key areas.

One amendment would eliminate the defence of "honest but unreasonable belief", which was accepted by the Supreme Court of Canada in *Regina versus Pappajohn,* and require that this defence be based only upon reasonable grounds.

The second major amendment in the Bill would prohibit any evidence of previous sexual history of the complainant with a person other than the accused and make it very clear that "no" must always mean "no".

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

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 3,541 and 4,807.

[*Text*]

SATELLITE RECEIVING DISH FOR ELBOW LAKE MINIMUM SECURITY FACILITY

Question No. 3,541—**Mr. Friesen:**

1. Did the Government purchase the satellite receiving dish for the Elbow Lake minimum security facility and, if so (a) at what cost (b) what will be the total cost for installation (c) on what date will the dish be delivered?

2. Is it government policy to purchase such satellite receiving dishes for other federally operated penitentiaries and, if so, what is the justification for such expenditure?

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

1. Yes. (a) $21,000 for equipment (which has since been recovered from the contractor). (b) Not applicable. (c) Delivery was never made.

2. It is not a general government policy to provide satellite receiving dishes for television and radio reception purposes at all federal penitentiaries. However, the CRTC Resource Development Installation Licence Order clearly applies to forestry camps such as Elbow Lake.

Electoral Boundaries

CFB GAGETOWN—HARVESTING OF TREES

Question No. 4,807—**Mr. Howie:**

1. In the fiscal year ending March 31 (a) 1981 (b) 1982 (c) 1983, how many permits were issued for the harvesting of trees at CFB Gagetown?

2. In each year (a) what was the total revenue from this operation (b) was reforestation required in any instance (c) were woodlot management techniques practiced or were there instances of "high grading"?

3. Were public tenders called in all cases and, if not, for what reason?

4. (a) Who determined what areas each permit holder could harvest (b) what criterion was used to determine which permit holder could harvest the most profitable areas of most marketable timber?

Hon. John Roberts (Minister of the Environment): 1. (a) 1981—732, (b) 1982—539, (c) 1983—800.

2. (a) 1981—$457,939; 1982—$337,414; 1983—$395,040. (b) No. (c) Yes. Woodlot management techniques were practiced but there were also instances of highgrading due to poor markets for hardwoods.

3. No. Public tenders were not called in all instances because, over the years, operators have established road networks in designated areas and have harvested the wood located in these sections of the base.

4. (a) The District Ranger. (b) The criterion used is which operators have traditionally worked in the given area.

[*English*]

Mr. Smith: I ask that the remaining questions be allowed to stand.

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Stand.

GOVERNMENT ORDERS

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

OBJECTIONS TO COMMISSION'S REPORT RESPECTING ALBERTA

The House proceeded with consideration of objections to the Report of the Electoral Boundaries Commission for the Province of Alberta.

Hon. Marcel Lambert (Edmonton West): Madam Speaker, I would like to comment first of all, and I believe it is the general opinion of my fellow Members from the Province of Alberta, on the high quality of the Commission's work. I think that this time, we are generally satisfied with the commissioners' proposals, and it is certainly the best report we have had on electoral redistribution in the Province of Alberta.

[*English*]

I know the commissioners. I may say that they have used some of the political sense that we hope all commissioners have. One of the great difficulties in the past has been that those who know their constituencies best, the Members, were the least listened to concerning their knowledge of such factors as ease of communication, general representation, cohesiveness and interest in the community. These are all factors which I, and I believe the majority of Members, deem far more important than just the mere numbers indicated in census reports, which are quite often too outdated by the time recommendations come into force in the actual field to be meaningful in the representation of the people of Canada.

At a later occasion a few incidents will be raised by some of my colleagues. I trust that this will not simply be a transfer of debate on this report *aux calendes grecques*, in other words, some six or eight months from now. I rather suspect, with the dilatory interest the Government has shown in matters of this kind, that it will be put off and delayed, thus making a redistribution more irrelevant as time goes on.

As I indicated, a few points will be raised in regard to one or two constituencies. It is not with that particular point that I want to deal. As far as my constituency is concerned, I am more than satisfied with the geographical distribution because the Commissioners in Alberta have finally paid attention to recommendations made by many others and myself. One former Commissioner had told me on occasion, "You have had three kicks at the cat." But he did not pay any attention. The urban communities are chosen boundaries that are well recognized thoroughfares so that the people affected have an easy indicator as to whether they are in one constituency or another. Too often boundaries are traced through a zigzagging of streets which make no real political sense.

On this occasion I believe that the Commissioners acted with practical wisdom. I notice as well that they have given reasons for their changes. I fought a long time to have reasons included in decisions. In fact, there is a Bill presently on the Order Paper which I filed in April, 1980. It goes even further since it recommends the disqualification of a report if the Commisioners fail to respond to the representations that are made and do not include the reasons for having made changes.

I trust that I will have the opportunity to debate that Bill and put it forward again so that it will be accepted. It imposes no additional burden on the Commissioners. Under the first two redistributions that I have been through, I must say that the Commissioners' reports were simply flat-footed statements as to changes. There were no reasons given for those changes. The burden was on members to raise the objections. The Commissioners were under no obligation to listen to any recommendations. Frankly, we have some terrible dogs' breakfasts in many of the Provinces. It was so bad in one case after the 1971 redistribution, the proposals were so uniformly bad that, as one of my colleagues, who is no longer here, said, they had been gerrymandered by ignorance and incompetence. I do not say that on this occasion. I think people have learned. Therefore, I want to talk about another aspect within the

limited time I have. I believe it is 45 minutes and three of us are to speak. I will take 15 minutes, Mr. Speaker.

• (1210)

My colleague, the Hon. Member for Red Deer (Mr. Towers) joins me absolutely in the general representations I am now going to make. This redistribution is leading to a total of 310 seats in the House. While the redistribution is carried out competently, the Commissioners were set the wrong tasks. This House should not have its seats increased to 310.

Some Hon. Members: Hear, hear!

Mr. Lambert: That is supreme nonsense. I could not think of any more ideotic thing, with all due respect, Mr. Speaker, than this sort of formula being included in legislation, after the first aborted attempt was made to set redistribution back on the rails in the early 1970s. To respond, shall we say, to a certain amour propre in certain quarters, it was decided not to reduce the number of seats in certain Provinces but, in fact, to increase the numbers in the Province of Quebec as a sop to that caucus, despite a considerable decline in population there. Quebec gets 79 seats out of this redistribution. That is four more seats, even though the population has declined. I hear Government backbenchers say that the people want that and that "we are going to be more". But that means there are four more frogs—that is the wrong term, I mean tadpoles.

Mr. Ouellet: Who said that?

Mr. Lambert: I said that. I am sorry. My simile is not wanted that way.

[*Translation*]

Well, if the House insists, I will come right out and say it. These are four little fish which have been added to a bigger pond. Who is going to notice? I think Hon. Members should take the trouble to listen to what I am saying, because I think the Hon. Member is a little sensitive. It is not an expression I use to be denigrating.

So I would like to say to the Hon. Member for Gatineau (Mr. Cousineau) that I remember when my colleague from Red Deer (Mr. Towers) was talking about maintaining the number of Members in the House at its present level—although we believe that even that number is no longer reasonable if the House is to be at all effective—that he said: All right, Quebec is getting four more, but we cannot complain, because they are getting only one-seventh of a total additional number of twenty-eight. So they are getting one seventh! Some quota—twenty-four to four. And then they tried to sell the public on the fact that it would have more power in the House because it would have four more Members. That was the reason! However, right now there is no good reason for increasing the number of Members in the House. In view of the progress that has been made in communications technology, and the latest report by Madam Speaker in this area should be read in this connection . . . We have a budget of $4 million for the OASIS electronics and computer system. Two or three years from now, when the program is operational, Members will be able to review any issue of *Hansard* just by pushing a button. Members can communicate with their riding offices and send letters to their ridings through this system. So why should we increase the number of Members in the House?

Mr. Speaker, I ask you: Are we going to have to use the so-called ladies' gallery to accommodate our Members? We might take down the wall in front, and then the Chair would need binoculars. Are we going to build another balcony or are we going to lower Members from the ceiling? Or are we going to put the Speaker's chair on the mezzanine upstairs, right under the ceiling? And then at question period, twenty-eight more Members will ask to be recognized. During debate, we will have twenty-eight more Members trying to take the floor. Perhaps the party whips could look into this. Do they have any plans over in the Wellington Building or does the Government have any plans for building on the site of the former Rideau Club and where the American Embassy now is to house twenty-eight Members? On top of that, ten years from now, a further increase in the number of Members in the House is expected, unless Canadians forget to have children and the population decreases.

All I can say is that it is high time we put a stop to this and started reviewing the situation. We are already spending over $140 million on administration in this place, including salaries and the rest. Does anyone know how much one Member's office would cost? Well, we are now spending more than $85,000 on one Member's salary, including his or her riding office, plus all expenses and trips and the rest. Is multiplying these expenditures going to be of any real benefit to the Canadian people? I do not think so. Considering this technological age and our means of communications, whether communicating person-to-person or by telephone, by computer or by plane, if a Member feels he or she needs additional help, it is easy enough to hire another assistant or another qualified secretary. And it costs a lot less and is a lot more effective than electing one more Member with everything that entails.

Mr. Speaker, since there are other Members who would like to speak, I merely wish to say that I urge the Government, my party Leader and the Leader of the New Democratic Party to agree to stop this redistribution, not because the Commission's work is unsatisfactory but for the very simple reason that we do not need redistribution at this time, unless perhaps to reduce the number of Members in this House. Our work would be a lot more effective. The Government Whip is aware that the committee system has been changed, that is, the number of Members sitting on committees has been reduced. Last year, when we were still operating under the old Standing Orders, committee work was done by from sixty-five to eighty Members, more or less.

Now, I think the Hon. Whip will agree that as far as committee work is concerned, except for special committees or

task forces, only forty-five Members are involved. Why do we need any more Members? Thirty more in the House? That makes no sense at all, and it is going to cost us the earth and make this House an administrative mess. And what about the dignity of this House, Mr. Speaker? Will it have to look like a football stadium? I hope not. And I also hope that we shall continue this debate.

• (1220)

[*English*]

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I am delighted to take part in the debate today on the question of electoral boundaries and how it will affect the Province of Alberta. As the Hon. Member for Edmonton West (Mr. Lambert) has already enunciated, the Commissioners have done an excellent job in their task. A number of Members of Parliament will be speaking on this subject. They will have some questions to put forward and some comments to make with regard to suggested changes they would like to see made, but the general feeling has been positive about the changes.

I am a Member of Parliament who represents a large, sprawling rural riding which at present contains 113 communities, villages and hamlets. My riding will become about 15 per cent larger. In spite of that, I welcome those new constituents. I feel privileged in representing a rural constituency as opposed to an urban one. It is more in keeping with my intentions of knowing the people.

However, I seize this opportunity to put on the record virtually the same concerns that were expressed by the Hon. Member for Edmonton West. I believe the House has long passed the optimum time to ask the logical question: How big should this institution become? Surely it should not be the perspective that every ten years the numbers of Members of Parliament increase. Surely we should not follow that road, fast-tracking into history without ever asking the question: When do we stop having a bigger and bigger Parliament?

The Electoral Boundaries Commission did its task well. It was under the direction of Parliament. The Commission was told the number of seats it had to carve out of Canada. We must ask a fundamental question: Is there some purpose or meaning to having 282 Members in the House of Commons? If there is one person in the chair and one person standing and speaking, it means that there are 280 persons listening. Is Canada better served by this? In fact, if we consider that the Speaker is listening also, then one person is speaking and 281 are listening. Will we be better served as Canadians when we have a House with 310 Members, with one speaking and 309 listening? How can we expect to sell to Canadians the idea that there is some advantage to that?

It must be recognized that the present system was put in place when Members of Parliament travelled from the Prairies, from British Columbia and from the outreaches of Atlantic Canada to Ottawa by train, when campaigns were conducted on horses and buggies. Also it must be recognized that today we live in the era of electronics. I visited the office of a Senator in the United States. He was able to a type letter, push a button on the typewriter and have it transmitted to Portland, Oregon, to be signed with his signature by a signing machine there. Thus, when someone wrote to him to complain about the post office, within two days they had received an answer indicating what kind of service he was trying to create. This type of technology can put out massive amounts of mail. We can provide extended use of telephone calls. We can virtually go anywhere in Canada within less than a day's time. We can reach the more populated areas in four hours to five hours. Most of central Canada can be reached in 80 minutes or 90 minutes. Surely the theory that the population of the House of Commons has to grow larger and larger does not make sense.

At this point I want to emphasize that as the House becomes larger and larger, the concept of Parliament becomes less and less. I say this because each of us who represents a constituency will be able to speak that much less and will be able to ask fewer questions. Hon. Members of the New Democratic Party will be able to present fewer petitions because there will be the same number of hours in a day and the same number of days in a week.

Mr. Blaikie: We will just keep presenting them.

Mr. Malone: Well, the only way we will change that is to adopt the metric week, the ten-day week and the 100-hour day. If we increase the numbers of Members, then by the pure bureaucracy of Parliament itself we will guarantee that the House of Commons is run by the executive council or by Cabinet. But we want a parliamentary situation where the Crowfoots, the Bow Rivers and other constituencies across the country have input in the House of Commons. We do now want to have a situation similar to the one in our mother Parliament in Westminster which now has 600 Members of Parliament, some of whom scarcely have an opportunity to speak in a month's period of time. That system is not acceptable.

• (1230)

Moreover, there are optimum sizes for decision-making groups. Once you get beyond 200 or 300 persons involved in making a decision, you are long past the optimum size for the House of Commons. If we are going to make joint decisions, the size of the House of Commons must be compatible with the objects of decision-making. We should not in every census period continually increase the size of this House without ever pausing to ask the basic and fundamental questions as to the size of House we should have with regard to the purpose by which this House is to serve the people of Canada.

I submit to the Government House Leader that before we go through this exercise again, we should make a study of how large this Parliament ought to be. There should be a new fundamental principle by which we guide ourselves with regard to where we put the boundaries. The automatic presumption that we will grow larger without end and without ever asking the question as to whether the public of Canada will be better

served by having more Members would demonstrate that we as parliamentarians lack the skill to ask the fundamental questions in problem solving.

If there are to be more Members of Parliament, there will be less time for each to speak. We will have an executive council running this place. Backbenchers will simply rubber-stamp the decisions that are brought forth.

The question ought to be looked at in a number of ways. Perhaps Members representing densely populated constituencies could be granted a larger staff. Members in very large rural areas could be granted more money so that they could have more than one constituency office. Constituents would then have greater accessibility to their Member of Parliament. In this day and age with modern technology, just because the population of this country grows larger, it is not necessary that the House of Commons grow larger as well.

It would be wrong for us to move as Great Britain has moved. I fall the Members of Parliament in Westminster wanted to be in the House of Commons at the same time, there would not be room. We remember occasions such as when Ronald Reagan, the President of the United States, visited Canada, and another time during the constitutional debate when the Prime Minister (Mr. Trudeau) was going to speak and answer questions being raised by the public and the Opposition Members. There was intense interest in those speeches because of the importance the nation attached to them. Every seat in this House of Commons on both occasions was occupied. How can duly elected Members of Parliament feel comfortable about the fact that if we want to go to the House of Commons to listen to a very important speech we may arrive a moment too late and the House of Commons would be full? That would be unacceptable.

More important is the question of what size is optimum for decision making. There is also the fear that as we grow larger and larger we will have more and more government by executive. The backbencher will become increasingly less important. There will be less and less time for Members to ask questions and make speeches. The power of the executive will grow and balloon and grow and balloon to the point where it will become all-powerful. Parliament will be virtually destroyed.

My colleague for Peace River (Mr. Cooper), who also represents a large rural riding, wants to put some thoughts on the records, so I will wrap up very quickly. I recommend that the House of Commons embark—and I hope Government Members put this initiative forward—on a system which asks basic questions. First, how large should this place be? In my riding there are 113 villages and hamlets. I burn up a car every two years—figuratively, not literally. I travel about 150,000 kilometres. We must therefore ask what services there should be to facilitate a Member serving a large rural riding, and what extra staff is required for urban ridings.

Mr. Keeper: You should have expressed that in miles.

Mr. Malone: The NDP Members want me to talk in terms of miles. I can tell them that in my riding I have miles and miles of miles and miles. We must ask what services are needed for Members and what is the optimum size. The botton line question is, how will Canadians be better served? No other question matters but that one. How can we get the best representation for Canadians? Fast-tracking toward a mammoth House is simply an expense and will lead to less service. That is certainly an unacceptable route.

Mr. Albert Cooper (Peace River): Mr. Speaker, I am pleased to have this opportunity to put a few thoughts on the record today. I begin by saying how pleased I am with what has happened with the changes in boundaries as they affect my riding. In my case, there were absolutely no changes. That is a good way to start. I am pleased with my riding and I would like it to stay that way. I will do my best to keep it that way for a long time.

It is important, when you look at the part of the country I represent, that the riding stay the same. That is certainly the case in my area. It is unique. It is an area set aside unto itself, an area that geographically must stick together. To separate any community would be to take it out of that real, live, living part of that central riding and put it into an area in which it would not fit comfortably. I can refer to several areas such as Fort Vermilion and La Crete. If you pull those out of my riding, the only other riding in which they would fit would be the neighbouring riding of Athabasca. It could only be reached by air or by travelling a distance of some 600 miles from the riding of Athabasca. That was the situation many years ago when Athabasca was represented by Dr. Yewchuk. At that time he represented that part of my district. It must have been very difficult for him and the people he represented in terms of traditional communication.

We have the example as well of an Indian reserve in another riding that is part of a group of Indian bands which I represent. The Band's head office is in my riding, but this particular band is represented by the Hon. Member for Athabasca (Mr. Shields). I know that he represents them well and he is happy to represent them, but from time to time I have visited with the band—I visited recently with Chief Johnson—and we had quite a discussion because I am already working on many of the concerns that affect that band as they affect the other bands in my riding. We can see that there is a natural link there.

• (1240)

Going to the southern part of the riding there is the area of Valleyview and McLennan. There again a unique pocket exists that needs to be part of the Peace River district.

Both of the Members who have spoken today about this particular Bill have dealt with the concerns on both sides of the House about increasing the number of Members we seem to be heading toward. I certainly have some concern about that, but today I want to talk about the impact that riding boundary changes could have on northern Alberta.

When talking about the formation of a riding, several factors must be taken into account. The first factor is, of course, the geographical factor, and I have referred to that. Things like roads become very significant, because roads are

the line of transportation, the communication route that, ordinary people tend to use. Things like rivers and lakes and, of course, mountains become natural barriers and those barriers must be considered when making sure that various ridings work together and fit together.

Another factor to be taken into account is that of social concerns. Those concerns take in a whole variety of things, and include, for example, business trade. In the North, there are very defined business routes and many communities shop within other communities. They are all tied in very closely. I believe that must be considered when designing new ridings and new riding boundaries. Another concern that, although it may not be significant in some parts of Canada, certainly is significant in northern Alberta is the whole concept of sports. We tend to have natural boundaries within which we compete, whether they be hockey teams, baseball teams or various other sports such as curling or golfing. Those concerns too must be considered in terms of boundaries.

Still another concern is that of industry. In a large agricultural community where much of the shopping and much of the industry needs are found within a certain area, it is obvious that those areas should be brought together and related together.

A third factor to be taken into account is communications. Radio stations, newspapers, television, become very significant within a riding because areas that are close together tend to communicate within that specific area as is certainly the case in my riding. There are certain newspapers which are distributed within my riding and, therefore, to have a certain portion of that riding taken away would make it difficult both for the Member and for the people within that area to keep communications flowing on an ongoing basis.

Of course there is the fourth factor which must be taken into account, that of historical concerns. These include agricultural and business relationships, family relationships, traditional communications, and so on. The ethnic groups must be considered as well. There are various ethnic groups living in certain areas which want to be included in the same area in terms of the same representation in the House of Commons.

The last factor which I think must be taken into account is the future of the area. This is what I consider to be a really important factor regarding riding adjustments in the northern part of Alberta, because we in the North work together, have many dreams in common, and therefore there are many natural tendencies which make us want to work together as a unit. We want our future growth and development to be considered in the choosing of riding boundaries.

When talking about the northern part of Alberta, I think that one of the big concerns I have is that the new riding boundaries, as they are selected, would tend to create splinters or little segments coming away from the central boundaries around Edmonton rather than create ridings which are truly northern ridings. We, of course, want ridings which are made up of that particular geographical region of our part of the Province. We do not want a little piece taken from the North and added to the South just to create a more balanced population, because we really want to see that we can all continue to be represented in much the same manner.

My riding is very much like the riding of my colleague, the Hon Member for Athabasca. We have similar concerns, similar worries, similar problems simply because we face similar conditions and similar circumstances. I am speaking particularly of the growth potential which exists in the north of Alberta. The agricultural sector is still trying to develop new land. I have mentioned this to the Minister of Transport (Mr. Pepin) in terms of our concern about the provision of railways and rail services for some kind of assistance to get grain from some of the farms into the central elevators which are, in many cases, 120 miles away. That is one concern that we both have because that is a concern which is common to the northern part of Alberta.

Another concern is respecting oil and gas, because there are oil and gas deposits in my particular region and, as result of that, those concerns tend to be common to a large number of people in that particular area. Those concerns may not be the same concerns as those of people in the southern part of the region.

The third resource which is present in the north of Alberta is forestry. Again this is a very common interest which tends to bring that area together. Of course there are other resources such as the tar sands which we all hope will go ahead some day soon. They were going ahead rather well before implementation of the National Energy Program, and of course right now everything has slowed down a little bit and there are some concerns about that. The glass sands as well are present in my riding and they will be developed along the Peace River in the next little while. Things are starting to happen with regard to glass sands.

You can see, Mr. Speaker, that all these resources are unique to the region of northern Alberta and therefore tend to make the interests of northern Albertans unique. Our relationships and communications are unique. As a result of that, we want to be certain that when there is another riding in the North, it is representative of those particular concerns. We do not want to see the people of northern Alberta become splinter groups.

There are many communities in northern Alberta which I think demonstrate what I am trying to point out. These communities include Edson, which is of course represented by the Member for Yellowhead (Mr. Clark), Valleyview, Whitecourt, all communities that tend to be areas that are based upon resources, whether they be agricultural or oil and gas. There is a sort of camaraderie that exists between those communities which, though they are fairly close to the City of Edmonton, relate very well to a community like High Level, which is very near the territorial border in the northern part of the riding of Peace River. There is a common thread that runs through them all and allows them to relate to communities like Fort McMurray and Boyle in Athabasca.

So I think that it is absolutely essential that in forming these new riding boundaries, these kinds of concerns be taken into consideration. Of course, as I mentioned in the early part of

my comments, I am very pleased because in the riding which I represent, that of Peace River, the boundaries have not been changed. That allow us some flexibility to make certain that the boundaries do reflect that uniqueness.

The reason I am speaking today is that the motion which has been put forward relates to the riding of Athabasca. I just want to read into the record the particular concerns which exist, and they fall under the fourth concern of this particular motion. One of the objections reads:

4. In establishing the boundaries of the electoral district of Athabasca the Commission failed to give adequate consideration to demographic factors and revised the boundaries between the ridings of Athabasca and Lakeland in such fashion as to cause the population of the riding of Athabasca to fall well below the provincial average and the population of the riding of lakeland to increase to a level well above the provincial average.

That is essentially what I am trying to address, Mr. Speaker.

I see that you are signalling that my time is now up. I would like to thank you, Mr. Speaker, for affording me the opportunity of speaking. I look forward to future changes that will be made, and my main concern, which I am pleased to have had the opportunity to put on the record, is that we would like to be certain that those new ridings in the North are in fact northern ridings and represent the uniqueness that I think exists in northern Alberta.

Mr. Deputy Speaker: The Chair is informed that there was an understanding of the House that debate would be limited to 45 minutes. Is that so agreed?

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I wonder if I might be afforded an explanation of this understanding and who in fact agreed to this understanding of limiting debate time to 45 minutes. I happen to be the Member from Alberta. I do not recall anyone in this House asking for my permission with respect to an agreement to a limit of 45 minutes for the debate on redistribution in Alberta. I wonder if you could give me an explanation of how the understanding was reached, Mr. Speaker.

• (1250)

Mr. Pinard: Mr. Speaker, under the statute we have to start debate on such a report within the first 15 sitting days following tabling of the report in the House. Today is the last day. There is no Standing Order clarifying the length of debate. I submit that it comes under the principle in the Standing Orders that it is up to the Government to establish the business of the House of Commons. There is no motion in front of the House. What we did last time was that I, as Government House Leader, when we were debating Reports of other Commissions dealing with other Provinces, allowed one hour of debate to start debate. After one hour, not to deprive any Member of the right to participate, we adjourned the debate to a later date to be determined by the House Leader under the Standing Orders.

I have had discussions with the House Leaders, and what we are doing today is to plan the business of the whole day. We will start the debate, but not necessarily conclude it today. I recognize that the Hon. Member, being from Alberta, must have an interest in participating, but he does not have to do that today. For the purpose of the House business for today, we have set aside 45 minutes that have now expired.

I recognize that the debate is not complete and that the Hon. Member has the right to participate. Therefore, at a later date I will allow an opportunity for debate to go on. Insofar as today is concerned, I think the debate should be adjourned to a later day.

Mr. Deputy Speaker: Is there agreement of the House that at this point debate be adjourned and we proceed to the next item of business?

Mr. Munro (Esquimalt-Saanich): Madam Speaker, as a point of clarification I should like to ask the Government House Leader whether this particular 45-minute period which starts the debate has a termination time. Is it one hour, three hours? Is it to meet the needs of the Members from that Province to express their views on the redistribution?

Mr. Taylor: Mr. Speaker, I concur with the 45 minutes limit but I just want to say that I want to have the right to speak. I think this whole exercise is unnecessary and expensive.

Mr. Pinard: Mr. Speaker, the last time we had to deal with such a debate, House Leaders came to an agreement to allow five minutes to start the debate and then postpone the debate on all the reports of the Commissioners to a certain date. This year, for reasons that I do not want to judge or discuss, House Leaders were not able to come to such an agreement. That is public knowledge. I stated it the last time in their presence.

This time we decided, after discussion, to start debate on each report if there is any opposition and allow debate to go on later on. Certainly we have to start debate within the first 15 days. That is why, rather than giving only five minutes, I thought that 45 minutes was more acceptable. The debate is not terminated today. It will go on at a later date and I will inform the House accordingly.

Mr. Yurko: Mr. Speaker, I am in basic agreement with the Government House Leader with respect to giving the House 45 minutes to debate this matter. What bothers me is that three people were singled out in the House from the 21 Members in Alberta to occupy and take up the whole 45 minutes.

Mr. Deputy Speaker: With all due respect to the Hon. Member for Edmonton East (Mr. Yurko), the Chair recognized the Members who rose. On each occasion only one Member was on his feet seeking the eye of the Chair when the Chair recognized him.

Mr. Yurko: Mr. Speaker, this arrangement was made internally among Members for Alberta. I think it is inappropriate that only three were chosen to occupy the full 45 minutes.

Mr. Deputy Speaker: Is there agreement that we now adjourn the debate?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It is so agreed.

* * *

SALARIES ACT

AMENDMENT TO INCREASE SALARIES OF LIEUTENANT GOVERNORS

Hon. Yvon Pinard (for the Prime Minister) moved that Bill C-160, an Act to amend the Salaries Act, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Mr. Speaker, I think there is agreement, as I said yesterday, that we go through all stages of this Bill today. Therefore, the motion should be that the Bill go to Committee of the Whole.

Mr. Deputy Speaker: Is there agreement that the motion be amended to refer the Bill to Committee of the Whole by unanimous consent?

Mr. Baker (Nepean-Carleton): Mr. Speaker, I was informed by my House Leader that that is the case. On behalf of this Party I should like to agree.

Mr. Deputy Speaker: It is agreed, then, that the Bill be read the second time and, by unanimous consent, be referred to a Committee of the Whole.

Mr. Pinard: Mr. Speaker, I am pleased at this time to introduce for second reading Bill C-160, an Act to amend the Salaries Act in respect of the Lieutenant Governors of the Provinces.

Lieutenant Governors are perhaps the least understood of constitutional officers in Canada. The fact of their appointment by the Governor in Council by instrument under the Great Seal of Canada, coupled with this Parliament's responsibility for their salaries, provides an impression that these are federal officials. They are, in fact, the Sovereign's representatives in the right of the Provinces, as much Her Majesty's representatives for all purposes of provincial Government as the Governor General himself is for purposes of Dominion Government.

As such, these officials play an integral role in the fabric of their individual Provinces. While the degree of financial and other support provided by the Provinces for these officers varies considerably, they have ensured that these officials have the means to maintain the dignity of their role as Her Majesty's representatives.

Our Constitution charges this Parliament with "fixing and providing" the salaries of Lieutenant Governors. The amendment tabled today will provide these distinguished officials with salary increases of 6 per cent effective January 1, 1982, and 5 per cent effective January 1, 1983. In addition, the amendment will provide for automatic annual adjustments, beginning in 1984, based on the formula which is used to determine annual increases for federally appointed judges.

The need for this automatic adjustment provision becomes obvious in view of the salary history of Lieutenant Governors. Since Confederation, there have been but three formal adjustments to these salaries, in 1873, 1965 and 1975. In the past, during periods of low inflation, there was not the necessity to adjust salaries on a regular basis, and this pattern of substantial periods of time, between increases, was evident in all salaries fixed by federal statute, including those of Members of Parliament, Senators and judges. This House has in recent years moved to provide automatic adjustments to those other salaries, leaving Lieutenant Governors without such a mechanism.

There are those who will argue that we should be proposing today increases higher than those contained in this Bill, in recognition of the period since the last increase. However, bearing in mind the sacrifices being made by all Canadians as we unite in our efforts toward economic recovery, and the allowances and support provided by both the federal and provincial Governments toward the expenses of the office, I know that these leading Canadians will support the level of increase proposed by the Government, and this and their respective provincial Governments' continued commitment to economic growth.

[*Translation*]

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

At 1 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): Order, please. I understand that when the House rose at one o'clock the floor was free, but that the Chair should now recognize the Hon. Member for Nepean-Carleton (Mr. Baker).

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I am very pleased to be able to speak in the House on what I like to call "ecumenical Friday". It seems that quite often we deal with matters on Friday afternoons in the House of Commons in a very sane and civilized way, with some agreements. That has not always been the case on some Fridays over the last little while, but today, I believe, is one of those "ecumenical" days.

In continuing the debate begun by my friend, the Government House Leader, on an Act to amend the Salaries Act respecting Lieutenant-Governors of Canada, let me begin by referring the House to the power source of the Lieutenant-Governors. I quote the following from the British North America Acts, 1867 to 1975, at page 18:

For each Province there shall be an Officer, styled the Lieutenant-Governor, appointed by the Governor General in Council by Instrument under the Great Seal of Canada.

The Act then goes on to indicate that he holds office during the pleasure of the Governor General, and I quote:

—but any Lieutenant-Governor appointed after the Commencement of the First Session of the Parliament of Canada shall not be removeable within Five Years from his Appointment, except for Cause assigned—

In other words, when a Lieutenant-Governor is appointed, he takes on a particular and peculiar status in the hierarchy of Government. I believe the Government House Leader was right when he said in his remarks that there were some people in the country who did not understand the significance of the role of Lieutenant-Governor. I believe it is important that the House and the country understand that it is not an honorary position. It is a position the holders of which enjoy particular powers within the community.

I want to say at the outset that I believe that every Government, whether it has been Liberal or Conservative, over the course of the years has taken great pains to ensure that the person who holds that position of Lieutenant-Governor—and I hope to demonstrate this a little later in my speech—is a person of standing in the community, not just of standing in the social or economic sense, but in the sense of accomplishment. The history has been that most of the Lieutenant-Governors in the country are appointed at the end of a long career in some other occupation where they stood for something, and in their appointment they stand for something by the nature of the persons who have been appointed.

Having said that, let us consider what the office is. It is an office which combines the monarchical and federal principles in the government of the Canadian Provinces. As the chief executive officer in each Province, the Lieutenant Governor succeeded the pre-1867 colonial Governor in his office, if not in his person, and as such he is the representative of the Crown within the Province and for the purposes of the provincial Government.

The category of representative of the Crown has some interesting and important constitutional perimeters. I believe it is well when we are considering the salaries of the Lieutenant Governors of Canada that we understand just how far that power ranges.

In his capacity, a Lieutenant Governor possesses the formal powers necessary for the working of the Cabinet or parliamentary Government. Moreover, the Lieutenant Governor has broad discretionary powers which may on occasion be exercised and, indeed, have been exercised. He alone has the responsibility, whatever the circumstances, of finding a Minister who can form a Government. He must be consulted on the summoning and the prorogation of the legislature of each of the Provinces. He must agree to the dissolution of the legislature and the date of an election. He can question and discuss Government policy. He has the power to dismiss a Government for unlawful or unconstitutional actions. He can, in short, refuse to follow the avice of his Ministers if, in his opinion, the public interest requires it. These powers cannot be defined, and while their exercise has been and must necessarily be infrequent, their existence provides the ultimate safeguard of the Constitution.

In the past, Lieutenant Governors have felt it necessary to refuse dissolution, to decline to make appointments, and on five occasions have found it necessary to dismiss their Governments. The Lieutenant Governor is also an officer of the Government of Canada. He is appointed and paid by the federal Government. He is liable to its instructions and may be dismissed by the federal Government. Two Lieutenant Governors, in Quebec in 1879 and in British Columbia in 1900, have been dismissed. The Lieutenant Governor is appointed and holds office "during pleasure", but the normal term is for about five years. All expenses of the office other than the salary and a small expense are borne by the provincial Government.

I thought it wise, because there are some people who would wonder why we would be looking to the salaries of Lieutenant Governors in this period of time, to indicate to the House of Commons that it is not an office pro forma; it is an office of substantial constitutional powers and duties. Going back to my opening remarks, I would like to say that it is an office to which Governments have given some considerable attention concerning the people who would fill them. It is wise for the House to understand that the woman and the men who are Lieutenant Governors in Canada now are very fine people. The salary was not their attraction to the office but, rather, the prestige and honour of serving in public office. I think this is true for all of them.

• (1410)

First, I would like to speak of our own Lieutenant Governor in the Province of Ontario, the Hon. John B. Aird, a very distinguished lawyer, a Member of this Parliament in the sense that he was a member of the Senate at one time. He has garnered a host of honorary degrees. He stood for excellence and he now stands for public service. He has been a distinguished military man, a chancellor of a university, a high officer in his church and one who has always taken an interest in public affairs. He succeeded the honourable Pauline McGibbon, who was the first women to be Lieutenant Governor. I do not think there is anyone in the House who would not say that Pauline McGibbon distinguished herself on every occasion as one who understood the nature of the office and its duties. She has been ably succeeded by the Hon. John B. Aird, who has brought great enthusiasm to his office and its duties, which, to some of us, would seem very onerous indeed. I have been with him on occasion in his Province and I have watched him on other occasions. I think that his appointment was brilliant. He has carried himself in that office with the same distinction as he has fulfilled every task he has undertaken. I said that the Lieutenant Governor stands for something, and that is indeed true of John Aird. I congratulate the Government on its choice. It could have found no one better.

Then there is the Hon. Henry Pybus Bell-Irving of Vancouver, a person who has distinguished himself in business, in his

service to the Boy Scouts movement in Canada, in the work of the Children's Hospital in his city, and in the Armed Services. It was a fine appointment. He followed another distinguished person, the Hon. George Perks, winner of the Victoria Cross. The Hon. Henry Bell-Irving has the distinction of living in a delightful mansion in the Province of British Columbia, a mansion similar to that which we should have for our Lieutenant Governor in Ontario, something I wanted to say just in case the Minister of Government Services for Ontario might read today's debate as reported in *Hansard*. I pass him a very broad hint that it might be appropriate to do something to improve the residence of the Lieutenant Governor in the Province of Ontario. However, in the Hon. Henry Bell-Irving there has been found a distinguished Canadian who holds that office with great distinction.

The Hon. Jean-Pierre Côté, a member of Her Majesty's Privy Council, a former Member of the House of Commons and Minister of the Crown, works under very difficult circumstances in the Province of Quebec.

Mr. Pepin: He understood.

Mr. Baker (Nepean-Carleton): It is interesting that in the present political context of that Province, it is not the Lieutenant Governor who reads the Speech from the Throne. It is the occupant of the Throne, the Premier, who reads the speech. It is a manner of downgrading the office. It is a rather sad thing. It is important that the office be upgraded. I think that even those of us who disagreed politically with Mr. Côté when he was here in the House of Commons feel that he is carrying on under some rather difficult circumstances. I thought it might be appropriate, on this ecumenical Friday afternoon, to mention that. He was a public servant. He served as a Minister of the Crown and he did his best in that office. History will decide whether or not his best was good enough.

The distinguished holder of the office in Prince Edward Island is the Hon. Joseph Aubin Doirion, a dentist, who occupied himself in work in the Chamber of Commerce, in the Heritage Foundation of that Province, the Canadian Folk Arts Council, as a school trustee, in positions of authority and responsibility in his church. Wherever one looks in Prince Edward Island, I am told, people are found who extol the virtues of this man who stood for what is best and stands for what is best in those unique and great people from Prince Edward Island.

In Alberta, the holder of the office at the moment is the Hon. Frank Lynch-Staunton, who has been a rancher in the south and western part of Alberta, tucked up agaisnt the foothills of the Rockies. I often wonder, as I wonder about some people who come here from Alberta, how one could possibly leave that beautiful part of Canada with the magnificence of the Rocky Mountains. He was able to open his eyes every morning to look out and see those Rockies, yet he has left the comfort of his ranch, in such a lovely setting, to take on this office for the paltry sum which we pay him. To my mind he is also a distinguished Canadian who, in the public interest and with a feeling of public service, has decided to accept the call to that position. He carries it out with great distinction. The Hon. Member for Medicine Hat (Mr. Hargrave) said that he is a fine man. When the Hon. Member for Medicine Hat says that anyone is a fine person, that is a medal for that person.

In Saskatchewan, the holder of the office is the Hon. Cameron Irwin McIntosh. The great claim to fame of Lieutenant Governor MacIntosh is not just the fact that he has been Lieutenant Governor. Before he took office, he was distinguished in the newspaper field as an editor and publisher, a person who looked after and felt strongly about a free press and stood for something in that sense. He is a distinguished Canadian and I congratulate the Government on his appointment.

Two or three times I have had occasion to deal with the holder of the office in Newfoundland, the Hon. William Anthony Paddon. I want to tell Hon. Members something about that gentleman. He was a surgeon during the war. He went to work with the Grenfell mission in Labrador, being a native of Labrador, where he endured sacrifices which very few physicians anywhere must endure in order to carry out his profession. He practised his profession the way he wanted it to be practised. He has been the recipient of numerous awards for his humanitarian approach. He thought so much of the office and the importance of his being there on the occasion of the meeting in St. John's, Newfoundland, of the Canada-Europe interparliamentary group, which I had the privilege to join a couple of weeks ago, that he cut short his well earned vacation in England. He flew back two or three days earlier than his wife in order to receive the delegation at Government House, where he received us with kindness and warmth. Although I had met him before and read about him before, I felt that if there are little things that make great men greater, it is that kind of sacrifice in order to carry out the office. We would have forgiven him if he had not been there, but he did receive us. I think that that speaks volumes for the kind of person who sits in Government House in Newfoundland. It epitomizes the character of his colleagues in offices across the country.

• (1420)

One has only to visit the Lieutenant Governor in Government House in Halifax, Nova Scotia, to know that when the Hon. John Elvin Shaffner was appointed Lieutenant Governor of that Province, a fine man was appointed. He is a good businessman. He rose to the top of his profession. He was interested in the affairs of Acadia University and has done much good work. He stands and has stood for all that is good in the society of that Province.

The Hon. George Francis Gillman Stanley is the Lieutenant Governor of New Brunswick. When one reads his curriculum vitae one finds that in that high office in Government House there is a very distinguished author and historian who has brought nothing but credit to every institution with which he has been associated. He is a retired military officer, decorated in the service of his country, who has written a number of

books which I think would be interesting to Members of the House. They include such books as "The Birth of Western Canada", 1936; "Canada's Soldiers", 1954; "In Search of the Magnetic North", 1955; "In the Face of Danger", 1960; "For Want of a Horse", 1961; "Louis Riel", 1963; "The Story of Canada's Flag", 1965; "New France—The Last Phase, 1744-1760"; "A Short History of the Canadian Constitution", 1969; "Mapping the Frontier", 1970; "Canada Invaded 1775-1776"; "L'Invasion du Canada 1775-1776"; "The Military and Hospitaller Order of Saint Lazarus, a Short History of the Canadian Grand Priory". The list goes on and on. No one can doubt this man's distinction. If one were to look for people worthy of filling the post, one could not find a person more worthy than he, if Hon. Members agree with me that the Lieutenant Governor is a person who brings something to the office and whose presence in the office enhances it.

Finally, I want to talk about the Lieutenant Governor of Manitoba. The Lieutenant Governor is the Hon. Pearl McGonigal who is the second woman in Canadian history to occupy a vice regal post in Canada. The first woman, the Hon. Pauline McGibbon, brought distinction to her Province, herself and her sex in the performance of her duties.

I am satisfied that not only has the beginning of her service indicated the same for the Hon. Pearl McGonigal, but her period of time in that office will indicate the completion of that prophecy. Her great distinction is that she has been described as a veteran civic politician and one who is engaged in public life at the grass roots. Some of us ought not to forget about the grass roots. She has carried out the duties of her office and will continue to do so with great distinction. Those duties are rigorous indeed when one sees her schedule.

I thought I should mention that because, when we talk about the salaries of these people, Members will be as shocked as I was when I opened this Bill to learn of the level of the present salary for people who fill that office and carry out those duties which are ceremonial and constitutional and require attention seven days a week, 12 months of the year. I hope the House also shares the feeling that the proposal for the very small increases in salary, approximately $38,000, is not only overdue but small by any standard and beyond criticism.

Therefore, I wish to inform the House that it is our intention to support this Bill and have it put through at all stages. A Bill such as this should have been introduced long ago. While I can understand why the Bill was not introduced at the time we dealt with judges' salaries some time ago, it was certainly as timely then as it is now. Indeed, it is overdue.

What is the duty of Parliament? Judges are a peculiar breed of Canadians. They have no one to speak for them amongst their numbers except privately. If they speak out publicly, whether it concerns salary or anything else, they are admonished. I believe that is quite right and proper since they are put in a special place and given special responsibilities. The Lieutenant Governors are in no different position in terms of their ability to speak out for themselves on public issues. The fact that the clientele under this Bill are mute by law and tradition puts a duty on this House to speak for them. We have a duty to protect them and make judgments with respect to proposals that are brought forward for salary increases or anything else.

What criteria should a government apply? Certainly the salaries paid, whether to judges or Lieutenant Governors, ought not to be the factor which attract men and women to those offices. I can assure you that the Lieutenant Governors' salary is not what would attract a potential candidate to that office. But neither should a salary be at a level which would deter someone from accepting a call to fill that position. Once the Government has completed all its requirements for making an apointment, it should not have to overcome that impediment.

If the Government of the day feels that that is sufficient, then I am not prepared to argue with it. I am not prepared to argue with it in principle. I think it meets the tests in the criteria which I have put forward which I believe apply to those who cannot speak for themselves.

I want to tell the President of the Privy Council (Mr. Pinard) that it is our intention to support this legislation. I think it is fair, reasonable and long overdue.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, we also support the legislation. This afternoon, I do not intend to spend a great deal of time listing the Lieutenant Governors I have known. As you are aware, I have served in the legislature of Ontario during the tenure of three Lieutenant Governors: Earl Rowe, Ross McDonald and Pauline McGibbon. I want to say that I have not met three finer people in my years dealing with them, as I frequently did as House Leader.

My experience with Ross McDonald was an absolute pleasure. He carried out his office with great dignity and worked very hard. He was quite elderly come the end of his tenure, but he put in the very long hours that were necessary.

Pauline McGibbon was also a person who devoted a great deal of time to public service and continues to do so. I see her from time to time during my flights in and out of Toronto. She is continually working on behalf of the arts in particular in attempting to improve the quality of life and the opportunity for a better quality of life for many Canadians.

The increase in salary is not substantial by any means. The salary paid is equally unsubstantial. I was not aware how much Lieutenant Governors were paid, and I must confess that upon seeing that amount again, I thought it was not overly generous by any means, given the office that those people hold. I undersand from a previous discussion that there had not been any adjustment in that salary for some many long years. It is appropriate it be adjusted.

• (1430)

The six and five program which the Government brought in some time ago certainly limits the amount of the adjustment and we will, therefore, support the Bill before us.

I am interested in one provision of the Bill, namely, Clause 2(2). I will not likely speak at the committee stage since I presume the Bill will go through rapidly. But the provision in Clause 2, Paragraph 2 which applies to the retroactivity

feature, particularly for those who are deceased, I think is an interesting one to put forward and one that I have felt should be in other legislation dealing with other people who perhaps do not enjoy the same level of public presence that Lieutenant Governors do. It always strikes me as unfair that people who have served long and leave office for one reason or another do not get the benefit of a change in salary, even though the change in salary turned out to be retroactive.

We will support the Bill. In the interest of time and since much of what can be said has been said, I will urge passage of it immediately. We can get it through and get on with the equally important legislation with which we have to deal this afternoon.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Blaker in the chair.

On Clause 1—*Salaries of lieutenant governors for 1982*

Mr. Nickerson: Mr. Chairman, the Government House Leader, the President of the Privy Council, is no doubt aware that until 1905 there used to be a Lieutenant Governor for the Northwest Territories. At that time the office of the Chief Executive Officer of the Territories was downgraded. The appointment is now no longer made by the Governor General of Canada. The person is appointed by the Minister of Indian Affairs and Northern Development, and in former times by the Minister of the Interior.

Has the President of the Privy Council ever given any consideration to letting us have a Lieutenant Governor again?

Mr. Pinard: Mr. Chairman, I will be pleased to bring this concern to the attention of the Minister for Indian Affairs and Northern Development and also to my other colleagues in Cabinet. I understand my colleague wants us to seize this opportunity when we are discussing a salary increase for Lieutenant Governors. I will raise the concern of his region and I will bring that to the attention of my colleagues.

Clause 1 agreed to.

Clause 2 agreed to.

Bill reported, read the third time and passed.

[*Translation*]

PRIVACY

APPOINTMENT OF COMMISSIONER

Hon. Mark MacGuigan (Minister of Justice) moved:

That, in accordance with Section 53 of Schedule II of an Act to enact the Access to Information Act and the Privacy Act, to amend the Federal Court Act and the Canada Evidence Act, and to amend certain other Acts in consequence thereof, Chapter 111 of the Statutes of Canada for the present session of Parliament, this House approves the appointment of John W. Grace, Esquire, as Privacy Commissioner.

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, could you call the motion concerning the appointment of Mrs. Inger Hansen as Information Commissioner first, and we could proceed with the motion dealing with the Privacy Commissioner afterwards?

[*English*]

The Acting Speaker (Mr. Blaker): The House has heard the proposal made by the President of the Privy Council (Mr. Pinard) in which case I will withdraw the reference to Section 53 of Schedule II.

Motion withdrawn.

* * *

INFORMATION

APPOINTMENT OF COMMISSIONER

Hon. Mark MacGuigan (Minister of Justice) moved:

May 26, 1983—That, in accordance with Section 54 of Schedule I of an Act to enact the Access to Information Act and the Privacy Act, to amend the Federal Court Act and the Canada Evidence Act, and to amend certain other Acts in consequence thereof, Chapter 111 of the Statutes of Canada for the present session of Parliament, this House approves the appointment of Inger Hansen, Q.C., as Information Commissioner.

He said: Mr. Speaker, before speaking to the motion before us today, I would like to say how pleased I am that we have been able to make time to debate this resolution, since the proclamation of the Access to Information Act is awaiting the appointment of Canada's Information Commissioner. Should the motion being discussed be approved here today, as I hope it will be, and soon in the other place, proclamation of the Access to Information Act can take place 30 days after the appointment has been made. This is the earliest possible date that allows time for the Information Commissioner to establish her office in preparation for the coming into force of the Act.

[*Translation*]

Mr. Speaker, as Hon. Members already know, Section 54 of the Access to Information Act, passed last July by Parliament, provides for the appointment of an Information Commissioner by the Governor in Council, and I quote:

—after approval of the appointment by resolution of the Senate and House of Commons.

The Information Commissioner holds office during good behaviour for a term of seven years, but may be removed by

the Governor in Council at any time on address of the Senate and House of Commons.

[*English*]

The purpose of this motion is to comply with the requirements of the Access to Information Act in requesting approval of the House to the appointment of Miss Inger Hansen to this position under the Great Seal of Canada. I do not believe there is anyone here today who is not aware of the work that Ms. Hansen has already done, in her effective and untiring way, in her present position as the Privacy Commissioner under Part IV of the Canadian Human Rights Act. However, a few biographical details may be helpful in the House in considering this motion.

Inger Hansen is a native of Denmark and a graduate of the University of British Columbia Law School. As a member of the B.C. Bar she spent eight years in the general practice of law in Vancouver. She came to Ottawa in 1969 as a lawyer with the Department of Justice attached to the Ministry of the Solicitor General. One of her primary responsibilities there was to review the Juvenile Delinquents Act and prepare a proposal to replace it. Some Hon. Members will no doubt recall her appearances before the Standing Committee on Justice and Legal Affairs in connection with this matter.

In 1973 the Department of Justice lost a good lawyer and the inmates of penitentiaries gained an outspoken and effective ombudsman when Miss Hansen became Canada's first correctional investigator. In this position Ms. Hansen gained her initial experience in the art of being an ombudsman, an art she has mastered so well. She took her ombudsman skills to the Canadian Human Rights Commission in 1977 when she was appointed a Commissioner of the Canadian Human Rights Commission and the first Privacy Commissioner under Part IV of the Canadian Human Rights Act.

• (1440)

Today Ms. Hansen has earned the right to call herself Canada's senior ombudsman, having been in the field for ten years. In addition, she has built a solid international reputation for herself and for Canada in the ombudsman and data production fields. Over the past several years she has been active in the International Ombudsman's Association as a member of its planning committee. She is also a very active member of the International Association of Data Commissioners. She has chaired two of the latter group's recent annual meetings: in 1980 when Ms. Hansen hosted the meeting in Ottawa and again, by special request of the conference, in London this past summer. In all, Inger Hansen legitimately lays claim to a vast national and international network of friends and associates.

I would also like to say personally how much I have admired the work of Ms. Hansen. I first met her when I was a member of the Standing Committee on Justice and Legal Affairs and she first began her work in Ottawa. Subsequently, as Chairman of that Committee and as Chairman of the Subcommittee on Penitentiaries, I had good reason to observe her work closely in the last number of months. As the Minister responsible for the Canadian Human Rights Commission, I have also had many contacts with her. She has not only been unfailingly courteous but also unfailingly effective in the performance of her duties. I would add that in my 15 years in Ottawa she is one of the people in the Public Service of Canada I have come to admire the most.

[*Translation*]

With all her experience, Inger Hansen is the ideal person to take up this challenge and set another precedent as the first Information Commissioner in Canada. The role of Information Commissioner is, of course, that of an ombudsman and is closely related to that of the Privacy Commissioner. The Access to Information Act provides that any Canadian who has been denied access to a document he has requested under the Act, who has failed to obtain the requested document within the prescribed time or who feels the fees charged are excessive, may lodge a complaint with the Information Commissioner.

The Commissioner will have extensive powers of investigation which will allow him to look fully into the problem and try to find a solution. I believe that this will happen in most cases and that no longer being required to institute an action at law will save Canadians both time and money. It will always be possible to appeal to the Federal Court in those cases where the problem has not been solved.

[*English*]

Of course the Information Commissioner is an officer reporting directly to Parliament. Being entirely free of the executive, the Commissioner will be at liberty to recommend release of government information, criticize the actions of the executive taken under the Act, table her recommendations in Parliament and take government institutions to court herself to obtain the release of information.

The Office of the Information Commissioner, as part of a two-tiered review system under an access to information scheme, represents a uniquely Canadian approach which the Government feels will maximize the disclosure of information under the Act at a minimal cost to Canadians. I am pleased to be able to speak on behalf of the Government to the motion that Inger Hansen be appointed to this position. In my view she is the ideal person to ensure that the position is developed to achieve its full potential. Therefore, on this basis I recommend to the House the resolution that the nomination of Inger Hansen as Information Commissioner be approved.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I am very pleased to have been asked today to sepak on behalf of Her Majesty's Loyal Opposition with respect to this appointment and if the rules permit it—certainly our customs do—to say that I second the appointment of Ms. Inger Hansen, Q.C., as the Information Commissioner. I think the Government has made a good choice. It is important that the new ombudsman or Information Commissioner start her role, not just with the approval of the Government, but with the approval of all

Parties in the House of Commons to which she will report from time to time during her tenure in office.

We have come a long way in the quest for freedom of information in Canada. For many years Mr. Barry Mather, a Member of the New Democratic Party, and Mr. Ged Baldwin, a Member of the Progressive Conservative Party, advocated the whole approach to openness in government. It was with some reluctance that the present Government was brought to the position where, if it was not intellectually committeed to access of information or freedom of information, it at least had to become politically committed to it.

We had a long debate and a long committee hearing on Bill C-143. The Bill was a shade different from Bill C-15 which I had the honour to bring in during the period of the Conservative Government. It was the first Government Bill on freedom of information, at least at the federal level, in Canada. Nonetheless, Bill C-43 was a welcome addition to the Order Paper of the House of Commons and will now, I am pleased to hear, be proclaimed on July 1 or thereabouts. July 1 is the date thirty days more or less from today. That is an important landmark or benchmark in the legislative history and in the evolution of the operation of government in Canada.

I will speak for a few moments about how important is the job of Information Commissioner in terms of the change this legislation heralds for the work, role and functions of government and the Public Service. The Minister of Justice (Mr. MacGuigan) spoke a few moments ago about the ombudsman aspect of the role. That is right. In that role quite often the Information Commissioner will be called upon to go to reluctant Departments or heads of Departments to urge them to comply with a request, to intervene and to guide Departments. From time to time that Information Commissioner upon request will have to say to the subject, "You are not entitled to that information; it falls within an exemption". From time to time the Commissioner will instigage legal action or take other administrative action, including reporting to Parliament on defaulters within Government in terms of looking to the provisions of the Act and abiding by the provisions of the Act.

One cannot predict where this will go. Indeed, my Party is committed to looking at Bill C-43 in order to see where the present Access to Information Act does not comply with the Freedom of Information Act which we brought in in 1979 and to make amendments thereto. It would be wise for the House to consider Bill C-15 as well as Bill C-43 for the future.

• (1450)

Ged Baldwin used to day that once you put your foot upon the path, you cannot withdraw it. Frankly, I regret that the Information Commissioner, and the courts if necessary, because of limitations in the Bill will not have a chance to look at confidences of the Queen's Privy Council to see whether they are indeed confidences of the Queen's Privy Council. She will now have the responsibility, as I see the Act, of looking at those things that are to be declared confidences, at least in historic terms to see whether those things styled confidence of the Queen's Privy Council have not suddenly become confidence of the Queen's Privy Council as a matter of convenience to avoid release.

I say all of those things because I believe that while this is a very exciting age in terms of openness in Government, the Commissioner, graced as she is with education, background, training and knowledge to do the job, is not going to find the job to be an easy one. There are some who would advocate that she become a pro counsel, so to speak, become quite aggressive in terms of the public and in terms of her activities under the statute. I do not know which is the right role. I cannot guide anyone in that respect. Miss Hansen will have to make her own way, as she has done in other matters and has done so competently. It is important that she be in the role to get her office organized. I suggest at the outset there will be a number of organizations and groups testing the waters of freedom of information rather quickly. Whether that flood is a continuing one or will diminish is a matter of opinion.

I spoke earlier about the relationship of the public servant and the adjustments that will have to be made within the Public Service. Those adjustments will take a great deal of time. The Government has done some preparation internally. There are information officers now either in place or about to be put in place in every Department. The Privy Council has done a great job in getting this organized. Banks of information, exempt and otherwise, are available and are being added to. The highest technological aids will be or are being used with respect to the information available. All of those things are there.

What has to happen is a natural change from a Public Service, which in the British tradition was secretive, to a Public Service which in the new Canadian tradition of openness which this Bill and this appointment is the beginning of openness. It is going to be hard, it is going to be quite difficult, expecially for older public servants to make that adjustment. Gradually as time goes on and the Information Commissioner does her work and the information officers begin to work, I am confident that the Public Service will adjust to the change. Let no one think it will not be difficult at the beginning for that adjustment to be made. Indeed, we are plowing new ground with this appointment, certainly in terms of this statute.

I share with other Members of the House of Commons a concern that the costs for obtaining information from the Government might very well be excessive. As I understand it, we have heard no final word with respect to that matter. My friend from British Columbia brought an indication of that to the House. It would be nice if today there could be tabled in the House of Commons a list of the fees so that we would know how much it is going to cost and we can make judgments with respect to it. I gather that is not to be.

I certainly hope the costs revealed by my friend for Burnaby (Mr. Robinson) will not turn out to be the final cost and that a leak in that sense will have the same effect as the leak did with the budget. At least that provided more money for some programs. Perhaps the leak found by my friend for Burnaby will cause some sober second thoughts in terms of costs. It is very important that it not be viewed as a project on a cost-

recovery basis. That would bar many Canadians from access to information to which they are entitled.

We will probably have some expressions of regret or approval when we see what the final costs are. I ask the Government not to deal in anything but the most open way, understanding the purpose of the statute, expecialy at the beginning so that Canadians can get used to it and not be barred by excessive costs in the production of information.

The reporting to Parliament is important. She becomes a servant of Parliament. She also becomes a very important instrument in the ultimate parliamentary review that will take place in a few years down the road in the operation of that statute.

I said at the beginning that I think her appointment is a good one and a sound one. On behalf of all my colleagues in this Party, I wish her well. I hope and I believe that she will bring to her office the same accomplishment and dedication to duty that she has brought to every public office she has held. I congratulate her. I warmly welcome her to the office and we all wish her well.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise and support the resolution before the House and thus make it unanimous, representing the desire of Members of Parliament of all Parties in this House that the newly appointed Information Commissioner, Inger Hansen, conduct her activities with the full support of Parliament and not just the Government of the day.

I am pleased that this legislation is finally going to be proclaimed. As Members know, for some time we were promised the date of April 1. I now understand that the legislation will be proclaimed on or about July 1.

I might also say with respect to the previous speaker that certainly the Hon. Member for Nepean-Carleton (Mr. Baker) had a great deal of responsibility for the fact that this legislation is before the House today. It was that Hon. Member, in his capacity as Government House Leader and President of the Privy Council, who brought Bill C-115 before the Justice Committee in 1979, of which I was a Member. I am convinced that had it not been for that initiative on the part of that Member and that Government, the Liberal Government would not be bringing forward freedom of information legislation in this Parliament today. All of us in this House and indeed the Canadian public owe a debt of gratitude to the Hon. Member for Nepean-Carleton.

We also owe a debt of gratitude to Ged Baldwin who was instrumental in bringing this matter before the Standing Joint Committee on Regulations and Other Statutory Instruments, as well as one of my predecessors in this House, Barry Mather, who for a number of years from the mid-sixties tabled a Private Members' Bill and urged the Government to move forward in this very important area. I note that while the legislation will be proclaimed on July 1, there is, unfortunately, still a built-in delay in the Bill. The Bill provides for a transition period which in some circumstances will mean that information in the hands of the Government will not be made available until July 1, 1986, some three years after proclamation of the legislation.

The Hon. Member for Nepean-Carleton made reference to the question of bureaucratic barriers that might subvert the spirit of freedom of information legislation. In my view it is absolutely essential that this spirit not be subverted by either unwarranted delays in the availability of information or certainly not by excess costs. Sometime ago I released a document which was a draft regulation which, in my view, would have meant that the costs proposed for access to information would be most unreasonable and excessive.

• (1500)

This fundamental right of access to information in a democratic society would have been turned into a privilege for those who could afford it. The draft regulations would have restricted access considerably. There would have been an initial application fee of $10, photocopying charges of 25 cents per page, and charges for computer time of $2.50 per quarter hour, this in a time when records are becoming increasingly computerized.

I am hopeful that the Government will recognize the degree of opposition to this proposal, which would have turned access to information legislation into basically a revenue-generating device for the Government as opposed to a means for ensuring that the Government is held to account by the provision of information.

As Ralph Nader, one of the pioneers of access to information legislation in the United States, said:

> A well informed citizenry is the lifeblood of democracy . . . The democratic process cannot function adequately without timely information about the activities of Parliament. A person should have the right of reasonable access to all public information in the possession of governments—

I might note as well that both the Official Opposition and the New Democratic Party supported an amendment to the Charter of Rights, the fundamental statement of principles and values in the country, which would have recognized that access to information and freedom of information should be included as one of those fundamental rights in a free and democratic society.

Both the Minister of Justice and the spokesperson on behalf of the Official Opposition have made reference to the distinguished record of Inger Hansen. I need not add much to their remarks. I might say that I was particularly impressed by her outspoken and independent performance as the first correctional investigator for Canada. Most recently she has served as Privacy Commissioner under Part IV of the Canadian Human Rights Act. It has been argued by some that the profile she adopted in that particular role and the extent to which the public was perhaps not made aware of the role that she was playing and indeed their rights under that Act was something that perhaps should have been changed. I am somewhat sympathetic to the arguments of those who have suggested that that office should indeed have a high profile. It is one thing to have rights entrenched in statutes but it is quite

another thing for members of the public to be aware of those rights and to seek to enforce them.

I would hope, therefore, that as Information Commissioner Inger Hansen would, in pursuing her new responsibilities, in fact seek to make the public very much aware of her new role and of the powers of her office, and indeed of the responsibilities that she has as Information Commissioner. I would certainly strongly support any request that she would make before the Justice committee or any Committee that may be monitoring this legislation for a sufficient budget in order that there may be widespread knowledge and education of the rights of the public under the access to information legislation. In short, I believe that Miss Hansen should have a very high profile in this role, unlike the role which she played as Privacy Commissioner.

I am confident that now that Miss Hansen has had an opportunity to study very carefully the legislation, and I know that she followed with great diligence the progress of the Bill through the Justice Committee, she will recognize that there is still a good deal of work to be done. I know that in her testimony before that Committee she did not express any criticisms of the substance of the Bill, although certainly most other witnesses who appeared before the Committee did express some serious concerns about a number of elements of the Bill. But I am confident that Miss Hansen will indeed recognize that the weaknesses in the Bill must in fact be corrected. It is fortunate that there is provision within the legislation for an ongoing review process as well as a report back to Parliament at the end of three years for general review and recommendations with respect to strengthening of the Act.

I believe that Inger Hansen has a very important role to play in the review process. She must not hesitate to speak out with her respected and articulate voice so that she will be heard, and of course the fact that she reports to Parliament and not to the Government will enhance her possibilities of doing so.

I have mentioned weaknesses in the legislation. I draw to the attention of Parliament three of the major areas of concern which I know that Miss Hansen herself is aware of. One area is the sweeping nature of the exemptions within the legislation, whether it be references to federal-provincial exemptions or law enforcement and subversive or hostile activities. Another area of concern is the second-class nature of judicial review within the legislation when there should in fact be full de novo review on the merits, and once again I am hopeful that the Committee which examines this legislation will recognize that indeed the original proposals in this respect in Bill C-15 should have been adopted.

The final area of concern is that sweeping provision which was inserted at the last stages of Committee hearings which permits the Government essentially to stamp any document it wishes as a confidence of the Queen's Privy Council, and which contains no review procedure whatsoever to ensure that that discretion on the part of Cabinet will not be abused.

I signal those areas of concern because, of course, the Bill itself does contain a number of weaknesses; but fortunately there is the provision for review. I am confident that Inger Hansen will exercise her responsibilities with distinction and that indeed her outspoken and independent performance as correctional investigator will be repeated in the performance of her new and very significant role as Information Commissioner. I congratulate her on her appointment and I am looking forward to working closely with her in the review process of this legislation. I know that all Members of Parliament would join with me in commending her for her record of service to the people of Canada and in wishing her well in the future.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion (Mr. MacGuigan) agreed to.

* * *

PRIVACY

APPOINTMENT OF COMMISSIONER

Hon. Mark MacGuigan (Minister of Justice) moved:

That, in accordance with Section 53 of Schedule II of an Act to enact the Access to Information Act and the Privacy Act, to amend the Federal Court Act and the Canada Evidence Act, and to amend certain other Acts in consequence thereof, Chapter 111 of the Statutes of Canada for the present session of Parliament, this House approves the appointment of John W. Grace, Esquire, as Privacy Commissioner.

He said: Mr. Speaker, as with the motion to approve the appointment of the Information Commissioner which was discussed earlier this afternoon and just approved, I am pleased to be speaking to this motion today. Proclamation of the Privacy Act, an Act which will significantly extend the rights of individuals with respect to the protection of information about themselves held by the Government of Canada, awaits the appointment of the Privacy Commissioner. If the motion being discussed is approved here today and soon in the other place, the proclamation of the Privacy Act will occur 30 days after the appointment has been made, parallel with the proclamation of the Access to Information Act.

[*Translation*]

Mr. Speaker, as Hon. Members already know, Section 53 of the Privacy Act, passed last July by Parliament, provides for the appointment of a Privacy Commissioner by the Governor in Council, and I quote:

—after approval of the appointment by resolution of the Senate and House of Commons.

The Privacy Commissioner holds office during good behaviour for a term of seven years, but may be removed by the Governor in Council at any time on address of the Senate and House of Commons.

[*English*]

The purpose of this motion, therefore, is to comply with the requirements of the Privacy Act and to request the approval of

the House for the appointment of Dr. Grace to this position under the Great Seal of Canada.

• (1510)

Although I think everyone who is here today is familiar with Dr. Grace, in particular through his work as Editor and later Editor-in-Chief of the Ottawa *Journal*, I would like to put on record a few biographical details about him which I hope will be helpful to us in considering this motion.

John Grace is a native of the Ottawa Valley. He was born in Ottawa in 1927 and obtained his early education here. After receiving his BA from St. Patrick's College in 1949, he pursued post-graduate studies in English literature in the United States. When he completed his doctorate at the University of Michigan, Ann Arbor, he was appointed to the Faculty of English Language and Literature at that University. Dr. Grace was, in fact, the first graduate of the University of Michigan to be hired back by the University in 17 years. This action speaks for itself as an indication of the high esteem in which he was held.

Canada was very fortunate in 1959 when John Grace decided to return to Ottawa to join the Ottawa *Journal* as an editorial writer and member of the editorial board. This was the beginning of his long association with that newspaper. He was named Associate Editor in 1962 and, since 1972, was responsible for the editorial policy of the Ottawa *Journal*. From June, 1978 until August, 1980, when the newspaper ceased publication, he held the position of *The Journal*'s Vice-President and Editor-in-Chief.

Most Members of the House are aware of Dr. Grace's reputation as an independent-minded, outspoken editorial writer. Whether or not we always shared Dr. Grace's views on particular issues, I believe we would all agree that integrity was a key quality in his editorials.

His skills as an editorial writer were certainly recognized by his peers. His editorials won two National Newspaper Awards in 1975 and 1977 and one citation for merit in 1974. These awards are the most prestigious awards in Canadian journalism. Today, he acts as a judge for those awards, again an indication of the respect those in the newspaper profession continue to hold for him.

During the period of time he served at *The Journal* in Ottawa, Dr. Grace also lectured on a part-time basis in the graduate school of the University of Ottawa. He has been a radio and television commentator on public affairs and served as a member of the Canada Council for six years. John Grace is currently a member of the Canadian Radio-Television and Telecommunications Commission, having been appointed to that position in October, 1980.

The independence he has demonstrated in that position will serve Dr. Grace extremely well in the position of Privacy Commissioner. The Privacy Commissioner, like the Information Commissioner we discussed earlier this afternoon, will be an ombudsman. One of the key responsibilities of the Privacy Commissioner will be to investigate complaints from individuals with respect to denials of access to information about themselves. In this role, the Commissioner will represent individuals in ensuring that Government institutions are persuaded to provide as much access to personal information as is possible.

[*Translation*]

However, the Privacy Commissioner will not deal only with complaints. He will act as the Government's guard dog with regard to the collection, retention, use, disclosure and disposal of personal information by Federal institutions. He is specifically responsible for monitoring the implementation of all rules relating to information contained in the Privacy Act in order to ensure compliance by federal institutions. The Privacy Commissioner will report to the federal institutions when he is convinced that these rules are not being followed and he may report such instances to Parliament.

[*English*]

The Privacy Commissioner has also been given the responsibility of overseeing the use of exempt banks. If he finds that personal information has been improperly included in an exempt bank, he can refer the issue to the Federal Court. If the Court agrees with him, it can order the information removed from the bank.

Thus, the role of the Privacy Commissioner is an extremely important one. Through him, Canadians will be able to ensure that information about them held by the Government of Canada is protected in accordance with the requirements of the Act.

I am pleased to be able to speak, on behalf of the Government, to Dr. Grace's appointment to this position, and to add my personal estimate of his merits. He is a man of integrity; a man who has proved he is willing to stand up for his principles and beliefs. In addition, John Grace's long and distinguished career in journalism and his involvement in community services reflect his keen respect for individual rights.

It is therefore with pleasure that I move that the nomination of John Grace as Privacy Commissioner be approved.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I am delighted to be able to join the Minister of Justice and Attorney General of Canada (Mr. MacGuigan) in this resolution. In fact, if the Chair wished to call upon me afterwards in connection with the formalities that are necessary in this House of Commons, I would be delighted to second the nomination of Dr. Grace as the new Privacy Commissioner, the new ombudsman.

Dr. Grace is not a constituent of mine but I think any Member of the House would be honoured to call that gentleman his constituent. The Minister mentioned that he is a true son of the Ottawa Valley. I think he has taken from that rich heritage some of the important attributes of independence, judgment, good humour, goodwill and an ability to work hard, to work diligently and to work well.

There is not a word that the Minister of Justice has spoken about him with which I could disagree. During his membership

of the CRTC he has been become known as the great dissenter. He is the Oliver Wendell Holmes of the CRTC. Dissent is a difficult thing among colleagues but he has shown that independence of spirit and mind that enables him to do that. His role is important and is becoming more important all the time. With advances in technology it becomes less difficult for information to be spilled and put into the wrong hands, particularly personal information.

I suspect that the Government looked over the field of available candidates and came to the conclusion, as I would if I were sitting in the seat of the Minister of Justice, that there is no one more able, no one better fitted by temperament, education and attitude, than Dr. John Grace to fulfil the role of Privacy Commissioner. This is really a pioneering role under this new statute.

The Government has chosen wisely and has chosen well. I commend the appointment to the House and urge that it be accepted today.

Mr. Svend J. Robinson (Burnaby): Madam Speaker, once again I am pleased to join with the Minister of Justice (Mr. MacGuigan) and the Hon. Member for Nepean-Carleton (Mr. Baker) in supporting the resolution before the House naming John Grace Privacy Commissioner, with new and expanded powers under the Privacy Act passed by Parliament some time ago.

I have not had the privilege of meeting John Grace personally but I have had conversations with him. In light of those conversations and my review of his record, I am confident that he will exhibit the independence and intellectual integrity so necessary to carry out this job with distinction.

I know of his record at the CRTC as a dissenter. I might say that on most of his dissents I profoundly disagree with him on the substance, but nevertheless the fact that he is not afraid to take a position which at times differs from that of his colleagues augurs well for his future independence in this important role of Privacy Commissioner. It is an essential role for a number of reasons. The Privacy Act which the Government has brought forward, in my view and in the view of the Canadian Civil Liberties Association and a number of other commentators, is in many ways a sham. What has been proposed by a number of these individuals, and what in fact I moved in the committee examining this Bill, is that we should have separated the Privacy Act from the other provisions in the Bill because, far from being an Act which extends the protection of privacy of Canadians, it represents in a number of ways a sweeping attack on the privacy of Canadians. It grants broad new powers to heads of Government institutions, to the RCMP and to the new civilian Security Service to intrude into the most confidential and personal aspects of Canadians' lives. In many ways the Bill expands the powers which these agencies presently have.

• (1520)

I said that the Bill is in some sense a sham and I believe probably the best authority for that proposition would be the McDonald Commission itself which examined this legislation, having been tabled in the House during the time they were considering changes in the area of security. The McDonald Commission was very critical of the proposed Privacy Act. They said, and I quote:

> This legislative change goes too far in opening up access of confidential information to investigative bodies including the RCMP. . . . the RCMP Security Service and the Criminal Investigations side of the Force have up until now been denied access to virtually all personal information possessed by other government institutions. (I emphasize legal access)

We all know the history of illegal access by the Security Service during, particularly, the 1970s. I quote again from the McDonald Commission:

> The Commission refers to the "dangerously ambiguous reference" to the definition of "subversive or hostile activities" in both the freedom of information and privacy part of the bill.

Finally they say, and I quote once again:

> —the proposed Privacy Act does not provide a satisfactory test or definition of the national security needs which may justify access to personal information in the government files. . . . we think it is a mistake to provide statutory information for security intelligence gathering in such vague terms.

The McDonald Commission was absolutely right, Mr. Speaker. This Bill as drafted, the legislation which is shortly to be proclaimed, constitutes, as I have indicated, an attack on the privacy of Canadians and, certainly, not an extension of the protection of privacy of Canadians. In many ways the Bill is a misrepresentation.

The new Privacy Commissioner has his work cut out for him, certainly, but I am confident that John Grace will ably perform his mandate under this legislation. It is important to emphasize, as with the case of the Information Commissioner, that he reports not to the Government of the day but rather to Parliament itself. It is in recognition of that that this resolution is being brought before Parliament.

The provisions for ongoing review of the Bill are particularly significant in the case of the Privacy Act. Many of the most glaring inadequacies of this Bill I am confident John Grace himself will recognize quickly and will want to see changed.

I have referred to some of the criticisms of the McDonald Commission. As well, I would note that there are other weaknesses in the legislation which I would hope that Mr. Grace would be dealing with. There is no provision, for example, for the disclosure of the salaries of publicly appointed officials, whether it be the Northern Pipeline Commissioner, Mitchell Sharp, whether it be the head of the Canada Post Corporation, Michael Warren, or a number of others. These have remained hidden from public scrutiny.

As well, the legislation is totally inadequate in the manner in which it deals with the phenomenon of trans-border data flow. We see increasingly the flow across the Canadian border of confidential and sensitive data about the lives of Canadians, whether it be computerized data or other data. Once it has gotten into the data banks in the United States, for example, there is absolutely no guarantee, and there are no safeguards in this Bill, that the information in question will not be abused. The issue of Social Insurance Numbers and the potential abuse of Social Insurance Numbers was ignored in the Privacy Act and I would certainly hope that once again the new

Privacy Commissioner, Mr. Grace, would be addressing this question.

I made reference in my comments with respect to the Information Commissioner to the importance of public awareness and education of the rights which they may have under this legislation. In view of my concern and the concern expressed by many commentators and, as I mentioned, the Canadian Civil Liberties Association, this Bill does in fact represent a threat to the privacy of Canadians, taken particularly in conjunction with the new omnibus legislation tabled by the Solicitor General (Mr. Kaplan) to create a civilian security service likely in 1984. It is essential, Mr. Speaker, for a person of the integrity, background and independence of mind of John Grace to bring his full powers to bear upon the Government and work very closely with the review committee to ensure that this fundamentally flawed piece of legislation will be significantly improved and amended following the review process. I hope that John Grace will not hesitate to speak out as the weaknesses in the legislation quickly become apparent.

I certainly hope as well that he will have an adequate budget to inform and educate Canadians as to his role as Privacy Commissioner, to make them aware of the rights which they may have under this new legislation, and the safeguards which exist in the Bill.

Once again, Mr. Speaker, I am pleased to join with Hon. Members of the House in agreeing to this resolution, and wish John Grace well in his very important and significant responsibilities over the next years in the interpretation and enforcement of the new privacy legislation.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some Hon. Members: Question.

Motion (Mr. MacGuigan) agreed to.

* * *

[*Translation*]

GOVERNMENT ORGANIZATION ACT, 1983, BILL C-152

MEASURE TO ESTABLISH

Hon. Yvon Pinard (for the Prime Minister) moved that Bill C-152, an Act respecting the organization of the Government of Canada and matters related or incidental thereto, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Mr. Speaker, I am happy to see that we are back to the Fridays of old, and I appreciate the co-operation of Members on both sides of the House. I am particularly pleased with the major role being played in expediting the work of the House, and I may say it is most welcome, by the Member for Nepean-Carleton (Mr. Baker) with whom it has always been a pleasure and will continue to be a pleasure to work. I hope that these preliminaries will not prevent the Bill from being passed before five o'clock, even if we do not have a firm agreement in this respect.

Mr. Speaker, the Bill before the House today is basically proposing three things: a new Government structure in the areas of regional economic development, regional industrial expansion and external affairs, including international trade, as well as certain provisions relating to Parliamentary Secretaries, and finally, it also deals with the transitional provisions resulting from the proposed changes. Canada's economic and cultural resources are the result of both the diversity and the complementarity of its regions. This diversity and complementarity developed as a result of our history, the geography of our country, our political institutions, our cultural roots and our will to live together while respecting each other's differences. It is thanks to these immense human and material resources that we have developed so rapidly and that we are able to start our economic recovery with confidence.

National economic development that respects the regional differences in our country has always been one of the major concerns of the present Government. In the early 70's, we added to the then existing Government structure a department whose sole concern would be regional economic expansion. All Ministers who have been responsible for this Department have worked very hard to give Canadians in less developed regions a chance to realize the potential of their part of the country and thus contribute to the prosperity of all Canadians.

● (1530)

More than ten years later, Mr. Speaker, regional economic development has become so important that a single department can no longer meet the standards and objectives set by the Government. We therefore made a careful review of the administrative structures concerned with economic development and international trade, and we reached three main conclusions.

First, regional economic development could no longer be considered a specialized activity, restricted to the confines of a single department. It would now have to permeate all the Government's economic activities. Each sectorial department would, so to speak, have to be turned into a department of regional economic expansion for its own specific field. Thanks to DREE and to the efforts deployed by the Government, regional economic development had reached a level of maturity which made it necessary to integrate its objectives in the activities of all departments with an economic input.

Second, this redistribution of regional responsibility made it necessary to co-ordinate all Government efforts in this regard. It therefore became necessary to give regional economic considerations their proper place within the Government's central decision-making process.

Third, the close relationship between domestic economic growth and our international trade activities, the complexity of

the modern international environment, and the need for maximizing the use of Government resources allocated to international relations, made it necessary to reinforce Government structures in this area. It therefore became necessary to regroup our international trade resources and to integrate their activities in the general framework of international policy, while at the same time modernizing the institutions responsible for our international relations.

Mr. Speaker, it was therefore abundantly clear that the Government had to act quickly to acquire the structures needed to implement these recommendations. An in-depth review of the various structures involved was undertaken so that, in January 1982, the Government was in a position to announce its intention to revamp certain Government structures and introduce the present Bill into the House.

Part I of the Bill gives the Department of External Affairs a new organic act and highlights many respects of the evolution of the Department since the adoption of the Department of External Affairs Act in 1909.

The Bill brings together the responsibilities concerning international trade and the traditional activities of the Department with respect to external relations. Although it regroups the duties related to international trade within a distinct entity, the Bill acknowledges the need to stress their presence in our international relations as a whole. This Bill reflects the evolution and maturity of our diplomatic institutions. Ever since Canada gained recognition as an independent nation through the 1931 Statute of Westminster, it has distinguished itself on the international scene as a trade partner, an international system stabilizing agent, a host country for immigrants and refugees, and a dispenser of international development assistance. The interdependence of those various international roles and the complexity of the contemporary international environment have transformed the traditional diplomacy. The institutions proposed in this Bill reflect the conjunction of the various international activities required for coherently and efficiently representing the many Canadian interests. Hon. Members will note as well that, under the Bill, the Secretary of State for External Affairs will be responsible for monitoring the Canadian International Development Agency.

Part II of the Bill creates the new Department of Regional Industrial Expansion which will partly replace the Department of Industry, Trade and Commerce and the Department of Regional Economic Expansion, thus bringing all industrial programs under the same roof. I would urge Hon. Members to read carefully that part of the Bill to realize the significance given to regional development. The regionalization of that new Department will be a model for all other sectorial Departments. The regional impact of all Government intervention processes will thus be heightened, and every effort will be made so that sectorial and regional considerations will indeed be taken into account in the preparation of our policies and the implementation of our programs.

Part III has to do with special areas and is aimed at deleting from the organic act of the Department of Regional Industrial Expansion the provisions which concern special areas and which are now part and parcel of the Department of Regional Expansion Act. My colleague the Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion (Mr. Lumley) will soon introduce in the House a Bill on the new regional industrial expansion program. He will need that Bill to carry out his new mandate, in addition to the tools which are already available.

Finally, Part IV introduces certain amendments to the Parliamentary Secretaries Act. It provides for the inclusion of Ministers in charge of ministries of state in figuring out the maximum number of MP's or senators who may be designated as Parliamentary Secretaries.

The fifth and last part of the Bill comprises a certain number of transitional provisions and amendments to the proclamation respecting the ministry of state for Economic Development. The proclamation spells out the new regional responsibilities of the Minister and proposes a new nomenclature to stress the importance of his role in the co-ordinating of regional economic development policies. The series of transitional provisions in that part of the Bill would indeed enable the Minister of State for Economic and Regional Development to co-ordinate the overall regional economic development policy of the Government and would temporarily give the various sectorial Ministers the authority needed to assume their regional responsibilities in their respective areas. Under such provisions, those Ministers could, for instance, until the House approves the amendments required to the various statutes concerned, conclude sectorial agreements with Provinces under the new General Agreements on economic development that will be negotiated by the Minister of State on behalf of the Government.

The various Ministers whose portfolios are affected by these organizational changes will give details of how they were prepared and what improvements would ensue.

These changes essentially would guarantee a better management of regional economic development and increased benefits for all Canadians, wherever they may be. Moreover, they would enhance the importance of international trade within the overall context of our foreign relations. We will of course welcome any proposal that would improve the Bill as it now stands, but it is my hope that Members from both sides of the House will recognize the importance of expediting the Bill. It is in that spirit and to prevent any waste of time that I have so cursorily reviewed the contents of Bill C-152. It is my hope that in their comments, Hon. Members will show the same spirit of brevity and efficiency, and that the Bill go through all stages today, so that it may give effect to the reality of changes experienced in the organization of the Government over the last few months.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I must disabuse the Government House Leader right at the beginning that the Bill will receive easy passage in the House of Commons, because it will not receive easy passage in the House of Commons. I do not want to put an end to the ecumenical nature of the Friday afternoon, but ecumenicalism demands not only friendship but also honesty.

I must say to my friends opposite, that great phalanx sitting across from me, that it is not our intention to give easy passage to the Bill because I believe there is something fundamentally wrong here. I suggest that this is organization and reorganization gone mad. The "locomotive engineer" behind this Bill has now left the Public Service; he rests in the other place. I believe Hon. Members know who I mean but I will be more specific: he is Michael Pitfield.

● (1540)

I was in the Parliamentary Library reading about Government organization and I came upon a statement by Edmund Burke written in 1791 which I believe everyone should keep in mind as we consider this latest animal from a Government that has gone mad in terms of reorganization. Edmund Burke said:

An ignorant man, who is not fool enough to meddle with his clock, is, however, sufficiently confident to think he can safely take to pieces and put together, at his pleasure, a moral machine of another guise, importance and complexity, composed of far other wheels and springs and balances and counteracting and co-operating powers. Men little think how immorally they act in rashly meddling with what they do not understand.

That is what this Bill is. It represents the little fingers of Government meddling around in Departments and agencies of the Government which were already doing their job quite well. There is a resentment within both the Department of External Affairs and the old Department of Industry, Trade and Commerce over the intent of this Bill.

This paper goes on further to say:

The urge to reorganize functions, authorities and relationships is evidently one of the most fundamental drives of senior public servants. If one thinks of organization structures as skeletal arrangements, then we suffer from a surfeit of radical chiropractors, who believe that manipulating the bones will somehow cause the organic diseases to disappear.

That is what this manipulative statute reminds me of. It goes on to say:

Second to this urge to reorganize is an urge to add on new layers of management, either under central agencies or within departments. If management is perceived as poor, we simply add more of it until the swamp is so full of swamp-drainers that managers have neither the time nor the clean line of sight for shooting the alligators.

Then it makes a plea:

There is a need then for a return to simplicity, clarity and speed of decision-making in the arrangement of functions and authorities, and a willingness to forego the highly-ornamental refinements that have given a rococo cast to our organization designs.

That describes to a tee what this Bill is intending to do to two fine Government Departments. Each of those Departments is designed for a specific purpose in the scheme of things and such is not only understood within Canada but abroad.

Let me quote from an article written by Jim Robb of the Ottawa *Citizen*. Under the byline it says:

Ed Lumley admits it.

The once lordly department of industry, trade and commerce, now the department of regional industrial expansion, has fallen in the government pecking order.

It has and that is what he says. It goes on:

"Industry, trade and commerce was Central Canada and manufacturing oriented, that's why it lost clout in the cabinet," Lumley said.

With high unemployment in the country and a necessity for upgrading our manufacturing sector in Canada for the good of its workers, the country and the world for that matter, I do not believe any Minister of the Crown ought to say that it has lost its clout. If it has lost its clout, as they say, do not blame the people in the Department and commence to reorganize it. I suggest a better solution is to strengthen the Department.

I have talked to people in the Department of Industry, Trade and Commerce who tell me that what has happened to that Department as a result of the intent of this statute has not been to strengthen or augment its powers and increase its scope, but to narrow it, downgrade it and render it ineffective. It has been to render it ineffective in the important sense that the Department of Industry, Trade and Commerce was the route through which business came to Government. The managers, middle managers and upper managers in that Department understood their role. It was to be the touchstone of those industries to Government and a window of Government in the world in which those people move.

That purpose has been weakened and set aside. That is the wrong step to take in a period of reconstruction. It is equally wrong because Industry, Trade and Commerce had an external aspect to it. Furthermore, it is wrong for those people in the Department to be brought down and to intermingle with those who have a diplomatic and political role to play in the world abroad at a time when we require as much world trade as possible.

I want to say at the outset that there are no grounds upon which it could be reasonably argued that this Bill should have easy passage. While the Government has a majority and the Bill will eventually pass if the Government persists, I would rather that the Government would not persist. Instead, I would like to see the Government withdraw the Bill and reconsider it. I know it may be difficult for the Ministers of State to recreate it but it would not mean the end of the world.

I do not believe this reorganization is good either for the Department of External Affairs or the Department of Industry, Trade and Commerce and the people who work in those Departments. That is why there is resistance which has caused difficulties and the delayed timetable. The reorganization has been a mess. The facts should be told as they are.

The second aspect of the Bill which I want to deal with concerns Parliamentary Secretaries. I want everyone in the House to know that suddenly it is the intention of the Government that Senators will be eligible to become Parliamentary Secretaries. I particularly draw this to the attention of that row of Private Members on the Government side who chaff to

get into the Cabinet in the dying days of the Government. Is it not wonderful that Senators can now be eligible to become Parliamentary Secretaries?

Aside from the fact that it borders on being irrelevant to take that position, which has been taken quite easily, I believe that it has the effect of downgrading and overlooking the capacity which languishes on the backbenches of the Liberal Party. That capacity will likely languish there for another year and a half until it languishes on this side of the House when those backbenchers move over here.

In the meantime the Government has decided that it will create Senators as Parliamentary Secretaries. Furthermore, it will increase the number of Parliamentary Secretaries by four. Do we need more Parliamentary Secretaries? Is there any Member of the House of Commons who believes that the Government is gagging because of an inadequate supply of Parliamentary Secretaries and that Departments are unable to function because of a want for four Parliamentary Secretaries? I suggest not.

I would like to find the person who dreamed up this idea. I would like to find him and have a chat with him. You are pointing to someone, Mr. Speaker, but I do not know to whom. If you have secret information on this subject, perhaps you would tell me afterwards, because I would be interested to know.

In any event, to put Parliamentary Secretaries in the Senate not only downgrades my colleagues on the other side of this House, but it tends to downgrade Parliament. It is not necessary to have attention paid to Parliamentary Secretaries. We must augment the powers of this Parliament in real terms, and for that reason, instead of the Government concentrating on creating more Parliamentary Secretaries, I would rather see it upgrading the prestige of Members of Parliament who chair parliamentary committees. I believe that is where the balance ought to be struck.

• (1550)

I commend the sixth report of the Special Committee on Standing Orders and Procedures to the Government. In that report we spoke not only of enhancing the status of the chairmen of parliamentary committees but also of allowing Members of Parliament on both sides of the House of Commons to chair those committees. It is the sort of neutral chairman concept. It is not quite accurate but it is a neutral chairman concept to develop a cadre of chairmen of parliamentary committees within this place from both sides of the House of Commons, people who are chosen because of their ability to develop, instead of an enhancement to the Government and to the apparatus of Government in the parliamentary sense, an enhancement to Parliament in the accountability sense. I think that is a very important concept.

But this Government, at least by this Bill, is not thinking that way. We will have more Parliamentary Secretaries. We have them running out of our ears now. I would like each of them to stand up some time and tell us what they do and how they advance the cause of their Minister. You know and I know, Sir, that whether a Parliamentary Secretary has anything to do depends very much on his Minister, whether the Minister is prepared to give that Parliamentary Secretary any work, whether that Minister is prepared to trust the Parliamentary Secretary and whether the Minister is prepared to delegate tasks to the Parliamentary Secretary. I think rather than having more Parliamentary Secretaries, and indeed Senators as Parliamentary Secretaries—think of it, Sir, Senators as Parliamentary Secretaries—

Mr. Fennell: They will sit in the gallery.

Mr. Baker (Nepean-Carleton): —I think it would be better that we enhanced some of the parliamentary roles here. If we are going to spend any extra money, we should do it in that sense. I must say I cannot understand this. I have never understood why we needed so many Parliamentary Secretaries in the first place, but to add four and to say that they are coming from the Senate is beyond belief.

It is the third aspect that I want to speak to, and other speakers will be dealing with this matter. It concerns what the Government has done to the Department of Regional Economic Expansion. That Department was a signal to regions of the country that the Government of Canada cares, that it cares for disparities that exist in the country. Disparities have changed from place to place and from degree to degree, but disparities existed in Canada long before Confederation, at Confederation and up until today. The Department of Regional Economic Expansion was the beacon light to the people and the regions of Canada that regional disparities would be cared for and were important. But that Department is gone.

Lest you think I am being partisan about this, Mr. Speaker, let me assure you that I am not. The Senate of Canada in the Senate report on the dissolution of DREE had some pretty cogent things to say about this hatchet job being done by this Bill on a good Department of the Government. Let me quote from that report:

> The long and short of the 1982 reorganization—

This Bill is a result of that reorganization.

> —is that some basic components of the past ten years' efforts to encourage the development of Canada's least prosperous regions have been abandoned, and it is not at all clear how they are to be replaced.

What the Senate is saying is that the Government has reversed itself by this reorganization. Where they were prepared to give priority to a Minister in the Cabinet to alleviate disparities, it has now been abandoned. What is worse, not abandoned for anything clear and decisive but abandoned to the extent that it is not clear how this Department is to be replaced. That is not a condemnation from a Conservative; that is from the report of the Senate of Canada. The majority of members on that committee are members of the Liberal Party. Let me quote again from page 70 of this report as follows:

> As for the new approach to working with the Provinces, implicit in the January, 1982 statement, we have serious concerns.

You can read the report, Mr. Spekaer; I do not want to take up that much time putting it all on the record. But again let

me point out the Senate report says "We have serious concerns". Not one of those concerns was addressed by the Minister here, the President of the Privy Council (Mr. Pinard), in advancing the case for approval of this Bill by Parliament. I think a Minister has a duty to come forward and say why the Bill is a good thing, why it should be approved by the House of Commons, if he can persuade us that it should be approved. Maybe there is no good reason for it to be approved except for this mania of reorganization which has infected this Government like the plague.

The report goes on:

> Under the previous structure, the least developed regions had a defender within the federal Government—the Minister of Regional Economic Expansion.
>
> Now that this department has been disbanded, its policy mandate transferred to the Minister of State for Regional Economic Development, and its program delivery responsibilities to DRIE, who will champion the cause of the least developed regions in cabinet?

Who will champion the cause of the least developed regions of Canada? Who indeed will champion that cause? The Minister says that all Departments will be aware of it, but how? Who will be the beacon light? Who will be the great leader or the champion against disparities in the country? It is not clear in the legislation nor in anything the Minister said. It is not clear in the Prime Minister's statement on January 12, 1982, in which he dealt with reorganization. In fact, it became blurred in the Prime Minister's statement. That is what I said at the outset, that I do not believe this thing has been carefully, methodically thought out from the point of view of function and duty.

At page 72 of the report the Senators, most of them Liberals, say this:

> We are concerned that the word ("regional") was never used to refer to the least developed regions within each province. Our concern was reinforced when we failed to find even a single reference in the (government's reorganization announcement) to the word "disparities".

Not a single reference, Mr. Speaker. My friend the Hon. Member for York-Sunbury (Mr. Howie) and his colleagues on the regional development committee of our caucus will be dealing with this in later stages of debate.

I think this program is deficient even on its face. Too many areas have been designated. Governments are afraid to take risks because they are highly publicized new Departments responsible to and for the haves as well as the have-nots. The political reward of development in the have areas is far greater. I suspect that is what we will see here. The Minister of this Department will be looking now in the last year or so of the mandate of this Government for the greatest political rewards and not to the matter of righting disparities.

I have dealt with the three main sections of this Bill in my opening speech in this debate. I think the Government deserves a chance to withdraw this Bill. We will give them that chance right now. I say to the Government, withdraw this Bill. I ask the Government to remove this blight from its legislative program. The Government is worried about other legislation. It has necessities I understand by June 30. Let us be delivered from the necessity of having to deal with this Bill. But I ask the Government not to withdraw it and do nothing; it should retrace its steps through the organizational rearrangements that were done.

• (1600)

Mr. Munro (Esquimalt-Saanich): The labyrinth.

Mr. Baker (Nepean-Carleton): Yes, this labyrinth, as the Hon. Member for Esquimalt-Saanich (Mr. Munro) says, which no one can understand. Many senior managers and middle managers in the Public Service wish that it had never been laid upon them. They wish it had been taken to the Senate and buried with Michael Pitfield, not dealt with here at all. The Government has taken the traditional, clearly defined roles of the Departments and melded them together in a way which has made them or shall render them ineffective. At least, the Government has tried to meld them together. It looks good on paper to say that External Affairs and International Trade go together, but the thing has to work well. That will not happen.

I urge the Government to take advantage of the opportunity that I am giving it this afternoon. I will give consent to end the House early today if the Minister would just withdraw the Bill and take the opportunity to rethink it. It is ill-conceived and it will not serve the country well. If the Government brought forward a Bill which sharpened the focus in some way, we would be bound to support it; but we are not bound to support this ramshackle excuse for failure. That is the position of my Party.

The Acting Speaker (Mr. Blaker): I see the Hon. Member for Rosemont (Mr. Lachance) rising to ask a question. I have to remind him and the House that following the first three speakers on a Bill there is no provision for a ten-minute question and answer period. However, if the House wishes to give its consent, I could do so.

Some Hon. Members: Agreed.

An Hon. Member: No.

The Acting Speaker (Mr. Blaker): There is no unanimous consent.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I appreciate the opportunity to speak on this Bill and I will not speak at any great length. In essence, we are putting into law what is already in practice. I want to speak about that, in addition to the substance of the Bill. It is a bad practice to precede the enactment of the law in most instances, and I believe it to be bad in this instance as well. I do not agree with putting into practice or putting into force provisions of any law which has not received the approval of Parlliament. I suggest to the Government, just from that point of view alone, that it should be very cautious about that kind of procedure.

I have raised this objection on a number of different occasions as it applied to such things as the application of taxes and the collection of taxes where by precedent the Government assumed the right to impose that which it believed would become law at some subsequent date. In the process the

Government has been able to dip into the pockets of people—and in this case too in an indirect way—to extract moneys which they can ill afford in advance of any legislative approval. In this Bill similar things have happened. I want to register my strongest objection to that.

I hope that this is a practice which will cease, that we will no longer be required to deal some months and in some instances years after the fact with proposals that the Government has deemed to be of value from its perspective but have not yet been given either the benefit of debate or approval by the House of Commons.

On the substance of the Bill, I have grave reservations about what the Government has done. I am vitally concerned about the effects of putting together two quite different functions of Government. I do not think that External Affairs and International Trade necessarily knit together under all circumstances. In fact, one can very frequently be an impediment to the good operation of the other. I also believe that each is of vital importance in its own right and should stand separately in the organization of Government. I believe that each has a priority position within the affairs of a nation, particularly this nation, a nation that sees itself in a middle role in international affairs seeking out compromise in a major dispute and attempting to influence the course of events, not as a major power but as a middle power.

For this country international affairs are of vital importance. I am always concerned when we are faced with matters of significant international import and we see the Government drawing back from making tough decisions about our relations with another country at the international and ambassadorial levels. I am always concerned when I see the Government drawing back because of the implications the decision might have on our trade arrangements.

Even separating the two functions may not totally eliminate that problem, but putting them together certainly compounds the problem. There are times when international relations or relations between countries are strained for one reason or another, but long established trade continues. To put the two together under one operation makes it very difficult to carry on those two vitally important functions without a very serious overlap. In looking at this Bill I must think that for whatever reasons—and I have tried to think of the reasons the Government has in mind—the Government decided to go ahead with this, it cannot be as compelling as the reasons for not doing it.

For example, we have had strained relations of late with Poland over the imposition of martial law and the inability of the communist Government there to deal in a way that we think would be proper with the people of that country and their right to free collective bargaining and free association. We have felt that we wanted to indicate to that regime that we were not favourable to what it was doing, that we were displeased and that we did not think it was an appropriate step to take.

On the other hand, Poland is one of our major trade partners, particularly for western grain. Because of this difference in international relations we have seen a loss of the market for grain. The question one must ask is, who was hurt in that? Did we hurt the Government of Poland? Not very much because the European Common Market quickly filled the void in terms of the grain it wanted to purchase. Did we hurt the people of Poland? Not very much because, as I said, the European Common Market filled the void created as a result of our action. Well, whom did we hurt? We hurt the farmers of western Canada. We reduced the potential for sales.

• (1610)

In doing that, and some people might agree that is the appropriate thing to do, I predict the time will come when we will once again have normal relations with Poland at the international and diplomatic level. However, the chances of re-establishing the market for western grain will have been severely impeded, if not done away with entirely. I use the example to show the conflict. On the one hand, we have a diplomatic conflict, a conflict over the actions of another Government, an action that we absolutely abhor and want to see stopped. On the other hand we have an ongoing relationship at the trade level. What we have seen happen is that the people who in the end suffered from our actions were ourselves.

This is not the only example; there are other examples that have occurred over the years. I am not making a plea for change. I am suggesting that these matters have to be looked at singly. They cannot be looked at in tandem. I am concerned that by lumping trade in with External Affairs, the decisions that are going to be made about our trade arrangements will be very much determined by our attitude at the time at the international level with regard to our sense of the appropriateness of actions taken by one Government or another which may or may not be there for a long or short time, who knows.

Therefore, we will be detrimentally affecting our capacity to grow, to meet our needs, our capacity to provide opportunities for those who work in Canada and provide job opportunities for others. We will have detrimentally affected that as a result of lumping together these two vitally important issues.

For the foreseeable future, this country will depend to a great extent for its growth and economic future in terms of job creation, flow of finances and our ability to trade. Trade being a vital part of the Canadian way of life, it is very important that we should have a trade Minister, full status, dealing on behalf of Canada with the support of a Ministry that is capable of going out and, in a single-minded way, trying to improve the trade relations that Canada has to have in the future.

That does not mean that from time to time Governments may, for one reason or another, decide that the actions taking place in another part of the world are of such an important and reprehensible nature that we do not want to have anything to do with that country at all. Of course, there will be times like that. On those occasions the Government will make a political decision. That political decision will be transmitted from the

Government to the House of Commons, from the House of Commons to the people of Canada and from the people of Canada ultimately throughout the world that we are in the midst of a serious dispute with another country, that even to the level of trade we are prepared to enter into some kind of embargo arrangement, some kind of withdrawal of normal relations.

I suggest that under normal circumstances in international conflicts that likely will not arise. If it is our hope that we will build this country so that we will be able to provide for the needs for this generation and generations to come. If we are going fully to utilize the resource potential of this country, if we are going to take that and turn it into a manufacturing sector that will provide stability for people, if we are going to be able to say to those who have long been the backbone of our trading, farmers mostly in western Canada but not necessarily all, that there will be some conscientious effort put out by this Government through an agency or, I suggest, a Ministry, to try to build on what we are able to do well and create an image outside of Canada that countries can rely on Canada for providing certain goods and services that we are able to produce through our expertise and provide in a competitive way, then we need to have a single entity charged with the primary responsibility of trading. We must have a Minister in charge of a Department that is solely and completely directed toward the sale of Canadian products and trading with other countries of the world.

In my judgment, this is going in the wrong direction. If this were an attempt to streamline Government, if we could see Government trying to cut costs, make itself more efficient, provide for a more aggressive kind of external effort on the trade front while establishing an independent foreign policy—although I do not know how—I concede that I might be persuaded that this could be done. However, this is not the purpose. As the Hon. Member for Nepean-Carleton (Mr. Baker) pointed out, what we are doing is enlarging the size of the Government simultaneously with amalgamating two vitally important functions.

I have extremely grave doubts about the appropriateness of the direction the Government is going in this regard. I predict that within ten years this super Ministry will be split in two. The Government will see that it is too cumbersome, too difficult to operate in this way, that the conflicts are too many to resolve properly, that the decisions that must be made by the Minister who is primarily in charge come into conflict too often to allow decisions to be made properly, and will within the next ten years revert to separate operations, one dealing with external affairs and one dealing with trade.

In saying that, I do not propose that when that happens it automatically becomes once again the Department of Industry, Trade and Commerce. I thought that Industry, Trade and Commerce was much too large. It covered too many conflicting interests. For a country like ours, there has to be a recognition that industry and commerce seen as a domestic matter are to be separated and dealt with in a separate way from our trade effort around the world. I do not suggest for a moment that they are not interrelated, that there is not an overlapping of concern and operation, because there is. On the one hand you have to focus on what we have to do in order to build in Canada an infrastructure that will provide for our domestic needs, which quite clearly are our primary responsibility, and for our international requirements which are a great source of revenue to us and of great benefit to many other countries.

• (1620)

I suggest that that can only be done if the Government becomes somewhat single-minded about the need to encourage economic development on a world scale in Canada, economic development that recognizes the three frontiers which are open to us now in terms of trading, these being the Pacific rim, the United States and the European frontiers. There is the opportunity to move into those areas as they become somewhat more vulnerable and also to recognize the entire southern hemisphere. Over the years we will want to develop a good relationship with the southern hemisphere both in terms of our external operations at the diplomatic level and in terms of our trading arrangements, to our own benefit and to the benefit of the developing nations.

As I say, Mr. Speaker, I do not think that all of those things can be accomplished by lumping everything together under one Minister. I do not think that anyone in the Cabinet could handle that, and not for one minute am I suggesting that Cabinet Ministers are less than competent, although I may have doubts about the odd one. I will not say which one because he is in the House. Nevertheless, I would say the same thing regardless of who I was speaking of. I would say it if my own colleague, the Hon. Member for Vancouver-Kingsway (Mr. Waddell), who I think would probably make an excellent Cabinet Minister and no doubt will when we form the Government after the next election, was the one to take on that responsibility. But I would even say to him with his infinite capacity which we all recognize, a capacity which is probably not even touched by anyone else in the House, that not even he could take on that much responsibility and do the job well.

Having said that, Mr. Speaker, you can gather that I am not over-eager to approve this Bill. I am not really keen to put into law what I consider to be an inadequate piece of legislation dealing with matters that I frankly think are headed in the wrong direction. I do not think that the Bill would be a bad idea if there was some honest committee consideration of the whole question, and I stress honest. I think there is a need for Members to listen to each other as we try to explain why we are worried about the Bill. It is not a question of Liberals versus Tories versus NDP or, as is normally the case, Liberals and Tories versus NDP. This is a not a case like that at all. This is a case of being concerned about the future of the country, about what is actually best for the country. This is not a Liberal idea. It is not a Conservative idea. It is a wrong idea. These three things are frequently one and the same, but in this instance it is a wrong idea that we frankly must try to come to grips with.

If the opportunity arises, I would urge that we should have the subject matter of the Bill looked at extremely carefully.

Mr. Munro (Esquimalt-Saanich): Which subject matter?

Mr. Deans: I am addressing myself primarily to the question of the reorganization of the two Ministries. I recognize that there are other matters, but I am addressing myself primarily to that. The subject matter should be referred to committee and looked at in the most non-partisan way possible. It should be looked at from the point of view of how will it serve the various regions of Canada; how will conflicts arise between the two different functions; how will the one function be able to operate when a conflict is clearly there in the other function; how will it be able to maintain the equilibrium necessary between our country and another country when there is a serious conflict arising that is at the diplomatic level while there is the desire to maintain trade relations at the other level. How would we resolve those things within one Ministry? How could we make sure that both points of view are adequately expressed at Cabinet by people of similar rank? How would we give voice to the concerns within the Cabinet so that the Cabinet will be able to deal properly with concerns that may well be different but are of equal status?

Therefore, Mr. Speaker, as I said at the start, I wish that we had had an opportunity to debate this Bill before it became a fait accompli since I am convinced that it will ultimately be changed anyway. Let us not ram the thing through and then find ourselves in a position of rewriting the law again, and debating again because on the next occasion we may find that the Conservatives are on the other side of the argument, who knows. Let us not do it that way.

Let us see if maybe the President of the Privy Council (Mr. Pinard) might consider referring at least that portion of the Bill that I am concerned with to one or other of the standing committees or maybe even setting up a committee to deal with it by itself so as to see whether or not the conflicts that I envisage are real or imaginary. I will abide by the ultimate decision of the committee, as I must, and I will do it willingly. But let us at least give this a fair hearing and try to do what in the final analysis we believe is best. If we do not do so, then we will end up in the position we have found ourselves in so often in the past of having to come back and make amendments to something that everyone knew was not adequate enough to be passed at the time it was before us.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I listened with interest to the speech made by the Hon. Member for Hamilton Mountain (Mr. Deans) and he expressed some serious concerns which are well justified. I was rather amused by his fulsome praise of the Member for Vancouver-Kingsway (Mr. Waddell). I gathered that he is getting in early with his support for one of the leadership candidates for the New Democratic Party in British Columbia. Why the Member for Vancouver-Kingsway would want to become the captain of that small *Titanic* is beyond me, but he appears to want it and he is getting his cheering section going early.

The Bill begins as follows:

Bill C-152, an Act respecting the organization of the Government of Canada and matters related or incidental thereto—

I think that part is well worded. "Matters related or incidental thereto" could mean anything that could be thought up and amended. I agree entirely with the Member for Hamilton Mountain who said that this is the wrong time for the Bill to come in. It is coming in in the middle of a process that presumably was to have had quite some time to go or else should never have been started. The amalgamation of the two Departments did get started in 1982, and now they are in a terrible shambles and want a Bill apparently to authorize the mess that they have made of it so far.

I think that they might better have taken some kind of initiative a year or so ago, brought out a white paper or a green paper saying that they planned to reorganize these two Departments and meld them into one Department, and then let it go to a committee to be studied so that there could be some warning given and possibly soem suggestions made by practical people. From reading the Bill, one cannot determine that there was any practicality at all in the genesis of this Bill. It looks very much like the product of a seventeenth century renaissance man's theorizing. I certainly agree with my distinguished colleague, the Hon. Member for Nepean-Carleton (Mr. Baker), that the renaissance man with probably no sense of practicality whatsoever has decided that these two disparate Departments should work as one.

• (1630)

None of Canada's major trading partners has so far combined their departments of trade and foreign affairs. No other country thinks it will work. The last time something like this happened was about 15 years ago when it was decided not to integrate the Canadian Armed Forces but to unify them. About two years from now I expect they will be back where they were before this ill-conceived experiment started. I believe that if we go ahead with this ill-considered Bill we are going to have to do the same thing with External Affairs and Industry, Trade and Commerce.

Everybody knows that these Departments have to work together and there must be some integration of their activities. It would be nonsense if the Department of Industry, Trade and Commerce sent a trade mission to Moscow to try to sell 10,000 refrigerators or something like that and at the same time the Department of External Affairs decided to break off trade relations with Moscow. I do not suppose there is a likelihood of such things happening but it shows the kind of integration that is needed.

When the Government saw the requirement its answer was: "Let's mash them together like potatoes and carrots and see if anyone likes it when it comes out". As far as I can see, no one does.

New positions have been imposed on a very rigid and fairly well working structure in the Department of External Affairs. I might say that I have always had a great admiration for the staff in the Department of External Affairs. It has had a long

succession of nonentities as Ministers, with one glowing exception in 1979 when the Hon. Member for Kingston and the Islands (Miss MacDonald) was Minister. Other than that they have unfortunately had to take second-rank Ministers because the Prime Minister (Mr.Trudeau) wanted to run the place himself. It is much easier to do that if someone without too much intellectual muscle is the figurehead.

These people were put together by a kind of fiat in 1982, and suddenly 200 extra people had to be accommodated in the Pearson Building. Since then it seems they have just let them have a kind of group love-in until everyone found a place or what they might be able to or wanted to do. In other words, you kind of found your coffee mate there and decided between the two of you which department, section, division or subsection you wanted to work in. Then you tried to make a job description suit what you wanted to do. This has been going on ever since this ill-conceived idea came into full force.

It seems that we need some authority for the creation of all this confusion and that is why we have this Bill. I feel very certain that the Government does not really know what the Department will look like a year from now.

The effect of these changes so far is that the Department of External Affairs now has three Ministers. Presumably the Secretary of State for External Affairs (Mr. MacEachen), that prescient Minister, is going to be in charge. When he was funding Alastair Gillespie's project in his constituency he did not know who Alastair Gillespie was, despite the fact that they had served together in Cabinet for years.

The other Minister will be the Minister of State for International Trade (Mr. Regan), I presume, although what he is supposed to do is questionable unless it is to act as a kind of batman for the Secretary of State for External Affairs.

Then there is the Minister of State for External Relations (Mr. Lapointe), who has a questionable job as well. I do not know why we need a Minister of State for External Relations and a Secretary of State for External Affairs. Perhaps this will enable them to continue their travelling; one will be away and one will be at home—a kind of tag team wrestling match in the diplomatic field. This entire shuffle seems to be similar to a game of musical chairs. They were one chair short and someone was going to be left out if they did not dream up a job for them. Now they have it.

Chart No. I, on the left-hand side, shows the same number of boxes as before the move with Ministers in them; after the move there is the same number of boxes, six, and a Minister in each.

An interesting thing appears in the Schedule I to the Bill if consequential amendments have to be made. Column I shows the Act that is affected, such as the Salaries Act, 1980, 1981 and 1982 and that Section 4 is to be amended by deleting "The Minister of Industry, Trade and Commerce $30,800" and "The Minister of Regional and Economic Expansion $30,800". I do not think anyone should rejoice about that because that $61,600 is not going to be saved. Below that appears an amendment to add "The Minister of Regional and Industrial Expansion $30,800, The Minister of International Trade $30,800 and the Minister for External Relations $30,800". This seems to me to be $30,800 more than was cancelled.

Perhaps someone on the Government side might be kind enough to explain in the days or weeks ahead whether we are going to spend an extra $30,800 on an extra Minister as well as the four extra Parliamentary Secretaries mentioned by the Hon. Member for Nepean-Carleton (Mr. Baker) a few minutes ago. I support what he said. It seems ridiculous to think of a Parliamentary Secretary being in the Senate. We cannot even talk to the Ministers who are in the Senate but have to listen to some stooge in this House when we have a question that belongs over there. That they would have Parliamentary Secretaries help them be unavailable is difficult to contemplate.

The Minister of State for External Relations, in his unusual job, is responsible for francophone, cultural and humanitarian affairs. It is difficult to know what his place will be in all of this. Among the people who are selling things, he has a very narrow job description.

In addition to these Ministers there is a plethora of Deputy Ministers. There is one of whom I highly approve. There will be one Under-Secretary of State for External Affairs, the deputy head of the Department. We all know that Mr. Massé is an excellent administrator. I can only feel sorry for him, being given this garbage to sort out.

There will also be three Associate Under-Secretaries of State for External Affairs with the rank of Department Deputy Minister. Bill C-152 provides that one may be appointed Deputy Minister for International Trade and one may be appointed Deputy Minister for Foreign Policy. That is two, so it is a little difficult to see why we need another one but we have another one.

Meanwhile, at the Department of Regional Economic Expansion and the Department of Industry, Trade and Commerce there are more problems. Parts of the Departments are going to merge and become the Department of Regional Industrial Expansion. According to the job descriptions, one Minister will be in charge of manufacturing, processing and service industries within Canada, regional industrial development, tourism, small business, and trade and commerce within Canada. I do not know if this means we no longer need a Minister of Small Business and Tourism or not. The Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey), who is at present the Minister of Small Business and Tourism, seems to be looking for a role to play in all of this. I do not know whether he is going to find one or not. It is difficult to tell in this hodge-podge of a Bill.

One of the big concerns in the country among businessmen is that the new organization will effectively kill the trade commissioners and that service which used to answer directly to the Minister of State for International Trade under the Department of Industry, Trade and Commerce. Canadian businessmen are concerned that the officers of the Department

of External Affairs will be unable to maintain the close industry sector contacts which they had at Industry, Trade and Commerce. Just how much trade expertise are our foreign service officers expected to accrue? It is a very important question in light of the fact that the changes have been selected to give trade matters a much higher profile. The answer to that question will affect not only the way the foreign officers go about their jobs, but also their career progression. All these changes will, of course, have a substantial effect on Canada's policy. Unfortunately, no one seems to know what the effect will be.

• (1640)

In February of this year the *Financial Post*, in an article by a brilliant young journalist by the name of James Bagnall, summed up the changes this way, and I quote:

> On paper, all of these changes had a certain elegant rationale. But in the short run, they have produced bureaucratic infighting over office space, line responsibility and policy mandates. In addition, they have badly damaged morale within I.T.C., stirred the resentment of the trade commissioner service, which prided itself on its independence, left at least 300 employees from various Departments in a non-man's land with no obvious place to hang their hats and will eliminate more than 400 full-time jobs by the time the dust settles.

The article went on to say, and I quote:

> Trade officials are still concerned their impact on foreign policy will be diluted by the new arrangement—they are outnumbered by foreign service officers nearly three to one domestically and nearly two to one abroad.

The sad part of all of this is that this came about without any recognition being given to the McDougall Report which was, as Hon. Members know, a Royal Commission Report on External Affairs. It was commissioned by the Prime Minister (Mr. Trudeau), no less, who said at the time that he thought that the Department of External Affairs needed to be reorganized to give the people a clearer understanding of their role in the Department. This report was handed in and within six weeks after that this reorganization was put into effect, apparently without any recognition being given at all to the Royal Commission Report by Miss McDougall, a very highly regarded member of the Department of External Affairs for several years. She was, unfortunately, somewhat hindered by a degree of independence which caused her report not to fulfil the secret dreams and wishes of the Government. It simply made sense.

I would like to point out that I agree with my hon. colleague that this bears all the earmarks of the work of Senator Pitfield, the person who brought in the National Energy Program, where he collected a lot of people who knew nothing about energy and devised a program to help the poor industry out which was doing very, very well up until then. He has now decided to reorganize that Department, where his knowledge is equally scant. As I read about the reorganization, I kept thinking to myself that I have heard of these things before, but where was it? Where it was was in "Gulliver's Travels", written in the eighteenth century. It is about the third trip Gulliver made to a place called "Laputa". This was an island in the sky where everyone dreamed funny dreams which were very, very impractical. In the capital city of Lagado they had a place called the "Grand Academy" where all of these impractical ideas everyone had were brought together and they tried to put them into production.

I would just like to read something which Mr. Pitfield could well have thought up himself. They had a department of agriculture in this Grand Academy, and someone decided that they should find a device for ploughing ground with hogs so they would save the charges of ploughs, cattle and labour. The medhod they came up with was this, and I quote:

> —in an acre of ground you bury, at six inches distance and eight deep, a quantity of acorns, dates, chestnuts, and other mast or vegetables, whereof these animals are fondest; then you drive six hundred or more of them into the field, where, in a few days, they will root up the whole ground in search of their food and make it fit for sowing; it is true, upon experiment, they found the charge and trouble very great, and they had little or no crop. However, it is not doubted that this invention may be capable of great improvement.

So they were quite satisfied with the experiment and they went on for years trying to sow ground which they had ploughed in this fashion.

There was another idea at the Grand Academy which would do Mr. Pitfield very well. I sometimes wonder if he could not have been a resurrection from the days of Jonathan Swift. At the Grand Academy everyone knew how laborious the usual method was of attaining to arts and sciences, whereas they contrived that the most ignorant person, at a reasonable charge and with a little bodily labour, may write books on philosophy, poetry, politics, law, mathematics and theology, without the least assistance from genius or study. We have a lot of people in this country who want to be able to do great things, but they are not all that willing to study and are not in the genius field either. A professor at the Grand Academy showed Gulliver a frame he had built, about the sides whereof all his pupils stood in ranks, and I quote:

> It was twenty feet square, placed in the middle of the room. The superficies were composed of several bits of wood, about the bigness of a die, but some larger than others. They were all linked together by slender wires. These bits of wood were covered on every square with paper pasted on them; and on these papers were written all the words of their language in their several moods, tenses, and declensions, but without any order. The professor then desired me to observe, for he was going to set his engine at work. The pupils at his command took each of them hold of an iron handle, whereof there were forty fixed round the edges of the frame; and, giving them a sudden turn, the whole disposition of the words was entirely changed. He then commanded six-and-thirty of the lads to read the several lines softly as the appeared upon the frame; and, where they found three or four words together that might make part of a sentence, they dictated to the four remaining boys who were scribes. This work was repeated three or four times, and at every turn the engine was so contrived that the words shifted into new places, as the square bits of wood moved upside down.
>
> Six hours a day the young students were employed in this labour, and the professor showed me several volumes in large folio already collected of broken sentences, which he intended to piece together, and, out of those rich materials to give the world a complete body of all arts and sciences—

Of course, it did not work. He was an impractical man. He was the "Pitfield" of his day. Mix everything up and maybe something sensible will come out of it. It is like the dictionary which some soul wrote as the words came into his mind. He ended up with the world's only dictionary which was not in alphabetical order. It was a very good dictionrary but not very practical.

That is what this Bill is like, Mr. Speaker. They do not know what they are doing. The people are milling around in the Pearson Building and the Government seems to be hoping that

something good will come of it all, which would be just about as accidental as finding a word you are looking for in a dictionary which is not in alphabetical order.

The Acting Speaker (Mr. Blaker): Questions, comments? Debate.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, the Hon. Member for Victoria (Mr. McKinnon) mentioned, towards the final part of his comments, the report of Miss McDougall. I believe we must go back to that particular report to understand the genesis of this Bill, or part of the Bill, and also to understand what is not in this Bill.

On December 15, 1981 the Report of the Royal Commission on Conditions in the Foreign Service was released. One of the most important comments in that release, Mr. Speaker, was in the second paragraph. It is most important as far as I was concerned, because, having served 25 years in the Department of External Affairs, I was aware of the problems which Miss McDougall was asked to consider in the course of her Royal Commission. The press release stated:

• (1650)

> Miss McDougall stated that the problems in each of these areas were of sufficient scope and complexity to raise doubts about the capacity of the foreign service to continue to function effectively. It was the cumulative impact of these problems on the service that eroded morale, purpose and confidence—

That was a very penetrating comment about the Department of External Affairs as it existed during the seventies and on into the eighties. I am not sure, but presumably it was at the back of the mind of the Prime Minister (Mr. Trudeau) when he asked Miss McDougall to undertake the Royal Commission and to examine the conditions in the foreign service. I rather suspect that it was not in the Prime Minister's mind, as a matter of fact, although he did appoint the Royal Commission.

I would like to read one other section of her Report and then return to some of her recommendations because they have a bearing on the Bill which I will consider in a couple of minutes. On page 21 of her Report, which was made public on December 15, 1981, she states:

> There is indeed a profound malaise in the foreign service—a malaise that if not met by decisive and early action may put in serious question the viability of the career rotational foreign service as we know it today.

The Report was released in December of 1981 and today we have before us a Bill which was given first reading on May 5 of this year, roughly 18 months later, which purports, I suppose one might say, to deal with this malaise. I can assure Your Honour before going any further that it will not do anything of the kind. It will increase the malaise, there is no question in my mind.

This particular Report outlined in very careful terms the problems confronted by the Department of External Affairs both here and abroad. Miss McDougall made a couple of even more succinct comments about the malaise, one of them being Recommendation 44, which states:

> Concrete steps be taken to correct the widely held view that those in positions of power consider the activities and the product of the foreign service as largely irrelevant to federal Government or Canadian objectives.

That sentiment had its genesis upon the arrival, in the seat of the Prime Minister's office, of the current Prime Minister, because he determined that he should be running the foreign service regardless of the Secretary of State for External Affairs.

As I say, these matters were made public on December 15, 1981. Within a month, almost four weeks to the day, the Prime Minister announced a major reorganization of the Department of External Affairs in terms which we now find more or less embodied in the Bill, in more or less legal language, language which I would hardly call legal; but I will return to that subject in due course.

The Prime Minister's statement in January of 1982 was in total disregard of the recommendations which were brought forward by Miss McDougall in her Report. I suggest that that, in itself, was enough to destroy any hopes that there might have been, which could have emerged from the Report of Miss McDougall. It is really distressing, when one comes to think of it, that a Royal Commission was appointed to examine the role of the foreign service officer and the problems of serving in the foreign service and then to find that within a month the Prime Minister came out with a completely different sort or organization. To my way of thinking, this merely carries out the sequence of the unsettling change and the transfer to which the Department of External Affairs has been subject since 1968.

If I may, I would simply like to list some of the changes which have been introduced into the Department of External Affairs since that time, over the last 15 years. I cannot list them in the exact chronological order, but I think it deserves to be said that no sooner had one of these particular changes started to take root and become assimilated and the personnel were not even becoming accustomed to these various changes, that lo, the next one was brought on top of the others.

One of the changes that I remember, even from when I was in the Department, concerned an examination of the organization of the Department by a managerial firm called Ulrich, Currie and its subsequent report. The main outflow from the report was that members of the firm, Ulrich, Currie, or those who were carrying out the examination of the Department in the name of that particular company, found niches for themselves in the Department of External Affairs and started the expansion of that particular Department. Granted, they were in the administrative field, but that, in itself, was enough to unsettle a number of members of the foreign service.

The next change was program budgeting. As I say, people were just becoming accustomed to one change and then another one came along. Program budgeting consisted of a course in business administration which was carried on by a number of hotshot managerial experts going about the country and in the Department of External Affairs, trying to reorganize the Department on the basis of the programs which the Department was carrying out. There was a great general shift

of desks in the Department at that particular time. The program was just about assimilated when along came the managing of the Department by committees. A committee structure was set up within the various programs and the Department was being organized and run by that sort of committee.

On top of all this, of course, came the bilingualism program. At that time one might call a colleague only to find that he was not there. He was not being replaced; he was off taking a course in either English or French. That, of itself, was certainly unsettling. This affected mature, professional people who had earned a place for themselves.

One of the most important criticism which one can make of the bilingualism program, then and now, is that there is being foisted upon mature, professional people, the necessity to undertake studies in an area where they feel they are not able to meet the same professional standard they met when they were a little younger. It is folly to impose that on mature adults who, in any event, are involved in their professional expertise and doing the best that they can in those conditions. The absences from their desks, of course, was also a very serious criticism.

May I call it five o'clock at this point, Mr. Speaker? I have a good many more comments to make on the Bill.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): It being five o'clock, I do now leave the Chair. The House stands adjourned until eleven o'clock Monday morning. Have a good weekend.

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

HOUSE OF COMMONS

Monday, May 30, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—FOREST INDUSTRY

Mr. F. Oberle (Prince George-Peace River) moved:

That this House condemns the Government for its neglect of Canada's forests and its indifference to the threat posed to Canada's forests and forest industries by pests, fire, pollution and foreign competition, and calls upon the Government to stimulate the research needed to promote superior growth and diversify export products, and acknowledge its responsibility to protect the Canadian environment and the millions of Canadians whose livelihood depends upon Canada's forest resources.

• (1110)

He said: Mr. Speaker, let me first express my appreciation to my colleagues on this side of the House and thank them for their foresight, their interest and their concern for our forests, which of course is reflected in our decision to set aside this parliamentary day to talk about forests, in competition with many other weighty issues that are occupying our attention now.

The motion I have introduced may appear unreasonably harsh to those people who have listened to the Minister whose responsibility it is to speak for the Government on matters relating to our forests. At the outset I wish to say that I appreciate the sincerity and the genuine commitment to this important component of the dual responsibility of the Minister. I know he believes as I do that in a country depending to such a great extent for its economic and social well-being on its forest resources, it is imperative the management and care of this resource be given the undivided attention of a Minister. This view is shared and strongly advocated by all sectors of the forest community.

I know the Minister is trying his very best, but considering the limits of his mandate and the competition he faces in Cabinet from his colleagues for power and scarce financial resources, his best efforts fall far short of any expectations his pronouncements have generated. We intend today to remind the Minister and the Government of its neglected responsibility regarding our forests and the multifaceted, important economic and social issues associated with this most precious of our natural resource heritage.

In 1871 Sir John A. Macdonald said:

> The sight of immense masses of timber passing my windows every morning constantly suggests to my mind the absolute necessity for looking into the future of this great trade. We are recklessly destroying the timber of Canada and there is scarcely a possibility of replacing it.

Also he said:

> It occurs to me that the subject should be looked in the face, and some efforts made for the preservation of our timber.

Of course, I have no idea from which particular vantage point Sir John A. made his observation, but I can assure the House that whatever it was he would no longer have to be troubled by such sights here in Ottawa Valley. The timber is long gone. The great trade of which our first Prime Minister spoke has rapidly expanded over the years, but it has moved on to other parts of Canada as the forests became depleted and until a decade ago no one heeded the warning of how recklessly we were destroying our forests. The crisis which was foreseen 100 years ago for the Ottawa Valley now affects the whole country. One might say that the Ottawa Valley really has not suffered all that much. As we always do, we simply adjust to a different economy, one less dependent on natural resources.

We might be able to renew our industrial structure with robots and computers. I have every confidence that we as Canadians can compete with the best in the new information-based world economies. But our real strength as an industrial nation will always flow particularly from those of our natural resources which are renewable as is the case of our forests.

There are four major biological systems on which the world will depend for its survival. Trees are one of them. Canada owns 10 per cent of the world's total forest inventory. Our wood-converting industry produces 22 per cent of world market requirements in manufactured forest products and 30 per cent of its pulp and paper products are traded internationally. This trade generates $12 billion annually in net foreign exchange earnings, which exceeds the earnings of all other major resource sectors such as fish, grain and hydrocarbons combined. According to forecasts by the United Nations, Food and Agriculture Organization, the world's demand of industrial softwood will increase by 2.1 per cent every year over the next 20 years.

Merely to maintain our market share would require an increased output of 50 per cent of wood products by the year 2000. Everyone except the federal Government knows now that such a goal cannot be realized with present policies. We would have to produce 210 million cubic metres of wood by the end of this century, and to sustain such massive harvests it

would require equally massive efforts toward advanced scientific research and new management practices, with the emphasis on forest protection, the enhancement of productivity of existing stands through thinning and fertilization and, of course, the replanting of harvested areas.

• (1115)

The cost of such efforts after so many years of neglect are high, but they are not high in comparison to the economic benefits which we derive from our forest harvest. Governments receive approximately $2 billion annually from taxation and other direct and indirect benefits. That is roughly shared fifty-fifty between the federal and provincial Governments. That, if nothing else, should be sufficient reason for our Government to commit itself to a greater share of the cost connected with maintaining a healthy resource base. We in fact believe it to be a fundamental principle that the responsibility for funding the maintenance of the resource should be relative to the benefits received.

With that in mind, let us see what commitment the federal Government is prepared to make. Last year the Minister published a policy statement entitled "A framework for forest renewal". It recognized the most basic requirement identified by the committee of provincial resource ministers to increase public spending in areas of government responsibility by 10 per cent annually. Estimated expenditures for forest renewal in 1982 were about $300 million. The federal Government contributed $100 million, or 37 per cent. To meet even the most minimum targets, $650 million in 1982 dollars will have to be spent by the year 1987. The federal contribution to this amount would be $130 million or 20 per cent of the total, hardly a substantial increase over a five-year period. Fully 80 per cent of the cost will be passed on to the Provinces. Again this can hardly be seen as being relative to the benefits received.

I have spoken earlier of the Minister's limited mandate in forestry matters and the competition he faces in Cabinet. An example of that is the most recent announcement by the Minister of Industry, Trade and Commerce (Mr. Lumley) regarding the establishment of a task force to advise him of the forest industry's needs in terms of assistance to help the industry maintain its competitive position in the world market and expand its productivity.

I give the Minister of Industry, Trade and Commerce full marks for recognizing the forest sector's potential for growth and the creation of new jobs and for realizing the forest Minister's limited authority and resources to respond to the industry's requirements. However, it is because we have in the past segregated the industrial side of forestry from the management side that our forests are in such a state of neglect.

All that was to change with the announcement in 1981 by the Minister of a new forest sector strategy committee. The tripartite approach involving industry, the Provinces and the Federal Government in an all out effort will try to remedy some of the past sins. Already that appears to be forgotten. Incredibly, the Minister of Industry, Trade and Commerce testified before the committee last week that his star-studded task force and the resources he plans to put at their disposal will be concentrating only on the expansion of our industries and the development of new markets. Anything to do with management of the forest will be left to his colleague, the Minister of the Environment (Mr. Roberts). Is it not that type of divided jurisdiction which got us into all this trouble in the first place?

For a while we thought that some of the new people we had brought into the Canadian Forestry Service, together with some fine professionals already there who understood the problems and knew the solutions, were getting their message across. When the Department of Regional Economic Expansion was reorganized, the Canadian Forestry Service was to get that share which was earmarked for the forest sector, or so we thought. The new federal-provincial agreements of the type which had been signed with Nova Scotia were to include long-term forestry plans of at least 20 years' duration. The federal money was to be used to help industry and the Provinces to improve timber stands and plant new forests on lands for which there were no competing uses.

However, Industry, Trade and Commerce now appears to be taking charge again with its own set of priorities. What I find exceedingly difficult to understand is the apparent new frame of mind of our present generation of industrial leaders. As you know, Mr. Speaker, I was in a very modest way involved in the business before I came here. In my day, all you wanted from the Government was a tax and royalty regime which compared favourably with that of our offshore competitors. The only help asked for from the Government was toward transportation, communication and community infrastructures which were required to develop new areas and get our products to market as cheaply and efficiently as possible. We kept arguing with government for a set of rules and standards in terms of environmental and other considerations which were firm and fairly applied without a whole lot of overlapping jurisdictions exercised by federal over provincial regulators, or rules that were overruled by conflicting mandates of different departments of government.

• (1120)

The new generation of corporate managers appears to have additional requirements from government. The Minister of Industry, Trade and Commerce testified before the committee that he is receiving literally hundreds of applications daily from major and minor forest companies, applications which have been filed with his Department for grants and subsidies to rebuild and expand their plants and to construct new ones. They are looking to government and the taxpayer to take most of the risk out of their enterprises. As we know, the Government has been most accommodating to this new approach which provides it with the necessary justification to intrude even further into the private sector. That is a worrisome trend indeed.

Sir, in my humble opinion the forest industry needs a stable supply of feedstock that is commercially viable and accessible. As we know, 95 per cent of all our wood supply is publicly owned and therefore it is obviously in the public interest and is

a collective responsibility to keep our forests healthy and ensure an adequate supply.

Insects, disease and fire destroy two-thirds as much timber as is being harvested commercially every year. Much greater efforts must therefore be made to protect our forests from these predators. We must learn to manage our forests much more intensively. Our Scandinavian and American competitors spend many times what we commit in terms of money and human resources in the management area. For instance, we in Canada have a professional forester for every 380,000 hectares of forest land. In Sweden, the ratio is one for every 15,000 hectares.

In terms of research and development, the record is not much better. One major U.S. company spends more on forest products research every year than the total combined efforts of all of the governments and industry in this country. To produce the wood required by industry to keep its world market share, it is estimated that our scientific research efforts will have at least to double over the next ten years. This would require an additional 150 forestry post-gratudates per year for the next ten years. Our schools have produced 55 masters and a mere 11 doctoral degrees per year since 1978. Of those, nearly half were foreign students who have left for their home countries. Our forestry schools require massively increased block funding to permit them to respond to the challenge.

The federal Government must play a leading role in basic research in biotechnology, genetic engineering, soil chemistry and so on. Together with industry, we must invest much more in forest products research to develop new harvesting techniques, new products for a changing world market and techniques for reforestation and intensive stand management. The privatization in 1978 of our forest products labs did not bring about the results which had been predicted, even though this is clearly one area where industry can and should participate.

We suggest that a charge be levied on industry, either on stumpage or on the basis of the grade stamp, to provide a fair share of an expanded effort toward forest products research and development. We also recommend that federal funding for research and development, forest renewal and forest protection should be based on a fixed percentage of annual gross forest products sold averaged over a five-year period. As can easily be seen, this would provide greater stability and facilitate long-term planning of research projects and indeed ensure that they are carried through to conclusion.

In addition to that, there is nothing wrong with programs which the Government might initiate from time to time to reduce periodic manpower surpluses. I applaud the recent initiatives of the Minister of Employment and Immigration (Mr. Axworthy) designed to entice unemployed workers to work in our forests; but again, such special efforts can only reap maximum benefits if they are properly planned, managed and co-ordinated with existing silviculture programs by people who know what they are doing. Any moneys therefore committed by the Government for such special needs must be channelled through the Canadian Forestry Service.

There is even a role for the Minister of Industry, Trade and Commerce, the superministry, particularly now that it has been integrated with External Affairs. Our industry needs help in finding new markets and developing them to suit our products. But again, it will be of little benefit to Canada to have the world's most modern harvesting plants without a stable and sufficient supply of raw materials or the markets to sell the products.

• (1125)

The Science Council of Canada recently published a statement which is worth considering. It points out the potential benefits of improvement in forest management policies. If the goals we have set ourselves are achieved, we would increase our sales by $22 billion, $12 billion of which would come from exports. We would create between 75,000 to 100,000 new jobs and generate in excess of $3 billion in additional tax revenues. Such is the magnitude of this important sector of our economy.

The report also points out the cost of failure to act. We would experience mill closures, increased unemployment and the economic destabilization of whole regions of our country whose livelihood depends on logging and wood preserving industries. A decline in our forest industry would have a pervasive effect, the report states, on our whole economy and our balance of trade. A thriving forest industry is essential to the prosperity of Canada.

Let us, as John A. Macdonald urged, look the subject in the face. The industry can no longer move on to exploit new areas of virgin timber. Even this great land has limits to the rich bounty of her forests.

We must do now with what we have and must care for it responsibly. The great philosopher Goltz said a century ago: "Of all nature's scenes, it is the woods in which all her secrets and all her favours are found together". Our forest are truly our most precious resource and our greatest riches. Let us realize this fact and begin to act accordingly.

Mr. Deputy Speaker: Are any Hon. Members rising to ask question of the Hon. Member who has just spoken? If not, the Chair recognizes the Minister of the Environment (Mr. Roberts).

Hon. John Roberts (Minister of the Environment): Mr. Speaker, I was glad that the mover of the motion had some kind words about my sincerity and my efforts in relation to the forest problems in Canada as well as kind words for the efforts of my colleague, the Minister of Regional Economic Expansion (Mr. Lumley). In turn, I want to say to the Hon. Member that I recognize his strong commitment to this extraordinarily important industry in Canada, and recognize the work that he has put into it on the Opposition side. I welcome the very constructive approach that he has usually taken in the House and almost always in committee when we are dealing with these issues.

The language of the motion, with its absurd charges of neglect, is clearly erroneous. I do not think that even the Hon. Member who moved the motion believes there has been that

neglect. I can understand, of course, that he can hardly stand up on an Opposition day and move a motion which praised, recommended and supported the efforts we have made. I think what underlies his motion is a desire to discuss before the House and before the people of Canada our major most important industry, the challenges that face it now and that will face it in the future. I share his general expressions on the importance of the industry and the need for industry, provincial Governments and the federal Government to co-operate and tackle the problems it faces.

When I gave my first speech as Minister of the Environment in March, 1980, I dealt with the forestry problems which face Canada. I will not read the whole speech to Hon. Members, although I recommend it to them because it lays out what our hopes and aspirations were for forestry. It concluded as follows:

> It is my firm intention to strengthen federal involvement in forestry. I am determined that, working with the Provinces, we shall create a climate that will permit and encourage the Canadian forest industry to stay on top in our increasingly competitive world.

I welcome the chance provided by the Hon. Member's motion to give a progress report on what we have been able to accomplish over the last three years and how we have been able to respond to that challenge which I described three years ago when I was given responsibility for this portfolio.

I think the most important thing to recognize, as I indicated I wanted to do, is that we have strengthened the Canadian Forestry Service. To head the service we brought in as Assistant Deputy Minister Mr. Les Reed from the private sector. His appointment was welcomed by all Members of the House who believed that a man of his experience and capacity would give effective direction to the Canadian Forestry Service. Two years later, we can see that the promise of his performance, the hopes and expectations, have indeed been fulfilled.

• (1130)

We have had the transfer from the Department of Regional Economic Expansion of the management of the forestry subagreements, which were previously the responsibility of the Minister of Regional Economic Expansion. We have had in that time a remarkable strengthening both of the funding and of the man-years in the Canadian Forestry Service. The number of person-years of the Canadian Forestry Service has increased from 10,029 in 1980-81 to 11,047 in 1983-84. So that the need which we recognized for strengthening the personnel resources of the Canadian Forestry Service has been met. Its budget has increased from just over $48 million in 1980-81 to just over $60 million in 1983-84 an increase of almost $12 million in its budgetary expenditure. Therefore, there has been a strengthening in human resource and financial resources.

We have established the Canadian Forestry Strategy Committee, led by the Canadian Forestry Service. It is a co-ordinating Committee which directs the efforts of the federal Government on the forestry side. It seems to me that the Hon. Member who moved the motion does not really understand the role of the Committee, nor the role of the Minister of Regional Economic Expansion and the role of the Minister of the Environment within that context. He may be genuinely confused about that and I would like to take a few moments, later to describe how that works.

The foundation of the forestry policy which we described as the one we wished to pursue three years ago, and the one which we in fact are pursuing, is one which is based on co-operation with the provincial Governments. We recognize their ownership of the resource and we realize that there must be not a pulling apart or a moving at cross-purposes between the provincial and federal Governments in this area, but that we must work together and we must both work with industry. As a result, the foundation of the policy which the federal Government is pursuing is one which rests in the co-operative work which we have done in the Canadian Council of Resource and Environment Ministers with provincial Governments.

It was as a result of our discussions with the provincial Governments, as well as discussions with industry, that we came forward with the forest strategy paper in October, 1981. This is the paper to which the Hon. Member who moved the motion referred. It outlines our analysis of the problems in the Canadian forestry sector. This analysis was arrived at jointly with the Provinces and indicated the major focal points which we should deal with in an attempt to resolve the challenges with which the Canadian forestry sector is faced.

That forest strategy, Mr. Speaker, outlines several problem areas. The major ones it touched upon were the need to improve forestry statistics in Canada, the need to develop a stronger market strategy for the exploitation abroad of Canadian forest products, and the need to focus in on problems of human resource development, so that the industry would have the kind of specialists and skilled woodworkers available to it who will be needed in the future. There was also a concern for the insufficiency of research and development, and a concern to meet the problems of forest protection and forest renewal. Those were the major areas of concern which were crystalized in the forest strategy paper which we had brought forward, as a Government, in the Autumn of 1981, after our consultations with the Provinces.

I would like to touch upon how we have responded to those challenges which were presented in that paper. I believe almost a mere listing of the actions which the Government has taken would be an effective and substantive refutation of the charges of neglect which, in a formal and, I believe somewhat artificial manner, were brought forward by my colleague from across the Chamber. The first problem was that of the insufficiency of a forestry statistics base in the country.

In October, 1981, at the same time as the strategy paper was introduced, the Cabinet approved the increase of the resources flowing into that forestry statistics base by $500,000. The base at that time was just under $1 million of expenditure for the establishment of forestry statistics. This kept on increasing so that the level of increase over the original base of $1 million is up over $1.5 million by 1983-84, with an increase of 15 person-years in the Canadian Forestry Service devoted to

that work. Given the need to strengthen our support for forestry statistics research, that response has taken place.

The second area of concern was that of a market strategy. Quite clearly, the Hon. Member seems not quite to understand that the responsibilities in relation to marketing are largely in the hands of the Minister responsible for DRIE, my colleague from the Cornwall area. This is not, as the Hon. Member seems to believe, an example of some kind of "conflict"—I believe was the word he used—within Cabinet over forest responsibility. There is no such conflict; I can frankly tell him that. If he believes there is some sort of inner contention or tension or disruption, that there is some sort of battle over responsibilities going on between my colleagues and myself, I must say to him quite honestly that that is a figment of his imagination. There is no such tension or battle going on.

It is clear that my colleague the Minister does have responsibility in the areas of commercial development. He has appointed a committee of private sector people to advise him on how we might improve the marketing of Canadian forestry resources. He has not done that contrary to my wishes; he has done that with my strong support. I believe it is an extremely important and valuable move which he has taken, one entirely within his responsibilities.

I also have an advisory council which advises me on matters in relation to forestry. There is some overlap between the committee my colleague has established and mine. However, there is no confusion or conflict of purpose. In a Cabinet, necessarily, a variety of Ministers have responsibilities and they manage to co-ordinate the way in which those responsibilities are exercised, one with the other. The way we do that in relation to forestry matters is through the federal Forestry Strategy Committee which brings together in consultation on a regular basis the Departments which are concerned. That Committee is chaired by the head of the Canadian Forestry Service. It is a relatively simple and rational structure ascribing responsibilities to those Ministers who are best placed to fulfil them and to ensure that proper co-operation and co-ordination takes place at the federal level. There is no great mystery about that, no great complication and no great battle. It is a most effective way of trying to ensure that the responsibilities of the federal Government are co-ordinated. If, as the Hon. Member seems to suggest, those responsibilities were given entirely in to my hands, he would be the first one to suggest we were not adequately ensuring that the activities of other governmental departments which touch upon forestry were being considered and integrated in our over-all forest strategy. What we have done is establish an effective working mechanism which ensures that that co-operation and research take place.

As I have said, my colleague has brought forward these new structures to help develop and improve market strategy for Canadian forest products. I should say in passing, however, that he and my colleague, the Minister responsible for international trade, have been remarkably successful in assisting the private sector and industry over the past few months in order to protect the Canadian forest products markets in the United States which, as you know, Mr. Speaker, were under threat of countervailing action. The industry, quite properly, organized itself to make representations in Washington, bringing a fair explanation of their case to the American authorities, an explanation which was successful in protecting legitimate Canadian interests. In that effort the federal Government, through myself and my colleagues, was effective, I believe, in providing support to the private sector representatives concerned.

The forest strategy in 1981 outlined the need for a concern for the improved development of human resources in the forestry field. We have acted. We have brought forward an increase which was announced in the Spring of 1982 of over $15 million in support of human resources development.

We increased the support going to forestry schools throughout the country from just under $300,000, by adding another $1 million for the year 1982-83—in support of the forestry faculties across the country, at the University of New Brunwick, the University of Laval, the University of Toronto, Lakehead University, the University of Edmonton and at the University of British Columbia. We have added $3.5 million in support for forestry schools in contract research and development, and for the employment of 300 summer students in 1983-84. Support in the development of human resources will increase to $6 million in expenditure in 1985-86. As I mentioned earlier, there is an increase in funding in that period of over $15 million in support of human resource development.

• (1140)

In order to improve our research capability, which was another aspect we focused on in the discussion of the forest sector strategy, we brought forward funding proposals for strengthening our efforts. We have signed research agreements with over half the Provinces to ensure there are neither overlaps nor gaps in our mutual research activities. By the end of this year we expect to have signed research agreements with all ten of the Provinces. We have increased our expenditures on research and development in the Canadian Forestry Service by $5.5 million for the year 1983-84. This will increase and improve the research into the production and increased utilization of our forest products in Canada. Again, in that area which was described as one of key concern in 1981, we have indeed responded.

One of the major ways in which we have responded to the forest challenge was our commitment in September, 1982 to enter into arrangements with each of the Provinces in support programs to meet the reforestation needs of the Canadian industry. Over the next two or three years we intend to sign with a forest renewal agreement with each Province, as we have already with the Province of Nova Scotia. An agreement with Prince Edward Island is ready to be signed. We will assist and encourage the Provinces and the private sector to co-operate in the needed objective of reforestation.

It is true, as the Hon. Member said, that one of the most desirable features of the forest renewal strategy is that in

signing these agreements with each of the Provinces we require as a basic condition that there be a long-term renewal plan in each Province with goals related to timber production, forest renewal and protection, and better utilization and increased productivity in the mills. That is and should be an essential precondition of the signing of our agreements. In this way we will ensure there is a better focusing on reforestation needs than there has been in the past.

In discussing what we were doing in this area, the Hon. Member, I think inadvertently, did not describe to the House exactly what our commitment is and why it constitutes such a novel commitment for us, as it relates to past practice. He quite correctly spoke of the quite strong need for forest renewal in Canada. We need by mid-decade to be spending something between $600 million and $650 million in Canada on forest renewal. That will virtually double the amount being spent at the present time by the industry, Provinces and the federal Government. Up to this point the federal Government has not been substantially involved in reforestation activity. It has always been considered that since the ownership and management of the resource was essentially in provincial hands, the federal Government did not have a major responsibility for participating in financial support for this area.

That position was changed by this Government. We have earmarked as a minimum, and it may turn out to be much more, federal expenditure of $130 million a year by 1985-86 for this purpose. I cannot say exactly what the figure will be because it will depend upon the negotiations with the Provinces. Of course, I cannot predict exactly what proposals they will make to us and how we will respond to them.

Now, the hon. gentlemen opposite seem to me to be arguing that is not a very significant increase over what we are doing at the present time, but in fact it is an increase to $130 million from virtually zero. It is true we have been spending something like $50 million a year under the DREE subagreements related to forestry matters, but those agreements were not specifically oriented to reforestation. It is also true we have been spending, under the Unemployment Insurance job creation program, money directed to short-term job employment opportunities in the forest sector, but that is and was always intended to be a one-shot program in relation to forest employment. So you would really be comparing apples and oranges to look at the $130 million a year to which we are committed for 1985-86 and compare it to the present level of expenditure on rather different Government programs.

The fact of the matter is that for the first time the federal Government is entering in a very substantial way into the support of reforestation in this country. What we believe will happen, and I certainly hope will happen, is that as a result of this initiative we will have an indication that we are prepared to support reforestation rather extensively, and we will get an equivalent response from the private sector and the Provinces, so that the $650 million figure which badly needs to be met will be met. It is an extraordinarily important step we have taken.

A few moments ago I touched upon job creation. That is another example of Government efforts in this area. Under the Unemployment Insurance job creation program we have added something like $35 million for 1982-83 alone in the forest sector of capital expenditures to assist with employment in the forest industry. It is short-term employment but it will have consequences for the longer term by improving Canada's wood supply. Obviously that $35 million is in addition to the $170 million which comes from Unemployment Insurance funds administered by the Unemployment Insurance Commission. To date, if memory serves me well, something like 11,000 to 12,000 positions have been created in the forest industry as a result of that program.

I see that you are ready to rise, Mr. Speaker. I regret that because it does not give me a chance to describe the most recent initiatives we have taken. If you could just spare me another 30 seconds.

Mr. Deputy Speaker: Is there unanimous consent for the Minister to extend his remarks?

Some Hon. Members: Agreed.

Mr. Roberts: Thank you, Mr. Speaker, and I thank the Hon. Members of the House. I will not trespass on their patience for very much longer.

I would simply touch upon the announcements over the last few weeks, some of which may have escaped the attention of some Members of the House. The first concerns the support of the research facilities and the pulp and paper research institute's efforts, both in Montreal and Vancouver. We recently announced that we are increasing federal funding of those efforts by something like $17 million.

I hope it has not escaped the attention of Members of the House that we recently announced a very considerable expansion of our funding of capital development of our research institutions all across the country. We made the commitment to go ahead with the Maritime Forest Research Centre in the Maritime forest complex in New Brunswick. We are committed to considerably expanding our research facilities in Ste. Foy, in Sault Ste. Marie, and in Victoria the home territory of the seatmate of the Hon. Member who made the motion. We have announced a very considerable strengthening of our research facilities.

Of course, it is not satisfactory to do research and undertake reforestation without taking into account the need to protect the forest resource. I could speak at much greater length about the activities of the fire control centre in Winnipeg which we established in conjunction with the Provinces. I certainly would have liked to have more time to describe the importance of the federal Government's commitment to support the acquisition of supplementary water bomber fleets across the country to provide a much more effective response to forest protection needs in Canada. This is an initiative we took as a response to the requests flowing to us from provincial Governments that we take the kind of action we have taken.

• (1150)

All of those things which have been done have been done very recently. I suggest that if any fair minded Member of the House were simply to review the list of what has been done in these major problem areas that we identified three years ago, he would have to say that there has been a vigorous effort and considerable success in responding to the challenges before us. Undoubtedly we still have more to do. There are still paths to be followed to the successful conclusion in the forest industry while it goes through the current transition period. We are moving from treating the resource as one to be mined to one which is a sustainable and renewable resource.

The record of the last three years is extraordinarily impressive as an example of Government commitment and our ability to work with the Provinces and the industry in order to respond to the needs of the Canadian forest industry.

Mr. Oberle: Mr. Speaker, I know that the Minister relies heavily on the advice of the forest sector strategy committee and the Council of Resource Ministers. I have no quarrel with all the documents and the strategy paper which have been published. I have no quarrel with the speeches he has made after he assumed his portfolio, since they were really a carbon copy of the speeches made by my colleague from Vancouver South (Mr. Fraser) when he was Minister.

Could the Minister tell us what kind of advice he expects to receive from this new panel that his colleague, the Minister of DRIE, has established? First, does he know that this panel has organized itself into sub-committees, not to study export potential or other industrial needs proper, but to study management techniques of the resource? They are techniques which would lead to the renewal of our forests and related manpower requirements which are essentially a duplication of the advice he is receiving.

Have his officials been invited to participate in this new panel and does he know what kind of information this new panel is giving? While there may not be any quarrel in Cabinet, I can tell the Minister that the bureaucrats are quarrelling. The Department of Industry, Trade and Commerce is digging in again and usurping the role that we had hoped the Canadian Forestry Service would once again play.

Mr. Roberts: Mr. Speaker, the Hon. Member has asked quite a few questions; I will try to answer them in a general way. I am familiar with the work of this committee. I am aware that it has broken down into a variety of subcommittees. I have met with them along with my colleague, and have had two short but general discussions with them.

I am not concerned that they are looking at a variety of problems. I suppose there are times when one can receive too much advice on problems, but I do not believe that is a risk with respect to the forest sector. Ultimately they will report to my colleague, in a continuing manner, who will reflect upon their recommendations and come forward with suggestions which will be discussed with the Forestry Strategy Committee chaired by my Department. If we decide to make proposals to Cabinet as a result of their deliberations and recommendations and after an assessment by the Forestry Strategy Committee, this will occur through that mechanism.

I am certainly not aware of any concern and my officials have not expressed any great concern to me about the establishment of this committee or its operations. Indeed, for some considerable time we were pressing my colleague's Department to focus in on the marketing, commercial and industrial management questions. We were happy to see them doing that. We endorse their efforts.

I am not aware of any concerns expressed along this line by anyone other than the Hon. Member. It may be that he feels there is some threat here, but it is not clear to me what he thinks that threat is or why it is so wrong. I can honestly say that this is not my sense of the situation. I welcome what is taking place and do not see how it can do any harm. It may provide some helpful counsel and I have undoubted and strong confidence in the ability of my colleague and myself to work together in a co-ordinated and co-operative way.

Mr. Deputy Speaker: Bearing in mind that Hon. Members are seeking to ask questions, the Chair is trying to distribute the opportunity in the limited time.

Mr. Oberle: Mr. Speaker, I have a brief question. I paid as much tribute as I will to both Ministers. His colleague did not know of the existence of these subcommittees dealing with matters that are normally those of concern to the Canadian Forestry Service. I suppose he will pass the advice on to the Minister.

The Minister is aware that his Department's manpower strength has declined by 50 per cent over the last 12 to 15 years. Since he no longer has that 50 per cent of manpower strength, who is doing the work that needs to be done in terms of the serious neglect of our forests? While the Minister said the strength is increasing, it is not nearly increasing to the level at which it was 12 years ago. Who is doing the work that those people did 12 years ago?

Mr. Roberts: Mr. Speaker, I would simply have to reiterate some of the points the Hon. Member has already made in his question. In some ways he has answered the question himself.

There was a great decline in person-years at the end of the 1970s and we both would agree that that was regrettable and unfortunate. I am sorry that that happened. We have turned that around over the past three years and have had an increase in the Canadian Forestry Service by something over 10 per cent.

Some of the work that was done previously is now being done outside Government. For instance, the Hon. Member knows that some of the operations which were previously undertaken in the practical application of the research side have been transferred to Forintek, which is outside federal Government service. The essential work done in bringing together the elements of the Canadian forest strategy in negotiation with the Province is undertaken by the Canadian Forestry Service. That does not mean that there are not civil

servants working in DRIE on forestry matters, particularly on the commercial side, and doing so in a useful and helpful manner. But the lead responsibility for the research, reforestation, human resources and forestry policies generally rests in the hands of the Canadian Forestry Service and the Minister of the Environment in Canada who is responsible for it. That is where the work will be done.

Mr. Jarvis: Mr. Speaker, is the Minister concerned about the partial or total overlapping or duplication of services between the two levels of Government? If so, what mechanisms and strategies are in place for the resolution of that overlapping and duplication in order that the services offered by both levels of Government can be most effective to the recipients of that service?

Mr. Roberts: Yes, Mr. Speaker, I am not only concerned about overlaps but also about gaps in the services provided by both federal and provincial Governments.

I believe the short answer is two-fold. On the research side we have negotiated research agreements with the Provinces. We have signed agreements with five or six Provinces at the present time and expect to sign with all of them by the end of the year. Those research agreements are focused exactly on the question posed by the Hon. Member. They are an attempt to ensure that we are not duplicating research that is done at the provincial and federal level. The purpose of those agreements is also to try and ensure that there is not a failure to do some research that is required.

On the reforestation side, the mechanism for co-ordinating our efforts is the reforestation agreements which we are signing with each Province. Those agreements outline the kind of efforts that are taken at the federal level and those expenditures which are required at the federal level to meet reforestation needs, and describe at the same time the programs which the provincial governments will undertake with their expenditures. As well, they will describe some occasional joint programs which are funded and operated together.

In terms of reforestation, we are trying to ensure that there is not an overlap or a gap in services in the process of negotiating these agreements and the allocation of responsibilities as determined by the negotiated final agreement.

• (1200)

Mr. Fulton: Mr. Speaker, my question to the Minister is quite brief. I think all Hon. Members of the House are aware that the amount which the Government takes in and puts back out in terms of taxation is very small. It amounts to about five cents return for every dollar taken. For example, in 1980, of $3 billion taken in tax and resource revenues, 43 per cent went to the federal Government and 57 per cent to the provincial Government. The federal Government only put in 5 per cent of every dollar which it took in.

I notice that the Minister referred to his policy statement, "A Framework for Forest Renewal". On page 5 the Minister notes that this year, between DREE, UI Section 38 and DOE support, about 37 per cent—

Mr. Deputy Speaker: With all due respect, the time limit is very brief, if the Minister is to reply. The Hon. Member will have an opportunity to speak, but would he make his comments briefly.

Mr. Fulton: By 1987 the Minister projected that would drop to 20 per cent. Could the Minister comment on what he expects UIC Section 38 and DOE support to be by 1987?

Mr. Roberts: Mr. Speaker, perhaps the hon. gentleman was not in the House when I discussed that point earlier in response to some remarks which had been made by the mover of the motion. One must make a distinction between two things: short-term, one-shot programs oriented to employment creation as part of our general effort to create employment in Canada; and other expenditures which are continuing, which become incorporated in the A-base of government expenditures which go on from year to year.

I cannot forecast what Unemployment Insurance expenditures will be two, three or four years from now in the context of this program. What I can say is that on the base level of virtually zero, we have indicated that we will be spending at least $130 million on forest renewal by 1985-86. That is a very different kind of expenditure because the forest renewal expenditure which we are discussing is permanent, ongoing, built into the A-base.

The two items which the Hon. Member has compared in his question to me are items which are of an entirely different nature, chalk to cheese. I did touch upon the point in my remarks in response to what had been said by the mover of the motion. Perhaps he would like to consider those, if he did not hear them clearly, when he reads *Hansard* tomorrow.

Mr. Kristiansen: Debate, Mr. Speaker?

Mr. Deputy Speaker: The period of questions and answers has expired, unless there is unanimous consent to extend it. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: In that case, I will recognize the Hon. Member for Esquimalt-Saanich (Mr. Munro).

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I would like to ask one question of the Minister, if I may. It relates to the comments he made concerning the appointment of an ADM in his Department, taking full credit for it. I think that in the interests of honesty and justice he would have to admit, and I hope he will admit, that the provisions for expanding the forestry section of the Department were in hand under the former Minister of the Environment, the Hon. Member for Vancouver South (Mr. Fraser); that the appointment to fill that particular position was made by the current Minister, although all the groundwork was done beforehand.

Mr. Roberts: Yes and no, Mr. Speaker. My predecessor had a strong commitment to forestry development. I salute it, recognize it and welcome it. However, it is not true to say that

all that simply happened was that we implemented plans which were already in the works. That is not the case. Many of the programs which I have described were not considered previously to my appointment. The appointment of the head of the Canadian Forestry Service was my responsibility. It was not simply the formalization of something which had been agreed upon earlier.

Mr. Deputy Speaker: I will now recognize the Hon. Member for Kootenay West (Mr. Kristiansen) for debate.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I am pleased to be able to take part in this debate on forestry. It is one of those industries which, while it is extremely important in terms of both the fabric of Canadian society and our chances and hopes for economic growth, receives little attention within this federal Parliament, due in large measure to the fact that the jurisdiction has rested mainly with the provincial Governments.

I should begin by reading the motion so that we can be clear as to just what is being said and what is not being said. The motion proposed by the Opposition states:

> That this House condemns the Government for its neglect of Canada's forests and its indifference to the threat posed to Canada's forests and forest industries by pests, fire, pollution and foreign competition, and calls upon the Government to stimulate the research needed to promote superior growth and diversify export products, and acknowledge its responsibility to protect the Canadian environment and the millions of Canadians whose livelihood depends upon Canada's forest resources.

In addressing the motion which is before us, bearing in mind the quote from our first Prime Minister in 1871—to which reference was made by the lead-off speaker in the debate—in which Sir John A. Macdonald recognized the dangers presented by the then and, in fact, continuing frontier psychology of cut and run, I cannot help but think of the biblical quotation, "Let he who is without sin cast the first stone". In this business, bearing that phraseology in mind, the silence in answer to that invitational phrase would probably be deafening from all quarters, not only in terms of the record of successive Governments federally, but in terms of virtually every provincial Government which has held office in this land since Confederation. Last, but most certainly not least, the private sector in this country has since time immemorial been one of the most irresponsible in failing its duty to protect the ongoing opportunities afforded by what is our nation's greatest resource.

In spite of recent and rather widespread general agreement among industry, management, labour and Government, as expressed perhaps most eloquently and most loudly, in drawing the whole issue to the public's attention, at the Canadian Forest Congress in Toronto in September of 1980—in spite of the rather widespread agreement stated eloquently at that time, we have still not seen, at least in those areas of our economy and those areas of Government in Canada most responsible—historically, constitutionally and practically, very many signs that this strengthened commitment to forestry is being kept.

I should say with regard to this aspect that there has been at least a reasonable amount of goodwill expressed in terms of the motivations of both sides of the House on the question. The federal Government since February of 1980, and, I believe, the former Minister of the Environment responsible for forestry in the Government from 1979 through to February of 1980, began to show the beginnings of the kind of commitment which was expressed so well at that congress. However, in the Provinces, and I am speaking in particular of my own Province of British Columbia, we have seen exactly the opposite of any commitment other than in words.

Because the Provinces still have the prime and fundamental responsibility for forest management, forest growth, reforestation and the management of the industry, it is very regrettable to me and, I think, to most people who are concerned with this issue across the country that we have seen both the industry and the Provinces backtracking just when we have finally begun to see, under both the existing and the past federal Government, the beginning of acceptance of federal responsibility. I hope, as the federal Government indicates, that it will keep some of its increasing commitment to the major resource in this country, that we will not continue to see a falling off in commitment of both the private sector and the Provinces in anticipation that the federal Government will continue to assume a larger share of the responsibility and fill their vacuum.

• (1210)

I find it somewhat strange that in presenting its motion the Official Opposition seemed to forget that, while its Conservative Government placed some increasing emphasis in words and directions on the forest industry in its 1979 budget, it did not appreciably increase the financial commitment of the federal Government. I return once again to the quotation, "Let he who is without sin cast the first stone".

It strikes one perhaps not as hypocritical but certainly as passing strange to see the venom in the first few phrases of the motion before us. Also it is interesting to note that it is the very close political allies and bedfellows of the Official Opposition, whether it be the Social Credit Government in British Columbia or the Conservative Governments of Ontario and the Maritimes, who are responsible for the declining attention paid to what should be a vital commitment to this industry, at a time when the federal Government, however reluctantly and however slowly it is beginning to act, is beginning to make the necessary kind of commitment. Perhaps they do not talk to each other, but they should start.

The old definition of leadership, whereby we look to see which way the crowd is going, then run like the devil to get in front of it and appear as though we are leading, may be fine as regards a whole host of issues; but when it comes to a resource which requires 80 years or 90 years to grow, which is the case with our major species in British Columbia, it will not wash.

My own Party is not without sin in this regard in areas where it has had provincial power. It behooves us all, regardless of our concepts about leadership and partisanship, to rely

to some extent upon public opinion to push us into choosing one priority over another. In this nation the public sometimes has difficulty sensing the importance of the forest industry because it is everywhere and thus seems to be nowhere. It is scattered throughout some 300 communities across the length and breadth of the land. It does not therefore have the political sex appeal of an industry in which, when there are problems, some 10,000 people are affected in a given community. It is not that way, so there is little public consciousness, except that which is organized within the confines of the industry or among those who have some direct interest in the resource, of the kind which causes governments to feel compelled to act. The usual public pressure is often lacking.

I ask the Government—it may have been mentioned by my colleague previously; I know it has been on many other occasions—to look again at the recommendation of the members of the Standing Committee on Fisheries and Forestry, that we have a forestry task force to travel Canada, not only investigating the facts as they affect the industry, but raising and keeping raised the public consciousness which is so important to prod all of us, provincially and federally, including the industry, into the action we recognize is vitally needed.

I would like to comment briefly upon the demand as most recently expressed by the Science Council of Canada. This proposal which has been broached many times by Opposition representatives of both Parties, is that greater consideration should be given to the immediate establishment of one ministry within the federal Government responsible for all areas related to the forest industry. The jurisdiction within the federal Government is now divided into some 23 departments and subdepartments. As was mentioned earlier, we may be seeing a renewal of the departmental tug-of-war with the appointment of the new industry advisory committee under the Department of Industry, Trade and Commerce. This may tend to direct attention—and federal attention as well—away from the area where Government has prime responsibility—the maintenance of the forest resource itself.

That past ignorance of our resource base is the greatest crime perpetrated on this industry and on the communities dependent upon it since Confederation.

It is largely the responsibility of the private sector—because that is the nature of our economy—to modernize its own plant capacity and to reinvest some of its earnings in its own industrial plant. The prime duty and obligation of governments, primarily provincially, but also the federal Government which, after years of inaction is now moving in to fill some of the vacuum, is responsibility for the resource. But it is mainly the responsibility of the companies involved in forest production, not government, to ensure the modernization of their own plant and their ability to remain competitive.

It was a matter of consternation to a number of my colleagues and myself that two or three years ago several hundred million dollars were put in to what was called the forest industry modernization program. This money was expended largely within central and eastern Canada. There is no wish on my part to decry the needs of the industry there, but we have some pretty old and outdated operations in western Canada as well. We regarded the expenditures under the DREE program as being inappropriate in terms of the priorities of the federal Government or any government. At a time when it was obvious that unemployment in Canada would rise, particularly unemployment in the forest products industry, government funds, government incentives and government grants were used to modernize plants in such a way that they drastically curtailed employment and caused significant lay-offs.

We know that modernization must take place in order that we remain competitive. But given that it is the primary function of the private sector to modernize and keep modern its own plant capacities, that action was a totally inappropriate allocation of financial resources, particularly in view of the never ending backlog and continuing pile-up of backlog in the area of forest management. Whether it was backlog planting or keeping up with cutting practices, it was just a total misallocation of resources. I am afraid—and I am not the only one—that the emphasis which will almost naturally develop in this new forest industry task force, with its specific terms of reference will result in even more inappropriate allocation of funds, resources and priorities at a time when the crying need is to place more emphasis upon the maintenance of a healthy resource.

The situation in Canada in terms of our reforestation backlog is indeed frightening. Canada's forest companies cut about 8,000 square kilometres per year and plant or reseed about one-quarter of that area. In addition, about 2,000 to 3,000 square kilometres grow reasonably well on their own, but about 3,000 to 4,000 square kilometres per year are abandoned to lie idle and produce unusable scrub or trees. In the Province of British Columbia not only are we not keeping up with the current cut, but the backlog continues to increase. We have made no noticeable dent in the backlog of devastated areas.

Earlier in my remarks I mentioned what might happen if something is not done to force provincial Governments to fulfil their responsibilities. I think it was last December that the federal ministry made a commitment of approximately $60 million. I may be incorrect on that figure; I stand to be corrected. In return, the Provinces were expected at least to uphold their commitment to reforestation.

• (1220)

We did not hear anyone deny his share of responsibility. We assumed that that silence was general acceptance that the Provinces would undertake to fulfil what should be their historical role and responsibility, in return for an increased commitment from the federal Government, whose own financial buckets are not exactly overflowing.

What has happened since? We have seen another proposal. Give them an inch and they take a mile. I do not know whether the proposal was made officially, but it was certainly captured by the press in British Columbia. The proposal was that if the federal Government would pick up all the backlog reforestation in British Columbia, the Province would do its share by

maintaining the current situation and ensuring only as much is planted as is cut every year.

The provincial Governments and the Official Opposition want to diversify and give more power to the provincial Governments. How can we trust that kind of situation? If all they are saying is more, more and still more, that is worse than the Old Sam Gompers kind of trade unionism. They want more and more federal Government money expended, yet they are not prepared to fill their existing responsibility or even the diminished responsibilities that are now there since the federal Government is willing to take up its share.

Some Members of this House had better talk to their colleagues in the Provinces and in industry. According to the Associate Deputy Minister when he appeared before the committee a few weeks ago, it is not only in education but in terms of the commitment to reforestation that the companies and the Provinces have been falling back over the last two to three years. They claim some temporary financial hardship. However, I have not noticed the federal Government rolling in wealth over the last while.

It may be true that while we should not cast stones unless we are without sin, in this situation no one would talk about or do anything if he took that kind of advice literally and obeyed it. We have to admit that in the private sector, in the Provinces and the federal Government, it has taken a long time—and the Liberal Party has been in power for 19 of the last 20 years—to recognize that this is an emergency situation. Regardless of traditional areas of responsibility, the federal Government must move. After all, it is Canada's most important industry in terms of its contribution to our balance of payments.

Federal and provincial Governments, industry, management and labour must begin to work together as we successfully did, regardless of Party or interest, in combatting the unjustified appeal by some parts of the industry south of the border in its application for countervailing tariffs. That was a situation and a conflict we would have liked to avoid, but the fact that we did work together successfully presents us with certain examples and opportunities.

If we begin to work together in a constructive way, recognizing our responsibilities, we will commit ourselves to the maintenance of Canada's most important resource, not only to our economy in general, but to the fabric of those communities spread across this country which are the soul of our entire national being.

Mr. Deputy Speaker: Are Hon. Members rising to ask questions of the Hon. Member who has just spoken? If not, the chair recognizes the Hon. Member for Qu'Appelle-Moose Mountain.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, the one thing that strikes me about this debate is that Parliament is coming slowly back to its primary function of discussing something that goes beyond Party politics. Canada traditionally, certainly since 1905 at the federal level, has paid very little attention to resource industries. This tradition has grown up in our civil service. It affects Members of all Governments. It is believed that since the resources belong to the Provinces, there is nothing we have to do.

Periodically there is a slight movement by the Parliament of Canada in connection with resources. In 1953, in view of all this evidence, a very good friend of mine, the Right Hon. Louis St-Laurent, introduced the Department of National Resources. He set it up for the first time. He made a very significant statement that should be quoted in relation to this debate and in relation to the remarks by the Right Hon. John A. Macdonald. His statement was that we in Canada have dealt with resources in a complete absence of mind. Therefore, he set up the Department.

That was a forward step. Unfortunately for him, he collected his Department from the existing civil service, the Department of the Interior and so on. He put a whole group of sections together who held the same body of opinion that had been held all along; therefore the history did not develop very fast. When in trouble, civil servants simply suggest re-organization. No Department has suffered from this more than forestry.

I had the honour to present to Cabinet in 1959 that we take forestry out of my Department, give it the importance that it demanded and make it a full Department under a Minister. It is true that we laid down the fact that the future lay in the strong co-operation and support of the Department of Forestry by the Department of Agriculture. It was clear from the demand factor reported to the people of the world by the United Nations through the organization called FAO.

Ever since 1949, that organization of the United Nations warned the world of the declining shortage of wood and other types of fibre. Because of that, we got a Department of Resources in Canada in 1953. We went one step further and made it a separate Department of Forestry and got the support of agriculture at that time, the heavy-weight Department, to give it full support.

I would like to say that we have made some progress. We received agreement from all the Provinces, even P.E.I. We brought in the ARDA in 1961 with the support of all the Provinces. We said the Provinces own the resources and have complete responsibility, and we own the resources in Canada lands, which are much greater than theirs. We said we would develop it as a unified operation. That is why we started to work in 1957 on the Resources for Tomorrow Conference which dealt with the renewable resources. Those four volumes are must reading for any Minister.

Before I leave that, as part of that Resources for Tomorrow Conference it was recommended that the 11 Governments work together as equals. We set up the Canadian Council of Resource Ministers. I am sorry that Walter Dinsdale is not here; he had the honour of setting up that Council. The first president was selected from the Provinces. Who do you suppose was the first president? It was a man who came to that conference absolutely opposed to the federal Government having anything to do with the resources of his Province. That man was then a Liberal. He is now the Premier of Quebec, the Hon. René Lévesque. When he met with us not only at the

Resources for Tomorrow Conference but also at the Canadian Council of Resource Ministers, he accepted the presidency. He said that that was the only way the federal system would work, the Provinces and federal Government co-operating in the interest of the resource, leaving the politics out until it has been decided what is right for the resource, and letting each section do what it is responsible for.

That was a high point in the forward motion at that time. Quite frankly, the last twenty years have been largely wasted. I read these fine words written by the Hon. Member for Vancouver South (Mr. Fraser), the present Minister and other Ministers, but the only person who really tried hard to put some clout into it since 1963 was the Hon. Maurice Sauvé. But he got tied up with Quebec politics and was shuffled out of the House. He is now the head of a paper company.

• (1230)

Reference has been made to the Cabinet decision of 1980, and the Minister says that he has kept this decision going and deserves credit for it. But the key objectives in the Cabinet decision of 1980 were to go for the markets and for new uses for forests. This is what I want to deal with in the next ten minutes.

The phrase "research and development" is widely used. In forestry, it could mean selective breeding. We have done wonderful work in selective breeding both in Petawawa and in the Provinces. Petawawa is where the Canadian Forestry Service field work operates. But the need for new forest uses and market demands has not been fully met. These are the two things I want to emphasize.

Genetic breeding has long been used in Europe. The federal Department used genetic breeding on one or two varieties of trees, and the work was carried out in the applied sense with the Province of Ontario and the Province of British Columbia. The Province of Ontario used the federal Department of Forestry's work on genetic breeding and applied it to a tree which we look on as a weed, a tree called the poplar tree or the aspen tree, which was crossed genetically with several varieties. The Government turned this knowledge over to the various Provinces. Ontario took it up and in a ten-year program demonstrated that this weed tree would produce five to seven tons an acre per year.

The Province of British Columbia applied this knowledge to the alder tree, a tree which is almost considered a weed in British Columbia, and produced 15 to 20 tons an acre per year. That can be translated into dollars and cents. I can recall that in my day I fought hard to prove that I could get $30 per acre per year from forestry for every farmer in the Ottawa Valley and in the marginal areas of eastern Canada. That proposition was accepted by the Treasury Board which set aside $2 billion for it. I was the Minister of Agriculture at the time.

This concept of forestry, not only reforesting but reforesting with the right type of tree for the market, was to be put into the hands of farmers. That is where the costs come in. It was the intention to get all that money back from the farmers when they got into a profit position, which was demonstrated to be a cost of $30 per acre per year, and then they would pay back 15 per cent of their profits. It was the same technique as was used in Malaysia.

I tell you these things, Mr. Speaker, because they are still necessary. There are new programs which will give us the opportunity to help all of eastern Canada, particularly the boreal forest area. Nothing of a positive nature has been done. I know that some work was done by the Quebec Government in the Gaspé and that some work was done by the Godbout Government of Quebec in the 1930s with forest plots. The rich areas of the Ottawa Valley, all around Georgian Bay and all through the clay belt right through Quebec and into the Maritimes, should be the wealthiest agricultural and silvicultural area of the world.

Thanks to the Hon. Member for Prince George-Peace River (Mr. Oberle), we have now come to the realization that we must put our views forward, though not in a partisan way. No Party should bring partisanship into the resource industry, whether it be agriculture, forestry, mining or anything else, because the resource industry is our lifeblood. The key opportunity exists now in the field of markets.

For too long now the forest industry in the far west has concentrated on long-term agreements for paper with the United States. The lumber industry is more controversial and more competitive. At one time the Japanese log market was being developed, but when I came back from China in 1964, I pointed out to the forest industry the tremendous opportunity there was for markets in China. China is 80 per cent mountainous country with a lot of overburden, land that is good for growing trees. I know that the Japanese had burned those hillsides down during the war so that the Chinese would have no place to hide. I know that the Chinese people from every village and city volunteered millions of man-hours to plant those hillsides in the evenings.

In China, there are factories with long production lines. When a workman is setting his machine, he must run all the way down the production line, twice the length of this Chamber, to study the blueprint. He then must run all the way back and set the machine. He might perhaps have to go back again to revise his figures. What would this workman do if he had papers in front of him? Even school children are only allocated four or five little pieces of paper two inches by three inches each day. What a market for paper there is in China.

I say the same thing today as I said to the delegates from China who were here three weeks ago. I told them that what I recommended to them in 1964 is still true. The way that Canadians can help them most is by using our knowledge and know-how to protect the Chinese hillsides from erosion and to develop a forest industry for China over 50 or 60 years that the whole world will need. I told them that they would have to buy considerable supplies and receive much knowledge from us. I told them that they should set up joint enterprises with Canada so that we may exchange our knowledge and create a tremendously increased future for both nations in the forest industry.

In 1964 I suggested to the Canadian forest industry that it dedicate 10 per cent of its production to the Chinese market and that it combine legally for export purposes as allowed by law; but it did not want to give up that nice, fat market in the United States. We are paying a heavy price for that today.

I am not trying to pin the tail on any donkey. I am simply saying that the opportunity is still there. The Chinese delegation came here three weeks ago. They know that the proposal that I made to them in 1964 is long overdue and they want to do something about it. As the Minister spoke, I wondered if he was aware that the Chinese delegation was here and if he was aware of their tremendous interest in exchanging our products for 20, 30 or 40 years to build up their forest industry. I wondered if he was aware of the tremendous need the Chinese have for lumber. If you have ever lived in a cement house, Mr. Speaker, with cement floors and cement walls—and you know how clean the Chinese people are—you would know what a wonderful thing it would be to have a wooden frame in the window and to have a wooden floor. The need for paper in China for even the most elementary uses boggles the imagination. The same thing applies to the whole Pacific area and applies especially so to Africa.

In summary, my ideas are the same as they were in 1964. Read my speech in the Fall of 1964, which is nearly 20 years ago, a speech which put my proposals on the record of the House. There proposals included joint enterprises, international commodity agreements, the setting up of legal combines recognized by the Government for export and research for private enterprise, the setting up of international selling agencies that sell to these countries, and if these countries do not have the money, we would sell their produce so that they would have enough money to pay for it. I could go on listing these proposals, but I think that I have demonstrated what I mean.

In conclusion, one thing that was mentioned in the ministerial statement from Cabinet back in 1980 was other uses for the forests. We know that the forests are the greatest producers of waste in the world and waste is a much bigger asset than is the product. The Crosbie budget, which was referred to a moment ago, was a small step toward getting at that waste by making it legal for people to have stills, for example. What is important is the animal feed that comes out of the forest—plywood, the lumber, the pulp, and finally the energy.

• (1240)

Twenty-five years ago the average production from agriculture in the Ottawa Valley was $7 per acre per year. I was able to persuade Treasury Board that $30 per acre per year in the future would warrant a $2 billion expenditure over 20 years. I know that with these types of uses today we can produce $200 per acre to $300 per acre per year from so-called wasteland and we can restore Ontario to its earlier position of a great forest and farm area.

Sixty per cent of the land that was opened up in Ontario has gone back to bush. Let us put a good type of bush in place and let us make money from it. At the same time as we are making money we know that we are helping a lot of people all over the world. Whether it is a woman who has a floor to sweep instead of cement floor, the child in the school who has a paper to work with, or the worker who has a blueprint in front of him instead of having to run a quarter of a mile every time he wants to put a setting on a machine, it is enough to gladden the heart. Not only do we make money in this way but we help our fellow man.

Mr. Roberts: Mr. Speaker, first of all I want to congratulate the Hon. Member on his speech. I first become involved in forestry matters when I was an assistant to the Hon. Maurice Sauvé. I have tried in some ways to carry on the work he did at that time and which the Hon. Member has touched upon.

The Hon. Member mentioned the importance of relations with China on forestry matters. I wonder if he is aware that I have visited China and discussed forestry relations with the Chinese Government. In about a month's time I will receive a visit from the Chinese Minister of Forestry in order to carry on these discussions.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Yes.

Mr. Denis Ethier (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, this is the most important day for forestry that this House has ever witnessed. You might even suspect that the Government had actually inspired the Hon. Member for Prince George-Peace River (Mr. Oberle) to name this as "forestry day". It provides us with a golden opportunity to record the accomplishments which the Minister of the Environment (Mr. Roberts) has achieved. He will be remembered, I assure you, as the most successful advocate of forestry that this House has ever seen.

It is my pleasant task to describe for you the cornerstone of the Government's forestry strategy, forest renewal, and then tell you how it is being implemented from coast to coast. At the outset however, I want to remind the House that the Government has pledged over $1 billion to Canadian forestry in the last two years. This is not neglect, Mr. Speaker; quite the contrary. The $1 billion represents a fundamental commitment to forest renewal, and to the wise use and conservation of Canada's most valuable natural asset, its forests.

May I begin by reminding the House that the most important issue facing the forest sector is timber supply. Local shortages of wood at a competitive cost have emerged in every Province. In the past, it was customary to harvest virgin timber and leave nature to replenish the supply. In effect, we mined the virgin forests and gave too little thought to the future crop. Forestry is now in a critical transition stage where mining must give way to systematic forest renewal and harvesting.

The limits are in sight for premium softwood sawlogs in many locations and supplies of larger, higher quality hardwood logs have been largely depleted. Pulpwood shortages are emerging in communities across the country. Only a fraction of our forests are being managed for sustained production, even today. In most cases the timber resource is renewable,

both promptly and adequately, only if action is taken immediately following harvest or natural calamity.

Even in British Columbia there are projected shortfalls. These can be prevented only by a major improvement in forest renewal performance.

The best evidence we have shows that only four Provinces have uncommitted softwood timber reserves and that these reserves are largely uneconomic because of the high costs associated with remoteness, low volume per hectare and other factors. The Provinces appear to be approximately in balance and the remaining four are in a deficit position.

Another important factor in timber supply is that averages for a large region tend to cloak severe local problems. For example, a surplus of low-quality fir pulpwood is of no value to a sawmill designed for large diameter pine and spruce logs. And a surplus of timber in one area may be too costly to move to a deficit area, even if the specifications match perfectly.

The hardwood resource contrasts sharply with the softwood situation described above. There is a marked surplus of hardwoods, with only one quarter of the allowable cut being harvested at the present time. But the hardwood expansion potential is limited almost exclusively to poplar and aspen types.

The higher value hardwood species, maple, ash, birch and walnut have been severely overcut. Canada is now importing hardwood logs, lumber and veneer for furniture and other industries. The majority of these high-value hardwoods are located on private land in the Maritimes and the southern portions of Quebec and Ontario. Even today, serious forest renewal is practically non-existent in most hardwood forests on public and private land. Interest in managing the hardwood resource is lagging at least a decade behind that for softwoods.

This description of Canada's timber supply may sound exaggerated to some, but it has been verified by recent inquiries in each of the Provinces. To others it may convey a message of pessimism and hopelessness, although this is certainly not intended.

The existing industry can be stabilized and indeed launched on a new period of expansion, provided that the challenge of forestry is understood and accepted. What is needed now is action to harness the expertise and the necessary financial resources.

Before I describe what is actually being done, allow me to remind the House of what we mean by "forest renewal". First, it is prompt regeneration, after harvest or natural losses from fire and insects. Second, it is timber stand improvements following regeneration, such as spacing, pre-commercial thinning, weeding of brush and other competing vegetation, and fertilization.

How does forest renewal fit into intensive forest management? Intensive forestry embraces all the above, and in addition includes inventory work, harvesting, protection from fire, insects and disease, planning, access roads and administration.

Forest renewal means that higher quality timber can be produced in a shorter time. It also means lower logging and handling costs to the extent that intensive treatments are applied near manufacturing plants and on less rugged terrain. The longer run gains will include higher volumes per hectare, more uniform tree size at maturity, and less decay, waste and breakage. Each of these will tend to lower costs of delivered wood and thereby contribute to our competitive capability in export markets.

The additional timber can often be made available as soon as management is accelerated. You may not have to wait until the newly planted tree matures before achieving benefits. Where an adequate volume of mature timber is still available in a timber supply area, intensive forestry gives rise to the "allowable cut effect". Simply stated, you can harvest more if you grow more. Unfortunately, the mature timber may be so badly depleted in a given area that no increase in the annual harvest is possible for two or three decades. In these cases forest renewal is geared to survival rather than expansion of the industry.

As a general rule, however, forest renewal promises substantial gains. Experience in Canada and in similar northern forests elsewhere has demonstrated that gains of 50 percent to 100 per cent or more can be achieved in volume available for harvest. Additional benefits include timber of lower cost and higher quality than can be secured through closer utilization or harvesting remote stands.

• (1250)

Before a decision is made to push back the forest frontier in some remote area, it would be prudent to consider first the associated public and private costs, and then compare what the equivalent expenditure would yield if directed to intensive management on lands adjacent to the mills. Today's high energy and transportation costs make it imperative that we begin to examine benefits and costs in this way.

Current expenditures on forest renewal by senior governments and industry are believed to be in the order of $300 million annually. Recent information from the Provinces indicates that an additional $100 million will have to be spent just to sustain existing harvest levels. If we are to increase the harvest in line with increasing demand for forest products and to reflect economic development opportunities, it is expected that a total annual expenditure of $650 million will be required by all parties. The foregoing estimate is based on a regular program involving increasing replanting on current cutover from 200,000 hectares to 500,000 hectares annually with genetically superior seedlings, and on increasing silvicultural treatments, such as weeding, spacing and fertilizing from 100,000 hectares to 400,000 hectares annually.

In addition, a special program area is the backlog of idle forest land. It has been mentioned as a medium-term project where federal initiative would be welcomed by Provinces and industry alike. Rehabilitation of at least 100,000 hectares annually over a decade would bring back into production a

good share of the neglected land which is adjacent to producing mills. The costs of keeping up with the current harvest and catching up with the backlog of neglected land are estimated to be $650 million annually in 1982 dollars.

Of course, better forest management will cost more. On the other side of the ledger are the expected benefits from the increment in available timber volume which, together with the anticipated increases in both real price and value added, could be expected to yield the following dividends for the Canadian economy annually: employment opportunity for 75,000 to 100,000 people in forest renewal, logging and manufacturing; increased annual sales of $22 billion, or double the present value; additional exports worth $12 billion, also double the present value; consequent benefits in related supply and service industry; increased tax revenue in excess of $1 billion.

The net revenue picture needs to be underscored. An expanding industry with a healthy resource base would generate additional tax revenue to senior governments which would be several times the additional forestry costs. In contrast, further neglect of forestry would quickly lead to widespread economic dislocation and bills of a different kind would fall due. The regional impact of the strategy would be pervasive because of the widespread importance of the sector. In the Maritimes, the first effect would be to stabilize the wood supply of the existing industry. Eventually increases in yield would allow increases in mill production. Increases in production should be possible much sooner in parts of Quebec and northern Ontario. This is particularly true of the Lakehead region where much productive forest land was not regenerated. The prairie Provinces would benefit materially from development of technology to use poplar. The greatest long-term impact, however, would probably be in British Columbia, which currently produces half of Canada's timber.

Some would argue that the federal Government has no responsibility for renewing the forest, citing provisions in the Constitution Act of 1867. Nevertheless, a historical review of federal forestry activity reveals a long-standing commitment to the forest resource and its related manufacturing sector. The pay-off has been directly in line with obvious federal responsibilities and priorities, such as: stable growth in employment; foreign exchange earnings; regional economic development; and environmental quality.

The allocation of funding responsibility varies from one Province to another. The provincial forest services have traditionally concentrated on silviculture and forest protection, with the federal Government tending to focus on silviculture by way of cost-sharing agreements and on forestry research. The private sector has concentrated on items related to timber production, such as inventory, working plans and roads, giving less attention to forest renewal and protection.

The provincial Governments now pay for the majority of forest renewal on their Crown lands, either through direct expenditures, payments to industry for work done under tenure agreements or indirect payments to industry through a stumpage offset system. Over the past ten years stumpage prices have risen dramatically. The most notable example is in Quebec, which recently announced an increase in annual stumpage charges of 130 per cent. Other Provinces have either increased stumpage or are planning to do so. The trend is in response to a scarcity of general revenues and to the need to fund increased forest renewal programs.

The private sector's direct share in forest renewal is expected to increase sharply in this decade, judging from recent moves in several Provinces. In Newfoundland, the two major companies are now carrying nearly half the costs. They are spending $4 million annually on Crown provincial land, compared with less than half a million dollars two years ago. New Brunswick's new legislation puts a heavy demand on the large freeholder to manage land intensively. Saskatchewan is studying means to increase industry and Crown Corporation responsibility for renewal. Quebec will soon place about half the forest renewal burden on companies.

One of the principles stated in the document "Forestry Imperatives for Canada", and subscribed to by the federal Government, is that responsibility for funding maintenance of the resource should be proportionate to the benefits received. This is actually a jointly held view of the provincial and federal Governments, adopted by them within the Canadian Council of Resource Ministers.

There is another fundamental fact involved here. Federal leadership is absolutely essential to the wise use and conservation of natural resources. Forest management in Canada since 1945 has depended in large measure on joint programs. Many will recall the old Canada Forestry Act which provided complementary federal funding to the Provinces. That was before the days of DREE general development agreements and forestry subsidiary agreements. Federal leadership will be expressed once again in the new generation of forest renewal agreements, beginning with the Nova Scotia agreement in the summer of 1982. A new agreement will be implemented shortly in Prince Edward Island, and negotiations are progressing in all the other Provinces. This Government's objective is to have agreements in place in all ten Provinces by the end of this year.

In summary, there is a great deal to be done. The nature and scope of this work is fully appreciated by the federal and provincial Governments as well as by industry. Now we must find the resources to support the Canadian Forestry Service which has the lead role for the forest sector.

Forestry in Canada is indeed undergoing a transition, from exploitation of the resource to more systematic forest management. The momentum towards forest management must be increased in order to ensure that the resource is capable of sustaining current and expected levels of economic activity. Indications are that the present levels of forest renewal activity, the most important aspect of forest management, will not sustain a harvest level sufficient to fulfil future needs.

Finally, the climate for co-operation has never been better across the country. I hope and expect that all the Parties in this House will join with the Government in the cause of forest renewal.

Mr. Deputy Speaker: The Hon. Member for Esquimalt-Saanich. Order.

S.O. 21

Mr. Munro (Esquimalt-Saanich): May I call it one o'clock, Mr. Speaker?

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

AGRICULTURE

NEED TO CONSERVE ARABLE LAND

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, we cannot afford to degrade our vital land resources because there exists a fundamental interdependence between energy and land resources in the world and Canada. As our farm land is continually shrinking, the need for conservation of this scarce resource becomes more and more pressing. Only 13 per cent of our total land area can support agricultural activity, yet substantial crop land is lost annually by soil erosion. The continual degradation of land requires increased quantities of fossil energy in the form of fertilizers and other inputs to offset lost soil productivity.

According to calculations by U.S. specialists in soil erosion, an estimated five-gallon equivalent of fuel per acre is used to offset the soil erosion loss on crop land. On the estimated 281 million acres in production in Canada, 1.4 billion gallons of fuel equivalents have to be used annually to offset past losses. This equals some 40 million barrels of oil annually, or about 30 per cent of our oil imports. The direct cost of erosion to the prairie farm economy is estimated at $368 million a year. The total soil loss due to erosion equals a yearly yield reduction of more than 71,000 tonnes of wheat. These high figures point out how acute the problem of soil erosion is and its implications in terms of future high energy inputs and lost potential.

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INDIAN AFFAIRS

NATIVE ECONOMIC DEVELOPMENT FUND—CONDEMNATION OF GOVERNMENT POLICY

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, we have heard nothing from the Government about its plan to turn native Canadians into Liberals—otherwise known as the Indian Economic Development Fund—since a Cabinet document was revealed here in the House last week. As you know, that was the document which advised that money from the fund is not to go to the people who need it, or for social services such as housing. It also said that the board of the proposed Crown corporation should consist of native people who are Liberals, and not representatives of native political organizations. It proposes to produce yet another classification of Indian "Luie", or "Liberal urban Indian entrepreneur".

At the time it was first uncovered the Prime Minister (Mr. Trudeau) suggested it might be a forgery, but when we attempted to table it here in the House the Liberal Members refused to allow that. We would like to think a fund exists. God knows the Indian people of Canada need and deserve some attention from the federal Government, although I do not think this callous "buy a Liberal Indian" plan is exactly what they had in mind.

Instead of making lists of ridings where Indian votes could be crucial, why does the Government not make lists of useful, humanitarian programs it could implement with this fund? We need another special recovery program to try to recover a sense of decency and honour in dealing with Canada's native people.

* * *

[*Translation*]

EMPLOYMENT

GOVERNMENT'S OBLIGATION TO ADOPT ADEQUATE POLICIES

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, Saturday, more than 15,000 demonstrators marched in the streets of Montreal to draw the attention of governments to the unemployment problem, and there was a demonstration here today as well. These demonstrators were demanding the right to steady employment and policies aimed at not only maintaining existing jobs but also promoting full employment, as set forth in the United Nations Charter of Rigths. Furthermore, the Federal Government should adopt policies that will stimulate the economy, meet the needs of Canadians, ensure greater economic independence, bring about tax reforms aimed at taxing the richest and largest corporations and finally, develop an industrial strategy that recognizes the right to work. In addition, concrete measures must be taken to fight against social inequality which has grown steadily in the last twenty years. These specific and concrete demands from Canadians across Canada, in Montreal, Regina, Toronto and Saskatoon, are addressed to the federal Government. It is now up to the Government to act.

[*English*]

PUBLIC WORKS

AWARDING OF ARCHITECTURAL CONTRACTS

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, architects, engineers, and lawyers, having completed their studies and complied with the regulations of their special regulating bodies, deserve to be given consideration in practising their speciality in their local community, and they should expect the support of the various levels of government. Two highly respected architects in my constituency, who have excellent qualifications and experience, feel that a type of discrimination is being shown in the awarding of contracts by the different levels of government whereby local firms are ignored in favour of larger firms, usually from outside the local community.

Under federal Government procedures, when a project is announced a competition is held to choose the architect to be granted the contract. The same is true at the provincial and municipal levels. The competition is based on a number of factors, including the design submitted, the record of previous projects completed, the capitalization behind such architects, as well as the engineering firm with which they work. It appears that a small number of firms, generally located in larger urban centres, have attracted a larger team which wins the majority of contracts.

This practice is unfair to a number of highly trained, locally-based professionals who have skills as competent as those in the larger firms. These smaller local companies should be awarded more of these contracts. This would help to direct more Government funds to local architects, and there will be—

Madam Speaker: Order, please.

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WESTERN GRAIN TRANSPORTATION ACT

PROPOSED PAYMENTS TO RAILWAYS

Mr. Gordon Taylor (Bow River): Madam Speaker, Bill C-155 has inflamed separatism in Alberta. Hundreds of loyal Albertans are now asking: will Alberta ever get a fair deal from Ottawa?

The Minister of Transport (Mr. Pepin) astonished and pleased Albertans when he indicated that he would follow the Gilson recommendations and pay the shortfall of the Crow to the producers. In every part of the Province hope was rekindled. Finally, Alberta hog and cattle producers and processors were going to be able to build their industry and find new markets. But the glad tidings were shortlived. The same Minister, ashamed even to face the House, announced across the street from the Parliament Buildings that the Government had changed his mind, that the shortfall would not be paid to the producers after all but to the railways, thus sentencing Albertans once more to be "drawers of water", for the benefit of Quebec.

It is rumoured that the Minister wanted to give the West a chance but that the Quebec Liberal Caucus and the Prime Minister (Mr. Trudeau), helped by Ministers from Quebec, forced him to change his mind. If this is so, the Hon. Minister should resign rather than remain the chattel of one Province. This action told western Canada and the world that the interests of Quebec come first, and the rest of Canada can have the crumbs. Mr. Trudeau is not heading the Government of Canada, he is the head of a Government of and for Quebec. If this Liberal Government is hell bent on breaking up Canada, it is surely going about it in the right way. I give fair warning: Albertans are not going to accept this kind of treatment very much longer.

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FISHERIES

PLIGHT OF MAGDALEN ISLANDS FISHERMEN

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, the Liberal Government does not seem satisfied enough with having many fishermen in Newfoundland, Prince Edward Island, and New Brunswick out of work; now it is carrying the fight into the Magdalen Islands.

The fight between the Quebec and Canadian Governments over the licensing of six fishing vessels owned by Madelipeche Incorporated is wreaking havoc on the livelihood of 500 families on the Magdalen Islands. The Minister stated in the House last week that his primary concern is to prevent a precedent being set. While this may have some merit further down the line, the immediate problem is to get those fishermen and shoreworkers back on the job. They have already lost a third of their fishing season. In a region which is under severe economic hardship, such a loss is devastating.

• (1410)

The Minister and his Quebec counterpart can continue their long term negotiations, but it is imperative that they first enter into an interim agreement which would allow fishing to resume and the plant to reopen. This dispute is between the two Governments, and it should be dealt with in Government offices, not on the backs of the fishermen and their communities.

* * *

FINANCE

SIZE OF DEFICIT—ENUMERATION OF GOVERNMENT EXPENDITURES

Mr. Ron Stewart (Simcoe South): The Prime Minister (Mr. Trudeau) and the Finance Minister (Mr. Lalonde) have the unmitigated gall to criticize our ally, the United States, for its high deficit and interest rates as causing our economic woes, when our own deficit is at record levels and is nothing but a deferred tax being foisted on our children.

Our deficit must come down. This can readily happen if the Government cuts its own prolifigate spending, such as wasting $245 million on its own information and advertising budget, the $350 million spent on Liberal caucus, the $4 billion it is owed on loans to foreign countries, which are really grants; the visible $454 million it spends on bilingualism plus the invisible amounts; the $33 million first quarter loss of CDC, not to mention the $2 billion capital used up in the CIDC Maurice Strong pork barrel, and the $2.3 billion wasted in Canadair.

As well there is the $700 million spent on the white elephant, Mirabel, which alone is the equivalent of giving 800,000 people a free round trip ticket from St. John's, Newfoundland, to Vancouver, B.C.

This is just the tip of the iceberg and Canadians are feeling the freeze. The U.S. is not the economic culprit. This Government is. Instead of criticizing the United States, the Finance Minister and the Prime Minister could take a lesson from free enterprise which took over the Summit meeting in Williamsburg, Virginia, which cost 90 per cent less than the Summit meeting held in Canada in 1982.

ORAL QUESTION PERIOD

[*English*]

INCOME TAX

PAYMENT OF QUARTERLY INSTALLMENTS BY SENIOR CITIZENS

Hon. Bill Jarvis (Perth): Madam Speaker, my question is directed to the Minister of National Revenue. Some weeks ago I raised with him the issue of quarterly installments of income tax payments made by senior citizens. At that time the Minister indicated that he might take some steps to mitigate that policy in order not to unduly prejudice certain senior citizens whose income, while it might be taxable, was so modest that it was hardly worth while insisting that they make quarterly payments.

Can the Minister bring us up to date on what progress he has made within his Department so that those senior citizens who must pay very modest income taxes will no longer be forced to pay them by quarterly installments as a result of a recent innovation in departmental policy?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I think the Hon. Member must have a special talent for guessing what is being discussed in the Department, because I happened to raise this matter again this morning with my Deputy Minister for the Income Tax Division of the Department of National Revenue. The Hon. Member knows perfectly well that it is extremely difficult to ignore the Act as it stands and the provisions made under the Act. I have asked my officials to review those provisions and to find out exactly how many senior citizens have to pay quarterly instalments as a result of the provisions of the Income Tax Act and also because of the way their income is distributed. We are still analyzing and collecting this information. Once the data have been studied, we shall be in a position to make a decision.

[*English*]

PRIOR PAYMENT OF TAX ON INCOME FROM CANADA SAVINGS BONDS

Hon. Bill Jarvis (Perth): Madam Speaker, I understand the provisions of the law. I am not encouraging the Minister to suggest that senior citizens should break the law. I am concerned with the unjust imposition of the law in situations which simply do not warrant it.

If the Minister and his departmental officials are reviewing the situation, would they pay very special attention to a not uncommon situation where a senior citizen's sole source of income, other than old age pension, is interest from Canada Savings Bonds which comes due November 1 each year? Many citizens who receive this modest extra income are being asked to pay three quarterly installments toward their tax before the receipt of their interest from Canada Savings Bonds. No one can be more patriotic than those senior citizens. Will the Minister undertake to give very careful consideration to that situation in his departmental review?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I can make a formal commitment only with respect to the case mentioned by the Hon. Member, namely, a senior citizen who receives income from Canada Savings Bonds which are probably income the individual has been saving throughout his or her working life. We are going to pay special attention to this kind of situation in order to avoid putting an undue burden on senior citizens who have only one source of income as in the example given by the Hon. Member and who would have to pay income tax in quarterly instalments, before having received their income. That is the kind of situation we are examining, and I can assure the Members of this House that we are giving this problem our special attention.

* * *

EMPLOYMENT

INQUIRY WHETHER GOVERNMENT WILL ADOPT NEW MEASURES TO CREATE JOBS

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is directed to the Minister of Employment and Immigration.

I suppose the Minister saw the headlines this morning with reports on the great march for jobs, and he must have noticed

the demonstration by unemployed workers at the entrance to the Parliament Buildings.

Over 20,000 people met in Montreal this weekend and hundreds more in Regina, Saskatoon and Toronto, while several hundred people are demonstrating in front of the Parliament Buildings. Madam Speaker, these people are protesting on behalf of over 1,500,000 registered unemployed Canadians and as many welfare recipients who are living on the meagre pittance provided by Government welfare programs.

Can the Minister inform the House when he and his Government will finally understand that the time has come to help these three million Canadians, the majority of whom are willing to be active participants in Canada's economy, by working and not by living off their friends, those Canadian workers who are still employed?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, this is a very serious situation, and our Government has established a number of programs. When the budget was brought down, we established the NEED program with the budget of $750 million for groups that have exhausted their unemployment insurance benefits. My Parliamentary Secretary will be meeting groups of unemployed Canadians this afternoon to continue discussions on this subject.

GOVERNMENT'S YOUTH EMPLOYMENT POLICY

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I have a supplementary.

Everyone knows that employment programs set up by the Government are temporary programs which create temporary jobs, and that in the final instance, very few permanent jobs are actually created. For instance, the Minister is well aware that the NEED program or the Student Employment Program will end some time, by the end of the summer. It is unconscionable and unacceptable that Canadians should invest billions and billions of dollars in the education of our young people and then find that today, 600,000 of them are unemployed, with as many on welfare.

Could the Minister inform the House what his Government intends to do to make young and dynamic Canadians more confident in a future that right now seems pretty bleak?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I find it strange because some of our fellow Canadians, Members of this House and the Leader of the Progressive Conservative Party want to do away with job creation programs and it was the Government that established them in the first place.

As far as we are concerned, we are setting up training programs under the National Training Act and billions of dollars are being budgeted for the training of young people in Canada.

CREATION OF PERMANENT AND PRODUCTIVE JOBS BY PRIVATE SECTOR

Mr. Donald W. Munro (Esquimalt-Saanich): Could the Minister perhaps inform the House whether he has anything else to offer besides make-work programs which only last a few weeks, in other words, could he not use his imagination, and, in co-operation with his colleague at the Department of Finance, make it possible for the private sector to create permanent and productive jobs so that Canadians who are unemployed today will be able to earn their living with dignity tomorrow?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, unfortunately, the Hon. Member is not familiar with the new programs that were announced in the budget. For instance, the ACCESS program for young people, which, in co-operation with the private sector, would create jobs through a Federal Government grant for young people and the first job after completion of formal training.

* * *

• (1420)

[*English*]

MEDICAL CARE

REQUEST THAT MINISTER INTRODUCE NEW HEALTH CARE ACT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is directed to the Minister of National Health and Welfare, who is now back from her meeting with the Minister of Health for Alberta.

The Minister finds herself in the position of having to accept the actions of the Alberta Government or, come October 1, she can withdraw all federal funding from Alberta, thus risking an interruption of services and a federal-provincial political crisis that would entail great risks as well. However, she does have a third option and a more positive one than either passive eloquence, which is what we have received so far, or total war on Alberta, which is the only option that the existing legislation provides her, that is, to table in the House a Canada Health Act which provides the federal Government with a more flexible response to delinquent Provinces, which clarifies and strengthens the five basic principles of medicare, and which would constitude a truly viable and more positive political option around which pro-medicare Canadians could rally. Will she now table such an Act?

Hon. Monique Bégin (Minister of National Health and Welfare): As soon as we are ready, Madam Speaker, and I count on the Hon. Member to obtain the official approval of Mr. Larry Desjardin, the provincial Minister of Manitoba, for such an Act strengthening medicare. I have not heard many provincial Ministers up until now, if I have heard any, saying

that they are against user fees and other extra charges. I do not recall having heard that clear message. Canadians are waiting for it.

What happened in Alberta has shown us that even user fees, which Provinces impose as taxes on the sick, really are detrimental and, contrary to what the provincial Ministers believe, cannot be policed by the political process for the simple reason that they do not equip their citizens with the basic facts and information. That is what I am presently reviewing with regard to the future Canada Health Act, to ensure that it deals with everything that can happen against medicare.

INQUIRY RESPECTING DATE OF INTRODUCTION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, how long must Canadians who want to preserve medicare wait for this long awaited Canada Health Act? The Minister is always waiting for someone else to act. She is waiting for someone else to say something. We are tired of these nice little homilies from the Minister.

Some Hon. Members: Oh, oh!

Mr. Blaikie: We want to see some action, because what she does in the next few months between now and October 1 will have everything to do with whether medicare survives or not. Therefore, I ask the Minister, when are we to see the Canada Health Act? I asked the question a month ago, a month before that, and a month before that, and we are still waiting for the answer. When are we to have the Canada Health Act?

Hon. Monique Bégin (Minister of National Health and Welfare): As soon as it is ready, Madam Speaker. The Hon. Member does great damage when he puts everything on my shoulders. All Canadians who believe in medicare, and I have appealed to them, are in the business, with me and with him, if he believes, and he does believe in medicare, to save it. We will save medicare. As a result, we will conserve the best acquisition of 25 years. We will. There is no doubt.

Mr. Blaikie: Stop talking and do something.

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EXTERNAL AFFAIRS

NICARAGUA—USE OF CANADIAN AMMUNITION BY GUERILLA FORCES

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I would like to direct a question to the Minister of Supply and Services. Over the weekend we learned that right wing guerillas are being supplied with Canadian-made ammunition in their bid to destabilize and overthrow the Government of Nicaragua. The ammunition was intended for NATO troops in Europe. This is not the first time Canadian arms have ended up in the hands of forces with whom the Government prohibits military trade or assistance.

Will the Minister tell the House how this ammunition came to be in the hands of these guerillas? Will he make a statement that this is in contravention of government policy? Will he conduct a serious examination of government safeguards to ensure that Canadian arms do not end up in the hands of people involved in hostilities or the suppression of democratic rights and freedoms?

[*Translation*]

Hon. Charles Lapointe (Minister of State (External Relations)): Madam Speaker, Canadian policy and Canadian law with respect to exports of military equipment are well known. No military equipment may be exported without a special export permit issued by the Government. All requests are examined on a case-by-case basis. An export permit is required for each export shipment. After the *New York Times* printed an article about the possibility that Canadian bullets were being used in Nicaragua, we made enquiries within the Department that issues export permits. No permits for exports of arms or military equipment have been issued for shipments to Nicaragua, and in any case, it would be against the law, which forbids exports of arms to a country where armed conflict exists. We have checked and in the last fifteen years, no export permits have been issued for shipments of this kind of equipment to Nicaragua. We checked the material described in the *New York Times*. We checked where this material was exported within the last ten years, and we are in touch with governments to whom this military equipment has been exported, to find out whether there has been re-sale or re-shipment of the equipment. I have no further information at the present time.

* * *

[*English*]

COMMUNICATIONS

LACK OF JOBS FOR TELIDON TECHNOLOGY GRADUATES

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, my question is directed to the Minister of Communications. To my knowledge, Loyalist College of Applied Arts and Technology, which is situated just outside my constituency, is the only school in North America giving a special course on Telidon technology. The problem is that the students graduating from the course have no place to go to work. There are no jobs available for them. We have been trying since March of this year to persuade the Minister to give us some idea or some practical approach to enable work to be found for these young people who are higly skilled in a brand new technology, but one for which there are very few jobs.

Hon. Francis Fox (Minister of Communications): Madam Speaker, the Hon. Member is quite right in stating that it is a new technology. It is one which we have transferred to the private sector. Obviously, along with the additional help which the Government has given to the program with an additional

infusion of $22 million in funds this year, we expect opportunities to be created by the private sector.

I simply point out to the Hon. Member that the private sector companies which have taken up the Telidon technology have indeed created many jobs because of the transfer of technology and Telidon to the private sector. I can think in terms of both the information providers, such as Infomart and a number of companies that are manufacturing these sets, from AEL Microtel on the Pacific to Norpak in this area. I can also point out that just last week Infomart itself successfully conluded an arrangement with the *Washington Post*. It has also just recently concluded an agreement with Mitsui and seems to have an opportunity of penetrating the Japanese market. Therefore I would say that job opportunities would indeed seem to be coming along in that area.

INQUIRY RESPECTING NATURE OF AVAILABLE JOBS

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, I would like to ask the Minister a brief supplementary question. If all of the information is available, I would really appreciate his putting it in writing because we did ask his office some time ago. However, would the Minister tell me whether the jobs which are being made available are in preparing the technology or in the page preparation and the carrying out of the technology, which is where the training is being done in the school?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I would be delighted to send the Hon. Member additional information on it. I would like him to know that the information I have just given to him has indeed been the object of a number of press releases emanating from my office, and which I distributed to the offices of all Members of Parliament.

Mr. Ellis: Nobody reads them.

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PIPELINES

ALASKA HIGHWAY GAS PIPELINE—DATE OF COMPLETION

Mr. Arnold Malone (Crowfoot): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Does the Minister still anticipate that the target date of 1989 is reachable with regard to the Alaska Highway Gas Pipeline, and can he give assurance that the pipeline will be started in 1984?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I replied to that question on Friday. I think that we have fulfilled our part of the commitment we made. We passed the necessary legislation and we have prebuilt a big section of the pipeline in Canada.

• (1430)

Of course the Americans have not been able so far to resolve the problems of marketing their own gas from Alaska, or financing the project. As long as they cannot finalize their part of the project, there is nothing I can do to force them. We have finalized our responsibility in that regard and have moved forward very quickly on our responsibility. It is up to the Americans to develop their sections now.

Mr. Malone: The Minister knows that he did not answer that question on Friday. It was a different question about the same subject.

COMMISSION'S BUDGET

Mr. Arnold Malone (Crowfoot): Madam Speaker, how in the world can the Minister possibly say that the 1989 deadline will be reachable when in fact it will take five years for the conditioning plant on the North Slope to become operative? If we do not start on it until next year that target cannot be met. With that in mind, would the Minister say why Mitchell Sharp and the Northern Pipeline Commission are presently budgeted for more than $5 million when there is no hope of the Government putting the project in place? What useful service are they performing, with many other jobs lacking in the country, and this expensive study going on for about 40 people across the street?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, as to the presidency of the agency, I should like to inform the Hon. Member that he is now working on a part-time basis. As far as the main problem is concerned, I gave my explanation. If I came from Alberta with its large surplus of gas, perhaps I would have an interest in not seeing the pipeline built too fast because, if they take the American gas from Alaska to the American market, there will be less room in the American market for Alberta gas.

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INDUSTRY

INQUIRY RESPECTING CANADIAN GENERAL ELECTRIC CONTRACT FOR PETERBOROUGH PLANT

Mr. Bill Domm (Peterborough): Madam Speaker, on May 12, 1983, the Leader of the Opposition asked a question of the Minister of Industry, Trade and Commerce. It read:

> Has the Government approved a five-year EDP contract involving Canadian General Electric in Peterborough in the amount of $12.5 million, which is expected to generate 2,000 new jobs? Are the 2,000 jobs spread over the five-year period, or are 2,000 jobs generated each year of the approved contract?

At that time the Parliamentary Secretary answered as follows:

> A formal answer will be given to the Leader of the Opposition as early as tomorrow.

That was 17 days to 18 days ago, and I wonder whether the Minister of Industry, Trade and Commerce could answer that question today.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I saw the Hon. Member's press release as a result of the question which the Leader of the Opposition asked the Parliamentary Secretary. I would like to advise the Hon. Member that the information the Hon. Member included in his press release to his riding was not accurate.

Mr. Domm: The information came from the Minister's own document, circulated on May 11, which clearly read:

New Hydro Electric Generators; $12.5 million EDP for new hydro-generators. Over the five-year lifetime of this contract, the project is expected to generate approximately 2,000 new jobs.

APPROVAL OF CONTRACT

Mr. Bill Domm (Peterborough): Madam Speaker, my supplementary question is directed to the same Minister. Also it is indicated in his own ministerial document that this project is approved. Is it approved or is it not approved? Why does it also indicate that the sister project in Montreal, Quebec, needs to come onstream in order to make the Peterborough announcement which, according to the Minister's own document, is already approved? Are you stating that this is not your document?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, not being in the practice of pilfering other people's documents, I want to say to the Hon. Member that it is not my document. It happens to be a document which somebody from my Department put forward. When my name is on the document, the Hon. Member will be the last one to know about it.

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AGRICULTURE

NATIONAL MARKETING BOARDS—STATEMENT BY MINISTER

Hon. Jake Epp (Provencher): In a speech which he made last week to representatives of various national marketing boards, the Minister indicated that he would be considering the disbanding of national marketing boards unless more provincial co-operation or more co-operation within the boards could be found. Obviously that statement has raised some considerable concern among farmers who market agricultural products through these boards. I would like to ask the Minister whether we should take him seriously, or whether he was bluffing.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member can take me whatever way he wants, but I was quite serious.

Mr. Epp: The Minister will know that I would not really mind taking him in any way.

MINISTER'S POSITION

Hon. Jake Epp (Provencher): Madam Speaker, obviously those statements create some very deep concern in the agricultural community among farmers who have made investments on the basis of the guidelines and conditions by which they market their products. Can I take it from the Minister's answer in the House today that he has no serious intention of changing significantly the manner in which these products are marketed?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, as the Hon. Member knows, marketing boards are comprised of provincial marketing boards that agree to join in a national program to market products. I, as the Minister responsible to Parliament and to Canada for the operation of these national boards, have some deep concerns about what is going on in some of them. They seem to be on a trend of running their show in the way they see fit. There is squabbling between the different members of the boards from coast to coast. If they really follow what is indicated in the intent of the National Farm Products Marketing Act and have a desire to co-operate, they will not have any problem. They will adhere to the National Farm Products Marketing Board which is the overseeing body that reports to me. If the Hon. Member reads some of the proceedings which were open to the public, he will see what some of the provincial Ministers said. There has to be more of this kind of co-operation and more of this desire to work together, or it will not work. They recognize this themselves.

I have asked them for the last two years to do this kind of thing. I have only one alternative if they do not, that is, to issue an Order in Council giving them 90 days' notice that their boards will fold up. As far as I am concerned, it is up to them to do this. I have begged and pleaded with them to do some of the things—and they are not major things—we want and, I am sure, the Hon. Member wants done in a proper fashion.

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SUPPLY AND SERVICES

CONTRACT TO BUILD PATROL FRIGATES—REGIONAL ALLOCATIONS

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is directed to the Minister of Supply and Services. It is my understanding that the successful bidder for the Canadian Patrol Frigate Program will be announced shortly, that it is vitally important the best frigate be selected and, in addition, that the best regional distribution of benefits be achieved. It would appear that the best distribution would come out of two, two, and two—the allocation of frigates; two in Atlantic Canada, two in central Canada, and two in western

Canada. Would the Minister be prepared to give some kind of commitment to the House that he will see that regional distribution occurs no matter which frigate is selected?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, of course the question of regional distribution is of importance. However, the question of the price which has been allotted for that particular contract is of primary importance. While we will be selecting the best ship in accordance with the objective criteria I have already identified for the Hon. Member, we are caught by the size of the economic envelope under which the analysis and the eventual selection will be made.

Mr. Skelly: That answer is simply not acceptable to the thousands and thousands of shipyard employees in Canada who are unemployed.

DISTRIBUTION OF WORK

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, a two, two, and two distribution would mean that 24 per cent of the benefits would go to Atlantic Canada, 39 per cent to Quebec, 24 per cent to Ontario, and 13 per cent to British Columbia. Cost is one function of the benefits to Canadians. Would the Minister be prepared to give the House some information on whether the figures in terms of the distribution of benefits are accurate, on whether he would be prepared to call the contractors together to look at an improved regional distribution, and on whether he would give his commitment, and the Government's commitment, to supporting this kind of distribution, rather than an all or nothing situation which looks as if might occur now?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, because of the nature of the analysis and because it is a highly competitive process, until such time as a final decision is made I am not in a position to provide the sort of information the Hon. Member is soliciting from me. However, I have heard his representations and his comments. They echo other representations which have been made by other Members of the House. I will take due note of them.

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• (1440)

CORRECTIONAL SERVICE CANADA

POLLING OF EMPLOYEES

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is directed to the Solicitor General. Some weeks ago the Minister of Justice informed us in committee that the Government does not govern by polls; you know, wink-wink, nudge-nudge. Just recently the Solicitor General's Department commissioned a poll to be conducted among the employees of Corrections Canada to see what their attitudes are toward the work place and working conditions. What is the crisis among the employees of Corrections Canada which forced the Government to move away from its policy of no polls to see what is going on in the work place?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, the Government's policy is not a no-polls policy. I think my colleague stated it correctly, that polls are not the only factor to be given weight in making decisions. There is a large body of employees within Correctional Service Canada, 10,000. I can assure the Hon. Member that their opinions and concerns are very important to me. I want the Correctional Service to be informed about them so that any changes that come along in management-labour relations can be weighed in the light of views of employees, along with other factors that have to be taken into consideration, like the views of taxpayers.

ROLE OF MANAGEMENT

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, can the Minister tell us what group of officials here in the Department in Ottawa, or in the regional offices, are so far removed from the work place and the employees that they cannot make an analysis of where the problems lie in the work place?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, there are many in the service who can make good analyses of these without the use of surveys, but surveys are a technique for learning about the concerns of a group as large as 10,000. I hope the Hon. Member will have some interest in seeing the survey because, by new Government policy, the results of the survey will be available, along with the questions, when it is completed.

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CROWN CORPORATIONS

CANADAIR—PROJECTED SALES—OFFICIAL'S POSITION

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the Minister of National Revenue who answers for a host of companies under the social development umbrella. Can the Minister tell us whether Mr. D. Hurley, senior vice-president of Canadair, who represented to the Finance Committee that there were sales for 902 Challenger jets, on a regressive analysis of sales, is still with the corporation? If so, why is he still with the corporation when the Minister knew, Mr. Hurley knew, and everyone on the inside knew that such a sale of jets was totally impossible, particularly in view of a Cabinet document which the Minister and the other Ministers had in their possession early in October, 1982?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, as indicated by the Minister responsible for the new corporation which holds Canadair's shares, corporation officials will appear before a Standing Committee of the

House very shortly, and I believe this is the type of question that should be put during a review in committee of the votes of Corporations such as the Canada Development Investment Corporation. It woulld be an excellent opportunity for the Hon. Member to question Corporation officials about the kind of details in which the Hon. Member is interested.

[*English*]

SALARY SCALES OF TOP EMPLOYEES

Mr. Don Blenkarn (Mississauga South): Madam Speaker, will the Minister confirm that at least 100 employees of Canadair earn more than $95,000 a year, and that the top 20 employees of Canadair earn in excess of any emolument ever paid to a Cabinet Minister in Canada, and probably more on average than the Prime Minister?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, unfortunately, I do not have a breakdown of the number of employees earning a specific salary. In fact, I fail to see how this could be relevant to the Corporation's activities. Like any other company, Canadair pays its employees according to their skills and responsibility, and I think that if the Hon. Member has some specific concern about the salary levels paid by Canadair, he will have an opportunity to ask questions about the Corporation's salary policy when the Committees meet early in June.

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[*English*]

AIRPORTS

VANCOUVER INTERNATIONAL—PARKING FEES FOR SMALL AIRCRAFT

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I have a question for the Minister of Transport concerning aircraft parking fees at Vancouver International Airport. I mentioned this to the Minister earlier. Those fees are now over eight times what they were six years ago, and another increase is expected this month. What is the policy of the Government with regard to the parking of small aircraft at Vancouver International? If it is the policy to get rid of them altogether, why does the Government not confess this and prohibit them, rather than trying to starve them out?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the policy is to try to increase the cost recovery. There is no doubt about that. My friend may be surprised to hear that the general return to the Government from general aviation is from 5 per cent to 10 per cent across the board, so something has to be done. Increases in parking either took place before the six and five policy or, if they have taken place since the six and five policy was implemented, they have been within the rules.

GOVERNMENT'S INTENTIONS

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, is it the Government's long-range intent to phase out small aircraft altogether at Vancouver International Airport?

Hon. Jean-Luc Pepin (Minister of Transport): No, Madam Speaker, it is not. As my friend from Vancouver is aware, there is a policy to develop satellite airports around the main ones in order to relieve the congestion. Therefore we have a combination of developing these satellite airports and of raising the level of fees for parking at main airports. We try to balance these in the best possible way.

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FOREIGN INVESTMENT REVIEW AGENCY

OTIS ELEVATOR COMPANY—PHASING OUT OF OPERATIONS BY UNITED TECHNOLOGIES

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. In 1979 United Technologies was given permission by FIRA to take over Otis Elevator. It made a large number of commitments with regard to the future of the company. Since then it has either phased out or is in the process of phasing out seven different operations within the company. Has FIRA undertaken a review of the commitments made by United Technologies? If so, is it satisfied that it is in fact manufacturing in Canada up to the commitment that it made in 1979?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I am not familiar with the specific details the Hon. Member requests. I will check and get back to him. The enforcement branch of FIRA on an ongoing basis checks to ensure that commitments that are made, and undertakings that are given, are adhered to by the companies. Because of the recession over the last couple of years, several companies have not been able to undertake some of the commitments they made. I will check for the Hon. Member and get back to him.

COMPANY MEMORANDUM—REQUEST FOR INVESTIGATION

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, in the last year Otis Elevator has given an indefinite lay-off notice to over 300 people, which in effect means they will not be back to work. Does the Minister believe that the following is an appropriate way to deal with Canadians, and I quote from a memo sent out by Otis to its distributors and sales people:

> We would further emphasize that at any time when talking to customers regarding deliveries, no mention is made of deliveries from the U.S.A. or reference made to Bloomington. As far as our customers are concerned, we are still ordering the equipment from our Hamilton factory, located in Hamilton, Ontario.

Will the Minister investigate this company and determine whether this is an attempt being made by the company to do

an end-run on its commitment to Canada to provide employment opportunities in Canada for Canadians, and to provide in Canada a growth of Otis rather than having it phased out, as it appears to be doing?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as I indicated to the Hon Member, I will investigate his allegations and get back to him.

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EXTERNAL AFFAIRS

DELAY IN RATIFYING PENSIONS AGREEMENT WITH GERMANY

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, would you permit me to follow up on a question I asked of the Minister of State for Finance last week, having to do with the bilateral agreement we have with the Federal Republic of Germany with respect to the double taxation of pensions and other considerations. The Minister undertook to research his Department to find where this particular agreement is buried. Keeping in mind that the Federal Republic of Germany ratified this agreement a year and a half ago and the Senate has passed a Bill, what is holding up this Bill from getting to the Commons?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I thank the Hon. Member for his question. It gives me the opportunity to say that I have responded to the Hon. Member in writing. He should have the response.

In dealing with the legislation which governs the agreement, the Senate did make a couple of amendments. They were accepted by the law officers of the Crown, and amendments will have to be processed in the House in order to ratify finally the agreement referred to by the Hon. Member. That is set out in my response to the Hon. Member. Agreement by Members that those changes could be dealt with by the House would expedite the objective the Hon. Member seeks.

• (1450)

QUERY RESPECTING RETROACTIVITY OF PROVISIONS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, may I ask the Minister whether he has consulted with the President of the Treasury Board to see whether he would take the initiatives needed to bring the Bill to the House? I also ask him whether, as was intended by the agreement in 1981, the benefits to literally thousands of Canadians who have earned pension rights in other countries would be retroactive to 1978 and those benefits would be paid in this taxation year.

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I have sent a copy of the correspondence to the President of the Privy Council who is responsible for setting the agenda for House business. On the second point made by the Hon. Member, I cannot give him a definitive answer at this time.

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NORTHERN AFFAIRS

NORTHERN CANADA POWER COMMISSION—COMMITTEE RECOMMENDATIONS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. The Minister is undoubtedly aware that the Hon. Member for Cochrane-Superior, a Liberal and obstensibly a Government supporter, and Chairman of the Parliamentary Sub-committee on the Northern Canada Power Commission, has accused the Government of ill will, or lack of will, in not responding to the recommendations made in that report. I am now giving the Minister an opportunity to redeem himself and tell us when he will respond to the recommendations made in the NCPC report.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I have already indicated that when we have completely reviewed the task force on energy that involved the Northwest Territorial Government as well as the Yukon Government and, in conjunction with that, when we have reviewed the Penner Report to see what further subsidies can be made over and above the whole mix of subsidies already given to defray energy costs in the North, a program which was announced six weeks ago, as the Hon. Member may note, we will see what we can do with respect to the extension of further subsidies in the North in the future.

While the Hon. Member might be implying that there has been a lack of attention to the North, let me tell him that there has been a whole series of multi-million dollar announcements made by the federal Government right across the Yukon and Northwest Territories with reference to the North and, if he has not noticed these announcements, it is certain that most northerners have, Madam Speaker.

Mr. Nickerson: Madam Speaker, we have noticed all kinds af announcements, like $12 million for the Canadair water bomber that nobody wants. The last time I asked the same question, the reply was that the response would be forthcoming by January of this year. That certainly has not taken place, and I do not know whether we can expect it in the next five months either.

PRICE OF ELECTRICITY SUPPLIED TO PINE POINT MINES

Mr. Dave Nickerson (Western Arctic): Madam Speaker, my supplementary question concerns the price of electricity to Pine Point Mines, and is directed to the same Minister. In order to get that mine back to work, many organizations, including CN Railway, the union, and the smelter, have given a little bit, but not apparently NCPC. Will the request to reduce the cost of electricity to the actual cost of production

rather than charge the additional 20 per cent surtax be now complied with, or will the mine still be obliged to pay 20 per cent more than the actual cost of the power?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, if the Hon. Member had asked that question in the first place, he would have received an answer. The answer is yes, we have made representations to NCPC with respect to some amelioration with regard to Pine Point, and we hope we will be as helpful to them as indeed we were to Cyprus Anvil, a matter which the Acting Leader of the Opposition may know about.

* * *

PUBLIC SERVICE

PRACTICES USED IN HIRING RESEARCH SCIENTISTS

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is directed to the Minister of State for Economic Development and Minister of State for Science and Technology. Is the Minister aware that the federal Government's current hiring practices for research scientists are restrictive? In fact, where the federal Government requires universities to advertise, it does not require advertising for research scientists in its own service. I would like to ask the Minister if he is aware of this restrictive practice and if he has any thoughts about a mechanism that will change the practice.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I am not aware of the practice to which the Hon. Member for Bruce-Grey makes reference, but I will be very happy to look into the matter. I would like to have more details, and perhaps the Hon. Member would be in a position to furnish me with some of the advertising which was actually seen. It would be helpful for me in following it up.

BIOLOGICAL COUNCIL OF CANADA RECOMMENDATIONS

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my supplementary question is directed to the same Minister. The point that I would like to make to the Minister is that it is indeed the lack of advertising which is the problem. The federal Government is not advertising for research scientist positions. I would like to refer the Minister to the Biological Council of Canada and to the very specific recommendations and concerns expressed by the Biological Council of Canada in its most recent publication. I think in reading that publication the Minister will find that there is indeed a double standard that should be redressed if we are to provide the best opportunity for the federal Government's research facilities, as well as for the scientists of Canada.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, as I said, I will look into the matter. The hiring of scientists by the Canadian Government is of course done through the Public Service Commission, so I will look into the matter and determine whether or not the information that the Hon. Member offered is correct.

* * *

ENVIRONMENTAL AFFAIRS

MINISTER'S MEETING WITH HEAD OF UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Mr. Neil Young (Beaches): Madam Speaker, my question is directed to the Minister of the Environment. The Minister has just returned from the United States where he met with the new Chief of the Environmental Protection Agency. Could the Minister tell us whether he discussed with the new Chief the whole problem of chemicals from toxic waste dump sites, entering the Niagara River?

Hon. John Roberts (Minister of the Environment): Yes, Madam Speaker, I did meet with Mr. Ruckelshaus, the new Chief of the Environmental Protection Agency, on Friday morning. The purpose of that meeting was to establish personal contact and to discuss in a very general way environmental problems shared by both our countries. Most of the time that was spent in discussion was devoted to the acid rain issue, and the question of toxic chemical entry into the Niagara River system and possible measures which our two countries could take to respond to those problems. There was no specific conclusion reached in our discussions, and no specific timetable was established. The discussions were more of a general attempt to resolve the problems. The subject matter of the Hon. Member's question was very much at the forefront of our discussions on Friday.

* * *

WESTERN GRAIN TRANSPORTATION ACT

PRESENTATION OF AMENDMENTS

Mr. John Kushner (Calgary East): Madam Speaker, my question is directed to the Minister of Transport. Would the Minister advise the House when he intends to table the amendments with reference to the Crow rate?

Hon. Jean-Luc Pepin (Minister of Transport): Tomorrow, Madam Speaker. I understand, however, that it will not be a tabling. The amendments will be given to the House Leaders of each Party.

* * *

INDUSTRY

SUBSIDIES AND GRANTS—REQUEST FOR ANSWER TO ORDER PAPER QUESTION

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce and follows up on the question put to

him by the Hon. Member for Peterborough having to do with the mystery of the purloined document, which was found resting snugly in the interior of a plain brown envelope. No doubt the Minister has already seen question No. 4,918 on the Order Paper, which was placed there on May 16, listing—

An Hon. Member: What page?

Mr. Nielsen: Page 193 of this year. That question was placed there by myself and lists some 200 projects by name, with the amount of federal money going into each project in various parts of the country. Since it would only take about ten minutes for a single member of the Minister's staff to verify that that list of projects and those amounts came from the purloined document, I wonder if the Minister would have that done and cause that question to be answered tomorrow or, at the very latest, the following day, since it is a very simple matter to check that information.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, my Department identifys projects which the federal Government may possibly be involved in on a regular basis, but my experience in the private sector, and in both municipal and federal Government, has been that the more discreet one is with respect to investments of this nature, the more likely one is to be successful. Usually pre-announcements of this kind jeopardize many of the projects that could take place in the private sector.

ANNOUNCEMENT OF INFORMATION TO MEMBERS

Hon. Erik Nielsen (Leader of the Opposition): Since the projects have obviously been authorized by virtue of the specificity with which the amounts are set forth beside the various names, and since it seems that I was right on, two weeks ago, when I announced Canadian participation in the A-320 which was announced at the Paris Air Show and confirmed by President Reagan, does the Minister not feel that we in the House are entitled to information from our Ministers before we hear the same information from the President of the United States, or through the Paris Air Show?

• (1500)

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I will repeat what I just said. Those documents are identified and revised on a regular basis with respect to possible federal Government participation. As well as the document that the Hon. Member has, we have other papers that I will be happy to send him about industrial prospects.

I do not think the Hon. Member serves the purpose of any colleague on either side of the House by pronouncing on something when no final decision has been taken.

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF REPORT OF COMMISSION FOR PROVINCE OF QUEBEC

Madam Speaker: It is my duty, pursuant to Section 19 of the Electoral Boundaries Readjustment Act, Chapter E-2, Revised Statutes of Canada, 1970, to lay upon the Table a certified copy of the Report of the Electoral Boundaries Commission for the Province of Quebec.

Pursuant to Standing Order 46(4), this Report is deemed to have been permanently referred to the Standing Committee on Privileges and Elections.

* * *

[*English*]

LABOUR CONDITIONS

THREAT OF WEST COAST PORTS STRIKE—CORRECTION OF ANSWER BY MR. AXWORTHY

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I should like to rise on a point of order. Last Thursday the Hon. Member for Vegreville (Mr. Mazankowski) rose to indicate that a statement I had made on May 26 may have been inadvertently incorrect. I checked the record on my return from the West Coast and I find that what he said is true.

If I am permitted, I should like to correct the statement I made on May 25, as reported at page 25693, where I indicated in reference to the labour dispute on the West Coast that a strike vote had been taken but that full authority had not been given by the membership. That should be the other way around: authority had been given but the strike vote had not been taken.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC ACCOUNTS

PRESENTATION OF NINETEENTH AND TWENTIETH REPORTS OF STANDING COMMITTEE

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I have the honour to present the nineteenth and twentieth reports of the Standing Committee on Public Accounts, to both of which, pursuant to Standing Order 69(13), the Committee requests comprehensive responses.

Order Paper Questions

COMMUNICATIONS

REFERENCE OF POLICY PAPER ON BROADCASTING TO STANDING COMMITTEE

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Madam Speaker, after consulting with representatives of the Opposition and finding unanimous agreement, I am pleased to move in the name of the Government that the policy paper *Towards a New National Broadcasting Policy*, which was tabled in the House on March 1 of this year, be referred to the Standing Committee on Communications and Culture.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Madam Speaker, the following questions will be answered today: Nos. 4,825, 4,826 and 4,827.

[*Text*]

FUNDING OF CANADIAN HUNGER FOUNDATION

Question No. 4,825—**Mr. Fretz:**

1. What level of funding is provided to the Canadian Hunger Foundation from the Canadian International Development Agency?

2. Is the Foundation a non-government organization?

3. Is the Foundation audited regularly?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. The level of funding provided by CIDA to the Canadian Hunger Foundation (CHF) for 1982-83 was $1,153,562.

2. Yes, the CHF is a non-governmental organization.

3. Yes, the CHF is audited annually and audited financial statements are submitted to CIDA.

DEFINITION OF NON-GOVERNMENT ORGANIZATION

Question No. 4,826—**Mr. Fretz:**

1. Does there exist a written definition of a non-government organization?

2. At what level of funding from the Government does a non-government organization cease to become such?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. Yes, for the purposes of the Canadian International Development Agency (CIDA), there is a written definition of non-governmental organizations, viz., organizations, agencies or institutions which are non-governmental, non-profit and identifiable as Canadian.

2. There is no prescribed level of funding from the Government that will cause a non-governmental organization no longer to be deemed as such.

MANDATORY AUDIT REQUIREMENT

Question No. 4,827—**Mr. Fretz:**

Does a regular audit become mandatory after receiving a certain level of funding from the Government and, if so, what is that level?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): At present, there is no mandatory audit requirement based upon a particular level of funding by CIDA.

[*English*]

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

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—FOREST INDUSTRY

The House resumed consideration of the motion of Mr. Oberle:

That this House condemns the Government for its neglect of Canada's forests and its indifference to the threat posed to Canada's forests and forest industries by pests, fire, pollution and foreign competition, and calls upon the Government to stimulate the research needed to promote superior growth and diversify export products, and acknowledge its responsibility to protect the Canadian environment and the millions of Canadians whose livelihood depends upon Canada's forest resources.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I suggest that we owe a debt to the Hon. Member for Prince George-Peace River (Mr. Oberle) for having provided this opportunity to raise a matter of prime importance to Canada. I should like to put the Minister of the Environment (Mr. Roberts) at his ease a little bit because he was worried about the language used in the motion. As far as I am concerned the wording stands. It begins as follows:

That this House condemns the Government for its neglect of Canada's forests and its indifference to the threat posed—

I should like to inform the Minister here and now that as far as I am concerned the purpose of the debate is to strengthen his hand with his Cabinet colleagues so that we will no longer have to condemn the Government for its neglect of our forest lands.

From time immemorial our forests have been relentlessly attacked by fire caused by lightning and by pests. Happily the destructive efforts of these two plagues are intermittent and forests have somehow or other managed to survive. Now a

third attack on the forests has been launched and is being sustained. The forests are beginning to show excessive wear and tear. Many a qualified forester indeed will tell you that our forests are being used up under this new threat.

Whence does this threat come? From man, with his insatiable hunger for wood products either to protect him from the elements, the wind and the cold, or when that does not work, products on which he can blow his nose when he has a cold or to record his thoughts—some good thoughts and some not so good. Modern man could be the forest's greatest foe; if man wants the forest to help him he will have to co-operate with the forest and not be content with destroying it.

Yet modern man has within him the power, if properly awakened and awakened soon enough, to repair the damage he has done and preserve that valuable heritage for generations to come. A warning was given to us in Canada over a century ago; we have yet to show that we have heeded that caution. John A. Macdonald said in 1871 and I quote:

> We are recklessly destroying the timber of Canada. There is scarcely a possibility of replacing it. It occurs to me that the subject should be looked in the face and some efforts made for the preservation of our timber.

What prompted this comment, it would seem, was the sight of the destruction of the white pine in Ontario. Records indicate that in the winter of 1866 and 1867, 400 men felled nearly 30,000 huge white pines. In less than a century the white pine forests that once covered large parts of eastern Canada has been reduced almost to a memory. There remain only a few lonely giants which were skipped by the cutting crews.

Speaking of lonely giants, and I hope they are not too lonely, I should like to tell the House that in British Columbia MacMillan Bloedel provided a sanctuary by preserving a small park where there is a majestic stand of Douglas fir and cedar which is called Cathedral Grove. It straddles the road crossing Vancouver Island west of Parksville on the way to the Pacific Rim Park. It has to be seen to be believed. There, in Cathedral Grove—how aptly named!—one strains backward and upward to see them rise, 250 to 300 feet tall, 30 and 40 feet in girth. Those trees were standing tall—20 feet or so—when King John—John Lackland—in 1215 was forced on to Runnymede Island to sign the Magna Carta, 700 years ago. That is what the forest can do.

Our resolve to preserve our forests may need stimulation. Let us consider this debate as a stimulant; let it be a catalyst; let it be anything you like provided it provokes positive reaction and promotes sustained activity in favour of forest regeneration. I repeat to the Minister, we are here to strengthen his hand with Cabinet.

Let us remember above all else that we have it in our hands—and we are at a crossroads as many a forester will tell you—to do one of two things. We can ensure that our consumption of the forests will not devastate the forests, or we can say to the generations which come after us: "Tough; we used your forests, but it never occurred to us to put them back, to regenerate them for your use".

• (1510)

Are we prepared to act today to earn the gratitude of our grandchildren or will they curse us for our wanton wastefulness? The motto of my first alma mater, Mr. Speaker, was "*Tuum est*", "It's up to you". I believe our motto should be "Nostrum est", "It's up to us". It is up to us. We can go either way. We can preserve and deserve thanks, or we can destroy and merit obloquy.

How important is conservation? Aside altogether from the value of the timber cut, there is the value of the timber standing. Trees—and mark this, Mr. Speaker—or their absence, produce our climate. Rain forests or deserts? These are the outside options. Within those outer brackets, Mr. Speaker, we have the option of renewing forests and grasslands or facing a future of desert. Which do we want?

This debate today, for me at least, is an exercise aimed at reaching out for and activating the springs of action of the public, in both levels of Government and in industry. It is an exhortation to action. For that reason, I personally am extremely grateful to the Hon. Member for Prince George-Peace River (Mr. Oberle). That is the best we can do on this side of the House. However, I would like to remind all listening that even during those brief nine or ten months in office the Progressive Conservative Government took major steps to restore the federal forestry service to its rightful place by appointing a knowledgeable and enthusiastic forester as the Assistant Deputy Minister of Forestry, a man who knows how to get his message across to Ministers and to the public. We are grateful to him and I am happy to acknowledge his presence under our roof today.

Much more needs to be done, much, much more. Somehow or other we have to provoke, inspire, encourage, lobby, incite, instigate, and perhaps even coax a little or wheedle. The Greeks had a word for it which we borrowed, "ecphorize", meaning to remove obstacles. That is what we must do, Mr. Speaker; we must remove obstacles, whether they be caused by ignorance, lethargy or red tape.

How do we do that? I think perhaps the shock treatment might help and I would like to deliver a few shocks. I believe they are shocks. They were shocks to me when I first became aware of them. For example, let us consider the revenue which this country receives from all quarters and the revenue it receives from forestry, its expenditures across the country and its expenditures on forestry. It is really quite interesting when you realize that the revenue from the forests, *grosso modo*, is about 1 per cent of the revenue expected by this Government this year, and its expenditures on forestry are about .1 per cent. That is a shameful comparison; I hope it shocks you, Mr. Speaker. One per cent in terms of revenue to the federal Government and 0.1 per cent in expenditures on forestry.

The Food and Agriculture Organization reported recently that the forest land base of the world is disappearing at the rate of 50 acres a minute. This is around the world; it is not just a Canadian problem, Mr. Speaker, I admit that. However, we do not have to lag behind. It is the livelihood of a good many Canadians. It is the basis of our foreign trade. The forest

land of the world is disappearing at the rate of 50 acres a minute. If you worked that out in other terms, it is about 72,000 acres a day, about 112 square miles a day, of 41,000 square miles a year, almost the size of Nova Scotia and New Brunswick combined. That amount of forest land is disappearing from the face of the earth every year.

Something else which I believe is a real shocker is that to produce one day's issue of the *Toronto Sun* requires seven acres of bush to be chopped down, 2,400 acres per year. That is four square miles per year for one paper. And that is just one paper in one metropolican city in Canada. What about the *New York Times*? How many acres or square miles are required even for the Sunday edition of the *New York Times*?

One thing we seem to forget, Mr. Speaker, and that is that trees take a long time to grow, but if permitted they will grow and stand tall. Once they are chopped down, however, or burned out, or eaten by pests, they take years to replace. The present Minister of the Environment (Mr. Roberts)—I am happy to see he is still in the House—was quoted in something I read recently as saying: "There will be a disaster in our forest heritage if we let nature take its course". He was speaking of forest fires and infestations. I say that there will be an even greater disaster if we let man have his way without inducing him one way or another to replant whatever he fells.

Let us look at what we stand to lose if we lose our forest industry. The total production value from our forests is about $13 billion, of which approximately $9 billion is for export. Total public revenues from forests to both levels of Government, federal and provincial, are about $2 billion. Forest products account for about 18 per cent, nearly one-fifth of Canada's total exports. Forest products are far and away the most important of Canada's exports. It has already been mentioned but it is worth underlining, Mr. Speaker, that forestry makes a larger, positive contribution to our trade balance than agriculture, fisheries, mining and petroleum products combined. Forestry produces more than those four industries. Forestry directly or indirectly employs one out of every ten Canadians in the work force. That is a very important consideration.

What are we doing partially that we ought to be doing more thoroughly? At what sort of rate are we reforesting or restoring to the ground that which we are taking from it? Sweden, about the size of Alberta, plants 400 million seedlings a year. That country is just about one-tenth the size of Canada south of the 60th parallel. Who plants these seedlings? It is the industry which plants them. Canada plants from coast to coast about 350 million seedlings. We ought to be planting three times as many trees, Mr. Speaker. Even then we would still not be up to the rate at which Sweden plants trees. We plant only one acre for every four acres harvested, and nature provides another acre. So we have two unplanted and infertile. That is a disgraceful record and we need to and could do more, not for ourselves but for those who follow us.

• (1520)

Let us look at some of the more disconcerting facts. The federal Government receives about $1 billion annually from forest enterprises and the federal forestry budget amounts to about $66 million, or roughly 6.5 per cent of the revenue that forestry generates. The other figures I have already mentioned. Provincial Governments derive about the same amount but they do not do all that much better. Over all, no more than 20 per cent of the revenue from the forest is restored to the forest. Only $400 million across this whole country for an industry which produces $12 billion to $13 billion in products and $9 billion in export earnings.

This is an age of buzzwords, I suppose, Mr. Speaker, and the buzzwords I would like to get out and about on everyone's tongue are "forest management", and "sustainable yield". Those are the important objectives which have to be formulated and pursued consistently year after year after year. A 20, 30 or 40 year program has to be laid down. We have to farm our forests properly, and I use the word "farm" advisedly. We have to plant seeds as a farmer plants seeds if we want a crop down the road. I have heard, for example, that there have been notions of putting seeds in little pellets and spreading them out from an aircraft flying over cut land. Not all will germinate, but many of them will and take root.

We also have to thin the forests to make sure that the hardiest trees survive and produce the best crop. We have to plant today at a rate which will give us the crop we are going to need 20 or 30 years hence. We have to cull and thin and in places even fertilize. I understand the Swedes fertilize their trees, which is an interesting concept and it can be done. It will take a lot of tender loving care as well as scientific knowledge.

In the care of our forests today, we are behaving not much better than our forefathers who managed to demolish the white pine so effectively in such a short time, as Sir John A. reminded us over 100 years ago.

Mr. Skelly: Mr. Speaker, I enjoyed very much the presentation of the Hon. Member. He pointed out many important issues. However, there is one glaring omission and I wonder if he might take a moment to comment. It might have simply been an inadvertent oversight.

In Canada, especially in the particular areas represented by the Hon. Member and myself, there are thousands and thousands of native people. The economy of most of their communities is based on Unemployment Insurance and welfare. They do not have access to the forest industry. Does the Hon. Member care to make a statement as to why native people were omitted from the resolution and why there has been no assistance from the federal Government so that the native people can gain access to the forest resource and its development? The native land claims are the key by which they could be given access to this resource and thereby strengthen the economy of the native communities. The land claim is one of the few mechanisms by which native people can have access to forest resources in a fair and equitable way.

The Hon. Member mentioned that the biggest engine of the Canadian economy was the forest industry, so why has his Party neglected to place in its resolution before the House of

Commons a statement on the access by native people to that forest resource?

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I want to thank the Hon. Member for Comox-Powell River (Mr. Skelly) for drawing to my attention that omission. Twenty minutes was all I was permitted. I had hoped that I would be able to include something along those lines because it has to be remembered that the federal Government, which has a tendency to say it is all the Provinces' fault, that they should do more for forestry because they own the resource, itself tends to forget there is an area of Canada south of 60 and about the size of Nova Scotia which is federal Crown land. Much of that land is taken up by reserves where the Indians would be happy to develop a forest industry to supply existing mills or to build mills of their own. They could earn their living in that way. That was mentioned in many of the things I read to prepare myself for this debate today, but the 20-minute rule prevented me from developing it any further. I do hope the Hon. Member will do so.

Hon. J.-J. Blais (Minister of Supply and Services): Mr. Speaker, it is a pleasure to participate in this debate. I am very pleased at the very constructive position taken both by the Hon. Member for Prince George-Peace River (Mr. Oberle) and the Hon. Member for Esquimalt-Saanich (Mr. Munro). I agree with all of the comments that the latter Member has made, except for his assumption that the Government was not sympathetic to the representations being made by the Minister of the Environment (Mr. Roberts) who is responsible for the Canadian Forestry Service.

Mr. Munro (Esquimalt-Saanich): Not sufficiently sympathetic.

Mr. Blais: In fact, there has been a great deal of support given to the Minister concerning the forestry policies he has advanced. Indeed, I am sure the hon. gentleman will recognize there has been more activity in the forest sector in the last three years than at any time before by the federal Government. The Government has assumed a leadership role at the national level which in my view, it ought to have assumed some time before. But in view of that assumption by the Minister of the Environment, I think we ought to commend him for having taken that initiative.

I can well recognize why the Hon. Member for Esquimalt-Saanich and the Hon. Member for Prince George-Peace River would be in love with the forest. I had occasion last summer to take my family into the interior of British Columbia and I insisted on travelling two days on lumber roads up and down the mountainside to observe the size of the forest.

Mr. Munro (Esquimalt-Saanich): How is your car?

Mr. Blais: The car is fine. It was a rented car. I can tell you, Mr. Speaker, that that forest is as bountiful, attractive and beautiful as anyone would want. I ahve a particular love for the forest because I come from northern Ontario. It just so happens that this year is the one hundredth anniversary of my great grandfather's arrival in northern Ontario where he worked for E.B. Eddy at the time they were cutting ties for the CPR which was then starting its long journey across the country to the region represented by my hon. friend. I can tell him that since that time my family, which has now become bountiful and plentiful also, occupies a large number of areas in northern Ontario and a large number of my family are involved in the forest products industry. So I felt very emotional having observed that which the hon. gentleman speaks of.

As well I was very sensitive to his comments relating to the white pine, the prince of pines, and its demise from northern Ontario forests. That is a calamity and a tragedy which we will hopefully be able to reverse.

• (1530)

Mr. Munro (Esquimalt-Saanich): It must not happen again.

Mr. Blais: Not only must it not happen again, there must be a greater aggressivity on the part of the Ontario Government, a Province where these trees are found, to develop nurseries and grow seeds that will permit the replenishment of the forests in northern Ontario, not only with jack pine, red pine and spruce but also with white pine. It takes over 100 years for that tree to grow to full maturity. It requires a longsighted Government to recognize that, notwithstanding the fact it may take 125 years for the tree to grow to full maturity in northern Ontario, there is a responsibility to future generations of Canadians to plant and nurture now.

I agree with the hon. gentleman that we must begin to farm that resource now, which is an essential ingredient in my view.

It has been the history of humankind to exploit forests and to denude the land of forests. That was the phenomenon in the Middle East. We can base ourselves on the Holy Scriptures, both the Old Testament and the New Testament, where we see that there were forests there. They were not plentiful but they did exist. The fact is that in North Africa those forests are now gone, an area which I had the pleasure of visiting. In biblical times the atlas cedar grew there in bountiful quantities. It has now disappeared. It has disappeared to the point where it has become nearly a sacred material in the Moslem religion and is being incorporated in all their rites. The reason is that wood is as close to humanity as any material can be. It was the first hard material capable of being utilized by our ancestors. The fact is that it is being utilized now to an even greater extent than it was in those days.

Coming from northern Ontario I am even more sensitive to its importance. In terms of economic impact, the forest industry in northern Ontario is responsible for 55 per cent of all manufacturing jobs. That represents 31,000 jobs. It is responsible for 58 per cent of manufacturing wages and salaries, or some $560 million on an annual basis. It is reponsible for 57 per cent of the value of production, namely $2.2 billion. It is responsible for 54 per cent of value added to products in northern Ontario.

It is evident from each of the statistics that I have quoted that more than half the economic activity in northern Ontario

is attributable to the forest products industry. But the state of Ontario's forests is not very good. I can speak of my own riding where I said, in a speech I made on the forest products industry seven years ago, that we had but 15 years left of marketable timber in the region. Very little has been done since then. In the Province of Ontario, 3.8 million hectares are depleted at this stage. The total number of acres needing reforestation would translate into 37,650 square kilometres. That is 37,650 square kilometres of backlog in northern Ontario which needs to be reseeded and put back into production.

Ontario's annual cut is 160,000 hectares, but its reforestation is in only half that area, that is, 80,000 hectares. Even with the huge backlog of over 37,000 square kilometres of forests which need to be replenished, it is falling behind 50 per cent annually. In Ontario twice as much is being cut as is being planted, and that is completely unacceptable.

In fact, the Province of Ontario has long been very weak in forest management. This is understandable when all the decisions relating to the forest products industry are being made in hogtown. I have nothing against Toronto, the Queen City, but the fact is that it is far removed from those areas where lumber is being exploited.

As I indicated, my family has been in northern Ontario for 100 years. We have attempted on a number of occasions to improve and encourage the improvement of forest management, but to no avail. The operators in northern Ontario are very much aware of the need for reseeding. Unfortunately, the private operators must meet the market and its requirements. Their profit margins are very slight and one cannot expect an operator, who tends to operate in terms of the benefits which will flow into his own treasury at the end of any given fiscal year of operation, to look 125 years down the line. We cannot expect him to finance the operation 125 years into the future or even 50 years down the line. It is only a public authority which really ought to have that kind of foresight. In the past the Ontario Government has shown a desire for the private sector to fund forest management and renewal. Of course, that did not happen.

The private sector is interested in immediate exploitation and is not looking forward to forest conservation in the long term. That is where the failure is. Finally, after stimulation by the federal Government, the Province of Ontario has agreed to enter into forest management agreements with the producers in the Province of Ontario. It has signed agreements with 13 producers in order to provide them with funding that would match or take into account the contribution from the private sector in order to enter into forest management agreements. While that is not representative of all the suppliers. It is better than nothing.

In effect, that agreement which was signed by the Government of Ontario and the Government of Canada provided for $82 million in investments over five years. That agreement will terminate in March, 1984, and the renegotiation of a new agreement is being undertaken. That new agreement will envision intensive efforts to reforest private and industrial lands as well as provide for the regeneration of the backlog of unsatisfactorily restocked Crown land. It will also provide for the expansion of nursery capacity since that capacity is insufficient. It is nearly one-third of what should be available. Furthermore, it proposes increased research and development in Ontario to meet that Province's specific requirements. It also takes into account Indian reserves forest management. The hon. gentleman from the New Democratic Party spoke about Indian lands and the fact that forests are the only resource available for exploitation by Indian people in a large number of those areas. Exactly the same situation exists in my area. One band has close to 50,000 acres of available forests for exploitation but has never before been encouraged to exploit that resource. I have obtained funds for them so they may exploit those resources in the future.

In addition, we will have technology transfers and increased public awareness, which is essential. This brings me to the subject of forest fires and the threat of forest fires which, in 1980, were responsible for the destruction of an equivalent of a six kilometre wide strip of forest from coast to coast in Canada and a $350 million loss in terms of income. As a result of that particular loss in 1980, I have been aggressively seeking to obtain the sort of firefighting equipment which is required for the firefighting patrol Canada.

• (1540)

[*Translation*]

That is why I went after the CL-215, a water bomber manufactured by Canadair. It is the most effective instrument we have, and it makes it easier to put out a fire when it first starts, as a result of lightning or electric storms in areas that are not accessible by road. The only way to get there is by air, and in that kind of situation, the best kind of aircraft is a plane, and the CL-215 was designed especially for fighting forest fires. This plane, which is entirely Canadian-designed, can carry more than seven tons of water per trip and make ten trips per hour.

[*English*]

That means seven tonnes per trip, ten trips per hour, 70 tonnes of water which can be dumped on to a fire anywhere water can be scooped. All that is required for the scooping is 1,200 metres, which is just a bit more than one kilometre. It can come in, scoop the water and take off with seven tonnes of water.

We have been able to export the aircraft. We have 15 of those aircraft flying in France, 17 flying in Spain, 12 flying in Greece, four in Yugoslavia, two in Venezuela, two in Thailand and two in Italy. In effect, with the orders that we are placing jointly with the Provinces, we will be in a position to encourage greater aggressivity by Canadair in the international marketplace. It is an aicraft which is required. It is an aircraft which not only provides us with protection against fires in the forest, but also one which provides a large number of jobs in a very sensitive area of Canadian industrial activity, namely, the aerospace industry.

It is recognized that Canada's future depends on the forest products industry. It is an industry which we have neglected in the past. It is an industry which will secure for us not only domestic markets, but also export markets for long periods of time, if we are wise enough to farm the resource, if we are wise enough to put back as much into forest management as we take out of it. It is something which we have not done in the past. We have been able to survive because Canada was so plentiful.

My region, Sturgeon Falls, was initially developed in the 1860s as a result of J. R. Booth going up the Ottawa River, the Mattawa River and then finding all the best white pines, topping the white pines, taking the best 16 feet and leaving the balance in the bush. Even today, one goes into the bush of northern Ontario and one trips over "des souches".

An Hon. Member: He must have been an headless Liberal.

Mr. Blais: No, as a matter of fact, he was not. He was a good supporter of the Tory Party.

An Hon. Member: A good one?

Mr. Blais: Yes.

An Hon. Member: Tell us the difference.

Mr. Blais: If the NDP had existed at that time and had had as many reactionary points of view as it has expressed as a result of the Crow debate, he probably would have voted NDP.

Some Hon. Members: Oh, oh!

An Hon. Member: Are you still eating Crow over there?

Mr. Blais: No, we will be dealing with the Crow for some time to come because we are a progressive Party on that matter. We do not have to deal with reactionaries such as those who have abided with the NDP. Especially with all those young faces opposite, it is just unbelievable to hear such reactionary old-time views. I note that Members of the NDP are present in large number. One of its Members must be speaking next. I hope that they will be as constructive in their approach as were the Hon. Member for Prince George-Peace River (Mr. Oberle) and the Hon. Member for Esquimalt-Saanich (Mr. Munro).

In concluding, I want to transmit some praise to my colleague and seatmate, the Minister of the Environment (Mr. Roberts), because he has dealt with all the areas which have been identified in the motion. If one considers the motion, one finds that it condemns the Government for neglect but identifies the areas, all of which have been addressed by the Minister. Indeed, the pest problem has been well addressed by the Canadian Forestry Service. There is still work to be done. I have already discussed fire control and the amount of moneys we are investing in the water bomber. In terms of pollution, again there is work concerning acid rain. In terms of foreign competition as well, I have discussed our ability to penetrate the American market and to resist the protectionist measures which the Americans threatened to take.

I would like to make one last point. Last January, all the caucus Members from northern Ontario met in Thunder Bay and we dealt with forest products and the forest industry. We invited all Hon. Members from northern Ontario, including one Hon. Member from the Loyal Opposition. There were six Cabinet Ministers, all of whom had an interest, direct or indirect, in the forest products industry. We invited members of the private sector who were involved in pulp and paper, in sawmill operations, in planing and drying operations, in order to discuss the industry and the measures which should be taken by the Government in order to advance the industry's cause. The results of that particular conference are now being implemented in large measure. One of them has been implemented because there was a recommendation by the industry relating to water bombers, and that has gone forward. However, the others are now being worked upon and are being implemented by the Canadian Forestry Service.

I think that the Government has done a great deal. There is still a great deal to be done, but what it has done, primarily, has been to assume the leadership role in the protection and in the exploitation of our forests, which really devolves upon the Government of Canada.

Mr. Deputy Speaker: Are there Hon. Members rising to ask questions?

Mr. Oberle: Mr. Speaker, listening to the Hon. Member and his constructive remarks in response to the motion which is filed under my name, one cannot help but be reminded of the old saying that if he could only harness the energy expended in talking of the crisis, it would very soon be ended. There is no question but that the Liberals have done much talking and, hopefully, sooner or later, their talking will be followed up with some action.

The Minister made reference to a very important subject, one very dear to my heart, that is, the development of private woodlots and the necessity for developing government programs and regimes which would encourage and entice private owners of marginal farmland which should be forested or private owners of woodlands to begin planting and restocking. As he said, it would take 25 years to 100 years, so there is really no great incentive for anyone, in one life time, to undertake such a project. He heaped scorn on the Province for not being more innovative in encouraging people. Could he tell me what initiatives are being taken by the federal Government? The Tax Act really comes under federal Government jurisdiction. What initiative is the federal Government taking to develop a tax regime which would encourage and entice private woodlot owners, industries and Provinces to follow suit and match the efforts of the federal Government in that kind of endeavour?

Mr. Blais: Mr. Speaker, the development of woodlots, of course, would have to come within the agreements which are executed and would have to be envisaged within the agreements which are being negotiated as between the federal Government and the provincial Government.

• (1550)

I am not one to start encouraging the federal Government to engage in a confrontational stance vis-à-vis the Provinces in an area as important as the forest products industry. I would fear that if the Government of Canada would unilaterally start offering incentives to private entrepreneurs in terms of the development of private woodlots, especially where Provinces have huge areas of forestry which come under provincial Crown jurisdiction, we would get into that sort of confrontational stance. However, I recognize that in certain areas that may be the only way to go. I know that in the Province of Quebec the question of the development of private woodlots and the incentives being advanced by the federal Government in terms of the development of private woodlots is one of the options at which the Government is looking.

In my area the Province controls most of the Crown lands, except for Indian lands in certain areas. Therefore, it tends to be able to adopt its own policies in order to favour the Crown lands within the Province, and private woodlot operators tend to benefit as a result of the spin-offs of provincial policy. Having said that, the best way to address the individual situations in individual Provinces is to negotiate terms affecting private woodlots within federal-provincial agreements.

Mr. Skelly: Mr. Speaker, the answer of the previous speaker reminds me of the old saying that talk is cheap but it takes money to make things move. I wonder where his priority was in the 20 minutes he took. Would the Minister be prepared to indicate what kind of support he would give to native people across Canada for access into the forest industry? I would just like to mention two or three things. One would be access to the resource. There is a desperate need to resolve the land claim issue and to give them access. Does he support that? The second is the creation of a native forest development corporation for the funding and for the development of silviculture inventory, reseeding and production. The third would be the establishment of an Indian forest economic development fund, a special fund so that native people can become involved in it. The fourth would be an affirmative action program where in companies are financially assisted by the federal Government, whether they be Crown Zellerbach or MacMillan Bloedel. Would the Government be prepared to undertake an affirmative action program so that young Indian people will have employment opportunities in forestry operations? The fifth would be the development of specific training programs for young people so that they can become directly involved in that industry. The sixth would be some form of co-operation between the Department of the Environment and the Department of Indian Affairs and Northern Development to develop an effective forestry program for native people. Would the Minister raise these with his caucus colleagues and press for them as a member of the Cabinet of this Government?

Mr. Blais: Yes, Mr. Speaker.

Mr. Riis: Mr. Speaker, my question is directed to the Minister of Supply and Services (Mr. Blais) who went on at some length in his speech describing the excellent deal in terms of fire-fighting aircraft on which the federal Government has taken initiative. I want to say that I agree with him in part, that in fact it was an important breakthrough and will assist many Provinces. However, the Province with the major component in the Canadian forest industry is the Province of British Columbia and its neighbouring territory, Yukon. The aircraft which the federal Government is now pushing takes considerable time to land, to pick up water and to take off once again. When the Government made the decision, did it overlook the fact that British Columbia does not have wide valleys and easy access to water sources? More specifically, did the Government consider that a good deal of northern British Columbia and Yukon are fighting forest fires when all the lakes are frozen over, particularly at this time of the year and still for many, many weeks? How could the Government see using this aircraft to scoop up water to fight forest fires when the lakes are frozen over?

Mr. Blais: First, the Hon. Member says that it takes a long time for the aircraft to land in order to load on water. The fact is that the aircraft does not land. It takes six seconds to scoop up water. It needs only a bit more than a kilometre to go from 50 feet above land or water, to dip down and load something over seven tonnes of water, and then to take off again.

Mr. Riis: Did you say 50 feet?

Mr. Blais: Yes, just slightly over one kilometre or 1,200 metres is what is required for the aircraft to dive from 50 feet above ground level—

Mr. Riis: In British Columbia they wou have to be higher than 50 feet.

Mr. Blais: The fact is that the aircraft can do it. I have asked that specific question of my officials who told me that in British Columbia the aircraft would be very useful, even more useful than the fire retardant bombers that are now being employed there.

However, the situation in British Columbia is that there are a number of companies using older type aircraft such as the DC-6 and some smaller type of aircraft which are using fire retardants. I think there may be some pressure by those contractors vis-à-vis the British Columbia Government relating to their getting involved with water bombers.

In terms of the Yukon Territory, I can tell the Hon. Member that indeed in my area of the country where lakes are frozen over for some period of time, when there is ice on the lakes, there is snow in the bush and when there is snow in the bush, there is very little chance of fire starting. In fact, that is the case in Yukon as well. The survey at which we looked indicated that while there are some forest fires in the early portions of the season, the high incident of forest fires is after the lakes are opened and there can be the scooping of water and dumping of water on to fires.

In addition, we have looked at lakes and the availability of lakes close to where valuable forest lands are to be found. We

have ascertained that the lakes are sufficiently close to make the water bomber a viable firefighting mechanism.

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, I have listened with a great deal of interest to the remarks of Hon. Members who have participated so far, particularly to those of the Hon. Minister of Supply and Services (Mr. Blais). My family, like his, has had a bit of a feel for the forests. We were chased out of Scotland a bit earlier than his family arrived in this country because the English at that time preferred sheep, and we landed in Nova Scotia. Ever since that time my family has been interested in forestry. My own grandfather began to plant trees over 60 years ago. My father has continued this tradition, and so have I. It makes me laugh when I hear the Minister say that it is only the public sector which has a commitment to undertake long-term forestry projects. It has to be a partnership between the public and the private sector. When I think of the shortsighted policies that have existed in the public sector with respect to forestry and compare them with some of the things that industrialists like K. C. Irving have done to entertain large scale forestry, I realize just how out of touch the Minister is.

At one time Canada had a federal forestry department. Its first Minister was a distinguished former Premier of New Brunswick, Hugh John Flemming. He was also an outstanding Member of the House for many years. However, at this point in time the forestry department has been merged or submerged into the greater Department of the Environment. This is not acceptable because the size of the contribution of this Department would dictate that it certainly deserves equal status to agriculture and to fisheries. It is pretty obvious that the Minister of Agriculture (Mr. Whelan)—to whom I want to pay tribute for doing something which our administration suggested should be done and which we had begun to do, that is, to move the PFRA back into that Department where it should have been and extend services across the country—would be the first to agree that forestry deserves equal status to agriculture. I am sure the Minister of Fisheries and Oceans (Mr. De Bané) would agree as well. It is unfortunate that this step cannot be taken.

As other Hon. Members have said—and I think it should be put on the record once more—the forestry sector deserves at least equal treatment because directly or indirectly it provides one out of every ten jobs in the country. It provides jobs for 13 per cent of all people employed in manufacturing and generates over $1 billion in tax revenue for the Provinces. Forest products exports, as the Hon. Member for Esquimalt-Saanich (Mr. Munro) said, amount to many billions of dollars and account for about 18 per cent of all Canadian exports. It makes a larger positive net contribution to trade, as he said, than agriculture, mining, fisheries and the petroleum industry combined, yet the forest industry has been downgraded over the years simply because it has not been making the demands or has not received the attention that it should have.

• (1600)

People tend to view forests in extremes. Some, like the American poet Joyce Kilmer who was killed during World War I, were very eloquent on the subject. Who can forget his testimony that "Poems are made by fools like me, but only God can make a tree".

On the other hand there are those pragmatic individuals who run large pulp companies or who take part in some other sectors of the industry who look upon forests as only the raw material for cellulose or as a source for so many cunits of lumber. I believe that this important industry has to be viewed with enlightened concern, a blending if you will of the aesthetic and the practical so that this great renewable resource is administered and developed, if not with idealism, at least with sensitivity for all that it can do and what it represents and has represented for this country.

The federal Government has been slowly responding to problems in the forestry sector caused by past neglect. Evidence of this growing federal concern has been indicated as speakers on the Government side have emphasized, by the initiation of a shared-cost program for modernization of the forest products industry. Major increases in federal input to forest management through DREE sub-agreements with the Provinces has been another initiative which has been helpful. There was the decision to raise the Canadian Forestry Service to a separate service headed by an Assistant Deputy Minister and the establishment of the federal forestry sector strategy committee to co-ordinate and assess federal initiatives and actions relation to the forestry sector. More effort is needed. Certainly there has to be a greater effort made by the provincial as well as the federal Governments if we are going to continue to stop the neglect and the discrimination of this great industry.

Some people may say we do not need a federal forest Minister because so much of the jurisdiction lies with the Provinces. That is not so. Even excluding the vast Territories, Yukon and N.W.T. in this country, there are still areas of land under the control of the federal Government in Provinces that are greater in total area than the Province of Nova Scotia.

It seems obvious that to deny a resource of this magnitude a separate Ministry is a situation that should not be allowed to continue. The different regions of Canada have their own traditions. It is fascinating how the history of forestry blends in with the history of this country. Each region has its own methodology, from the rain forests of British Columbia to the Acadian forests in eastern Canada. There have been different historical developments and different ways of life which have developed.

In our school it was interesting to learn how the lumberjacks in New Brunswick and Maine almost caused a war between our two countries, called "The Pork and Beans War", when they began to take umbrage at certain things that went on in the forests in their Province and State respectively.

Our national capital was once a lumber town. That was the very reason for its existence at the time that Queen Victoria

decided it had the potential to be the capital of Canada. Some cynics would agree that it made a greater contribution as a timber centre than it has ever made as a political centre. That probably is a topic for another speech.

As a Member of Parliament from Nova Scotia, I am proud to say there was no Province in the country that had a more unique approach to the ownership of land and the utilization of forests. It has been a remarkably cosmopolitan Province in terms of the evolution of this country's history. To deviate from the strict topic of forestry for a moment, let me say that upon its stage many dramas involving Britain, France and the United States were once played. It was a gateway for French exploration. It was a British military staging ground and became, as the great author Thomas H. Riddell stated when talking about the Port of Halifax, "The warden of the north" which stood guard over the vast interior of this country for many years. Our Province was front and centre during the fraternal struggle between Great Britain and the United States.

From the War of Independence to the United States' Civil War, Irish, Scots, Germans and United Empire loyalists, people from Quebec or France, all for their own good reasons, settled in Nova Scotia, and a unique land system evolved. The ownership of land always meant a great deal to the people of Nova Scotia, and no other Province in the country, to my knowledge, had such a high percentage of private land ownership, free from encumbrances.

Nova Scotia achieved great prosperity from the so-called square timber trade and the use of its high-grade of spruce and pine, not only for shipbuilding and the supplying of masts for the British Navy, but also because Napoleon's blockades in Europe dictated that new sources of timber be found. The result was that the beams and interiors of many large and stately structures, residences and public buildings in Great Britain have come from the forests of Nova Scotia. However, as the Minister of Supply and Services pointed out, in his region this high grading of resources took a very high toll. It was very bad for the general health of our forests. After this industry reached its peak in the late 1800s replanting and other steps to repair the quality and the extent of our forests have never to this day been adequately undertaken.

Also, there has been a dramatic change from a sawlog to a pulpwood type of economy. It has been only in the last 25 years that any significant amount of reforestation has been undertaken. I want to again pay tribute to K. C. Irving for what he has done in the Province of New Brunswick and to mention that some of the large forest companies in Nova Scotia have come to a belated realization that they have to put something back in, that they have to take part in reforestation and make certain that the kinds of trees that are planted are of good quality.

At the present time there has to be, as other speakers have said, a great deal of work undertaken to improve the forestry sector. I want to speak primarily about eastern Canada. Various diseases affecting both hard and soft woods have caused great losses to Nova Scotia. Our beech, birch and now our elm have been affected. Logging practices in recent years have been abominable. Heavy equipment has been taken in and the land has been scarred. New growth has been destroyed, which has led to erosion and very severe damage to the environment. Small streams are clogged with brush and silt. The situation has become very offensive to people who care about forestry and the environment.

I believe that one of the things that both the Nova Scotia Government and the federal Government can do is to encourage the retention and expansion by private land owners of the small woodlot holdings they have. This, as I mentioned earlier, is part of the historical pattern that characterized our Province. Much can be done to encourage such ownership. Better forest management and marketing opportunities for small land owners can be facilitated, not by Government interference or by the use of a lot of subsidies, but by more education and assistance in marketing pulp and lumber from small producers.

Pulp companies and large processors have no objection to exporting the end result of what they produce. For some reason, and I suppose it is natural, they would like to have a captive source of supply. They are very reluctant to see small producers get involved, as they used to do, in exporting lumber and even pulp to other countries. The balance of payments and the general business procedures affecting the best interest of this country should be looked at. The federal Government together with the provincial Government should look at some of the captive supply situations that exist in some of the markets in eastern Canada. The federal Government can participate, not only in cost sharing projects and the supplying of expertise but, as was said earlier by my friend, the Hon. Member for Prince George-Peace River (Mr. Oberle) in a question to the Minister, by imaginative taxation policies that provide shelters and opportunities for long-term development in forestry resources under private ownership.

• (1610)

It is also in the interest of the Government of Nova Scotia in considering forestry regulations, and this true of other Provinces I am sure, to refrain from allowing municipalities to pass regulations and bylaws which will affect the proper use and long-term planning of both agriculture and forestry properties. Governments themselves have caused problems because large areas of land have been wasted by highways and power corridors and some large tracts of Crown land have not been utilized in accordance with good forest practices.

When Crown grants were the rule in Nova Scotia, land owners were not restricted to any significant extent and, for the most part, they used the land to its best advantage. Increasing limitations on the use of forest land, either for bureaucratic convenience or to further satisfy the interests of Governments which have become ever more intrusive and manipulative have, to a large extent, eroded the landowner's rights to the point where it is now an exaggeration to say that an owner can truly call himself a freeholder of property. Pretty

soon he will simply be a tenant subject to the arbitrary interference of either the municipal or provincial Governments.

I repeat that the best thing that could happen for the encouragement of forestry and for the highest and best use of forest lands in the Province of Nova Scotia would be more opportunities for the purchase of small tracts of Crown land by Nova Scotians, or indeed by Canadians or even people from other countries who wish to have the satisfaction of owning a piece of our Province and treating it properly, using proper practices of silviculture and forest management. Anyone who has a sincere interest in owning a few acres of forest land will treat it properly.

I have always been against the practice that has grown up in recent years of Governments acquiring large tracts of land. As one would really not expect, Governments made it very difficult for its own people to obtain access to it for the leasing of a few acres for firewood harvesting, or for building a cottage by a lake or stream. I cannot understand why the Government did not learn and does not continue to profit from the past experience, because people who truly care about forestry are not liable to be careless with matches. They are not liable to cut down all their trees. In fact, history has shown that people who own their own land are far more careful of it and take far better care of it than do people who lease timber rights from the Government and leave a wasteland behind them by clear cutting the land. In many cases, that land would have been better off if it had been burned rather than logged in the way that I have described.

It has been said that people who plant trees do not think of themselves. Certainly the long-term nature of forestry cannot be over-emphasized. The original stands of high quality timber, the black spruce and white pine, oak and ash, and other original growth that once stood in the forests of Nova Scotia, must be reseeded or replanted now. I sometimes think that the ravages of the spruce budworm might have been Mother Nature's way of removing a very undesirable and inferior type of growth that perhaps grew up simply because of an accident of history.

Your Honour probably does not know that by the turn of the century, there were over 60,000 small farms in the Province of Nova Scotia. When the industrial expansion in the United States began to accelerate, the decendants of the people who had labouriously cleared that land, sometimes by hand, decided that their fortunes would be improved if they went to Chicago, Boston or Los Angeles to work. As a result, when they left, nature quickly reclaimed all of those lands that were so labouriously cleared. What grew up, however, was not the original growth but generally a mixture of alder bushes and what we call cat spruce, as well as wild cherry and other waste trees.

This provides another possible area of research which could benefit areas like Nova Scotia where some of the land is marginal for farming in any event, but this land has demonstrated that it can grow good forests. I believe that in some cases, soils of this type, besides being planted with the original forest, could be planted with fast growing trees like aspen which would provide a ready source of wood alcohol or ethanol. Other countries have started to do this. Brazil is one of them. There is no reason why, with some imagination, parts of the land of eastern Canada could not in effect be re-ruralized by the growth of certain types of fast growing trees that could quickly produce ethanol. Certainly that would be a far better and higher use of the land than allowing it to lie fallow as it is now in some cases.

Another thing that I would like to see the federal and provincial Governments do, Mr. Speaker, is to become more interested in the highest and best use of timber. I see that my time is almost up, Mr. Speaker. Too often I have seen the scarce good timber that still remains in Nova Scotia ground up for pulp instead of converted into lumber which is a much more worth-while resource.

In any event, it is pretty obvious that with our traditions and respect for the ownership of land and in appreciation for what forestry meant to us in our early years as a Province and, before that, as a successful colony, we should be very conscious of the help that the federal Government can be to us. As a joint project, we should all work together so that both Governments can do their share, not by making subsidies available, not by being intrusive, but by providing expertise in research, scientific development and marketing for this industry.

Mr. Skelly: Mr. Speaker, I direct a short question to the Hon. Member which is again on the theme that I had raised before. In the Hon. Member's Province and, of course, in the adjoining Province of New Brunswick, there are many native people, and of course this particular resource is of great interest to them. In my own area there are large bands such as the Nimpkish people of Alert Bay, the Helltsuk people of Bella Bella, the Kitasoo people of Klemtu, the Nuxalli people of Bella Coola, the Mowachaht people of Gold River and Sechelt, the Sliammon people of Powell River, and each one of these particular groups of people either has access to large reserves of timber or they actually have band timber available. Yet there are no Government programs that provide any meaningful assistance to allow these people to develop those resources, balance out and strengthen and diversify their economy.

It is my understanding that the same limitation exists in the region of the country for which the Hon. Member was putting forward a case on development of the forest industry. I would ask why he has not chosen to stress this very important, albeit small, area of forestry development and what he would be prepared to do as an individual to bring this case forward quickly with the Government to try to make sure that native people are in fact given access to forest industry in a meaningful way.

Mr. MacKay: Mr. Speaker, that is an excellent question. I am pleased to say to my colleague that I can see no reason why, in the Province of Nova Scotia, some of the Crown lands which are under provincial ownership could not be made available to some of the native people who, as he knows, are mostly Micmac. In my own constituency, there is a small band

which is desperately in need of access to some timber. I think that it is an excellent initiative.

If there was ever a case for an affirmative action program in terms of giving native people a chance to take part in the lands and forest industry where they have a special feel for the forest and nature or for giving them access to Crown lands, I think that this is a valid one. It is very tough to run an equal opportunity program and an affirmative action program at the same time, and I am pretty sceptical of some of them, but this is one affirmative action program that I would support. From time to time, I have spoken to the Government of Nova Scotia about it.

Mr. Skelly: Mr. Speaker, I think that this is an interesting bit of progress made by Members of the House. I heard the Minister of Supply and Services (Mr. Blais) and several Members of the Opposition speak on this. I know where this Party stands but I wonder if the previous speaker, whose inclination seems to be as clear as my own, would be prepared to join with this Party and press the Minister of Supply and Services, the Minister of the Environment (Mr. Roberts) and the Minister of Indian Affairs and Northern Development (Mr. Munro) to develop quickly, before the House adjourns, a specific program to aid our native people with access to and the development of their forest resources.

• (1620)

I wonder, also if it would be possible for the three groups in the House to move on that question. Would the Hon. Member be prepared to consult and work toward that goal before we rise in June?

Mr. MacKay: Absolutely, Mr. Speaker. I realize that the Hon. Member has a sincere interest in this, but he should not be giving the impression that only he and his Party favour such an initiative. I would be very pleased to join with him.

[*Translation*]

Mr. Roger Simmons (Burin-St. George's): Mr. Speaker, I intend to do part of my speech in French, to show Francophones that there are a few Newfoundlanders who realize that French is more important in Canada than Chinese.

Some Hon. Members: Hear, hear!

Mr. Simmons: Mr. Speaker, another very important reason is that when my fellow Newfoundlander, my dear friend the Member for St. John's West (Mr. Crosbie), is chosen as the new Leader of the Progressive Conservative Party, he will need someone who can understand French, translate it into English and then translate the English into Newfie!

[*English*]

I begin my few remarks without wanting to disturb my good friend, the Hon. Member for Capilano (Mr. Huntington). For the information of the Hon. Member for Brampton-Georgetown (Mr. McDermid) I simply said that I fully support the candidacy of my compatriot and dear friend, the Hon. Member for St. John's West (Mr. Crosbie). I recognize that he will have many needs once he becomes, as he surely will, the Tory Leader.

I want to begin by saying how I commend the Opposition for choosing forestry for today's debate. Just when I was about to lose completely all my confidence in the Official Opposition, it came through with something sensible. I suppose that is exactly what we can expect from the eminently sensible Member for Prince George-Peace River (Mr. Oberle).

Forestry is big business in the Province which I represent. I grew up a couple of miles from a pulp mill and a dozen miles from the giant paper mill at Grand Falls. It is now owned and operated by Abitibi but was formerly known as the Anglo Newfoundland Development Company in the great days of British imperialism. I worked for AND for two weeks as a woodcutter in the days before chainsaws. I might say that my career was cut a little short. I was living in camp and therefore the cost of my board and lodging was deducted from my wages. At the end of the first pay period I discovered that I owed money to the company, so I concluded very quickly that my destiny was elsewhere than in the forest industry.

An Hon. Member: You should have worked harder.

An Hon. Member: That is free enterprise.

Mr. Simmons: They are a live bunch opposite today, Mr. Speaker. That is a sign of a restful weekend. They would be more tired if they visited their constituencies more often and came back here for a rest.

The electoral riding of Burin-St. George's—

Mr. McDermid: Oh, oh!

Mr. Simmons: That is on the south shore, on the South Coast of Newfoundland, I say to my friend from Brampton-Georgetown. I am willing to wager, Mr. Speaker, that sometimes the Hon. Member does not talk; that there are actually times when he does not babble all the time.

In the riding that I represent, Burin-St. George's, forestry is a very important component in two particular parts of the riding, St. George's in the western part of the riding and Bay D'Espoir in the central part of the riding.

I take particular interest in the resolution set down by the Hon. Member for Prince George-Peace River. I would invite him to reflect on the wording of the resolution, particularly in light of the comments made in the House today by his colleagues, the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) and the Hon. Member for Esquimalt-Saanich (Mr. Munro). I thought those two gentlemen were careful to put some distance between themselves and the resolution. I thought they were wise to demonstrate that they really did not support the strong condemnation in the wording of the resolution. I was encouraged to hear from them and from the Hon.

Member for Central Nova (Mr. MacKay) that not all Government initiatives in the forest industry are wrong. Those Hon. Members voiced a feeling that is widespread in the forestry sector.

The federal Government's contribution to a healthy forest industry in this country has been and continues to be impressive. Under the leadership of the Minister of the Environment and the Assistant Deputy Minister for the Canadian Forestry Service, Mr. Les Reed, we have made great strides in the last few years in lending adequate and appropriate support to the forest industry.

I listened with great interest to the Hon. Member for Esquimalt-Saanich. He continues to confuse me somewhat, not by his brilliance, although he has that and is unquestionably a very able man, but by the inconsistency he brings to the debate. Usually I hear him lamenting what in his view is the considerable extent of Government intervention in private enterprise. Today, however, he makes a case, and a very good case, for even more intervention. I think particularly of his comments relating to reforestation. He talks rather passionately about the need for more involvement of Government in that particular area. That is not consistent with his other remarks about Government involvement. I am pleased to see that in this particular area he recognizes that if our forests are to be properly conserved and regenerated, continued and active federal Government involvement will be required.

I want to draw the attention of the House to a number of important initiatives taken by the Government. Perhaps the highest profile is enjoyed by the forestry agreements between the Government of Canada and the several Provinces. These agreements are now in place and most of them will shortly come up for renegotiation. I have no doubt that the Government's commitment in that particular area will continue. Over a five-year period under these agreements the Government's commitment is in the order of $750 million.

The Minister of Supply and Services referred to the water bombers, the CL-215, which represent another $150 million federal money. I could mention the job-creation activities in the order of $200 million, the forestry school for $15 million, research and development for $5.5 million, the initiative in the Gaspe which is another $20 million. With those figures I have enumerated amounts which total about $1.25 billion. It is important to keep the mandate of the federal Government in mind in this particular respect.

• (1630)

It is important to keep in mind that almost any initiative which the federal Government takes in the forestry area has to be hand in glove with those of the provincial Governments. Having said that, I stress that the federal Government does have important responsibilities in this sector in so far as regional development is concerned, as well as employment growth, export development and its impact on balance of payments. The whole research and development area as it relates to forestry is one in which the Government must continue to show new leadership.

I suppose if one were to state concisely the over-all mandate and responsibility of the federal Government in this area, it would be in terms of the wise use and conservation of the renewable resources of the forestry industry. It seems to me, Mr. Speaker, that the most important way in which Canada can become more competitive in this sector is with an abundant supply of high quality timber at an economical price. The forest renewal policy of the Government is designed to offset threatened timber supply problems and thereby, in the long run, to reduce costs.

There is more to the forest sector, Mr. Speaker, than simply planting seedlings and tending the new crops. There is a human resources program already implemented by this Government which provides for high quality manpower. Some of the components of that particular human resources program include summer jobs for 300 forestry school students, graduate scholarships for 50 Canada forestry scholars every year, grants to forestry schools for visiting scholars and research contracts, and upgrading of the R and D scientific staff in the Canadian Forestry Service. More than $16 million have been committed by this Government to this program over a four-year period.

Let us take a look now at the expansion of the research and development program in the Canadian Forestry Service. For the year 1983-84, a commitment of $5.5 million has been made to that program. In addition, new and expanded research buildings will soon be started in Victoria, British Columbia, Sault Ste. Marie, Ontario, Quebec City and Fredericton, New Brunswick. The reason for proceeding first with high quality manpower and research capacity is that we can better field forestry and make our scarce forest renewal dollars stretch even further if we concentrate on those priorities at the outset.

I would like to speak for a moment on another issue which is important in any discussion of forestry and the forestry industry in Canada, and that is the United States countervailing duty threat against Canada's lumber, and this Government's role in successfully countering that particular threat. It has been 20 years, Mr. Speaker, since Canada has faced such an ominous threat to its export trade as the U.S. countervail action against our soft wood lumber. Fortunately, the countervail threat may now be distinguished, at least put behind us for a moment.

It has been alleged that the Government of Canada has failed to carry out its share of the responsibility for fighting the U.S. industry's pressure. The tension arose because of the severe slump in lumber markets world-wide, but especially in U.S. residential construction which was brought on by high interest rates. Normally, the U.S. customers are pleading for Canadian supplies because they themselves cannot produce more than 60 per cent to 70 per cent of their soft wood lumber requirements in a normal market. Fortunately, the Canadians were supported by the National Association of Homebuilders, the North American Wholesale Lumber Dealers' Association, the International Woodworkers of America, and by many others. Without taking you, Mr. Speaker, through the details of our repsonse to that countervail action, I believe it is important to record that the issue was successfully fought

because all concerned recognized the wisdom of our case and the folly of the U.S. private enterprise case in his particular issue.

I would like to comment briefly on the criticism which was aimed at the federal Government for refusing to pay a part of the cost. First of all, the action by the U.S. people did not involve a charge by the U.S. administration, but rather by a small segment of the U.S. lumber industry. It is traditional that industry bear the main burden of defence, whether it is with respect to steel, potatoes or some other product, in this case, forest products. Second, the Canadian soft wood lumber committee had the expertise to conduct its own defence, and did so with the collaboration of the several Governments involved, the federal Government of Canada and the provincial Governments which were directly affected by this countervail threat.

Otherwise, Mr. Speaker, notwithstanding that rather ominous threat to which I have made brief reference, the forestry relations between Canada and the United States have been quite positive and, I believe, mutually supportive over many years. One could take a number of examples. Perhaps the first which comes to mind is the CANUSA agreement, the Canada-U.S. Forestry Agreement, which in particular embraces a co-operative research effort on the spruce budworm. It is a program from which we have seen some very positive results and some cost-saving benefit to Canada and, I am sure, to the United States. I could mention the collaborative initiative of fire suppression between the two countries. That agreement was signed last year by the Minister of the Environment (Mr. Roberts) and Secretary Black of the U.S.

For many years there had been some exchange of water bomber aircraft. Much of this was done under rather awkward and hasty arrangements. However, now we have formalized those arrangements and put them in place to facilitate a rapid response to forest fire emergencies, particularly in those areas which are fairly near our border.

I could mention, as another example of U.S.-Canadian co-operation in this area, the supply-demand working group. The U.S. and Canadian Forestry Services are now developing working groups on timber supply and forest products demand. In the area of investment capital, there have been good signs of collaboration. The flow of forest industry capital funds has moved between Canada and the United States with relative freedom. As a matter of interest, foreign ownership of Canada's forest products manufacturing facilities has declined over the past 10 to 15 years from 35 per cent to something less tahn 25 per cent during that period. That change has occurred without any public controversy.

I could mention the area of wood promotion as another example of the kind of co-operation which exists between the two countries, co-operation which is to our mutual benefit. The lumber producers in Canada and the U.S. have worked closely together over the past 15 years in joint trade promotion activities. The National Forest Products Association of Washington derives one quarter of its annual budget for product acceptance from Canadian lumber producers. The American Wook Council secures 10 per cent of its budget from Canada. In this way, we work together as two countries to counter the threat of competing materials and to improve design standards. The forestry relations which I have described briefly give ample evidence of how closely our two countries are working together at the official level to the mutual benefit of all concerned.

There are many other issues, Mr. Speaker, but I see my time has expired.

Mr. Deputy Speaker: Are there Hon. Members wishing to rise to ask questions?

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Algoma (Mr. Foster)—National Resources—Processing of uranium—Export of concentrate; the Hon. Member for Mississauga South—Finance—Income security investment plan. (b) Potential of small businesses to create jobs; the Hon. Member for Churchill (Mr. Murphy)—Mines and Mining—Closing of Sherritt Gordon Mine at Lynn Lake, Manitoba. (b) Request that tax write-off provisions be changed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—FOREST INDUSTRY

The House resumed consideration of the motion of Mr. Oberle:

That this House condemns the Government for its neglect of Canada's forests and its indifference to the threat posed to Canada's forests and forest industries by pests, fire, pollution and foreign competition, and calls upon the Government to stimulate the research needed to promote superior growth and diversify export products, and acknowledge its responsibility to protect the Canadian environment and the millions of Canadians whose livelihood depends upon Canada's forest resources.

Mr. Skelly: Mr. Speaker, I wish to ask a question of the Hon. Member on the Government side of the House, who was at one time, I believe, the Parliamentary Secretary to the Minister concerned with this issue. Given the fact his speech did not include reference to native people and their access to

the forest industry, although he rattled off a number of figures indicating employment opportunities, can he tell the House how many of the people hired through the initiatives he mentioned have been native people? How many of the research facilities will be targeted toward the natives to aid them in the economic development of native reserves? What kind of native employment targets has the Government developed in the forest industry?

• (1640)

Given the fact that a number of people in this House have indicated their support today for immediate initiatives to make sure that the native peoples have access to the forest resource, would he be willing to support, in co-operation with other Members here and in his own Party, access by native people to the forest resource for the development of something like a native forest development corporation? Or perhaps he would support affirmative action so that companies who receive benefits from the federal Government, such as Crown Zellerbach, MacMillan-Bloedel and others, hire native people on an affirmative action basis. Would he lend his support to training programs being established for young native people to get into the industry, whether it is in the Canadian Forestry Service, private companies or through Employment and Immigration sponsored programs?

Can the Hon. Member indicate whether or not he is prepared to try to work with other Members of the House to foster co-operation between the Department of the Environment and the Department of Indian Affairs to develop and execute effective programs so as to make native involvement in the forest industry in Canada a reality?

Mr. Simmons: Mr. Speaker, first of all I want to thank the Hon. Member for Comox-Powell River (Mr. Skelly) for the question. I can support any initiative at the federal Government level which would give fair access to native people to the industry. I can identify with much of the spirit of the question the Hon. Member has put. I have in my own riding an important native community, that of Conne River, on the South Coast of Newfoundland.

Mr. Oberle: Are they Indian?

Mr. Simmons: Yes, they are Micmac Indians, for the benefit of my friend, the Hon. Member for Prince George-Peace River.

Mr. Oberle: Tell your Minister.

Mr. Simmons: The Minister of Indian Affairs and Northern Development (Mr. Munro) well understands that they are Micmac people. He has given much of his time on a priority basis to seeing that $1 million of federal funding flows to the people of Conne River, despite a rather deliberate and long-standing procrastination by the Hon. Member's political friends, the Tory Government of Newfoundland, who for 22 months blocked that money from going to that community at some considerable pain, discomfort and inconvenience to the native people of Conne River. I am glad he mentioned my good friend, the Minister of Indian Affairs and Northern Development, because the Minister is the reason why I do not have any fear that this Government will continue to address the problem of fair access for native people to various programs.

I started to say a moment ago, before the interjection, Mr. Speaker, that the spirit of the question from the Hon. Member for Comox-Powell River is one with which I can identify. But I am a little surprised he feels the need to ask the question because if he looked at the policy of this Government, whether it is in Indian and Northern Affairs, Employment and Immigration or other areas, he would see that what he is asking is reflected consistently in the approach of this Government to the expenditure of funds and employment policies.

Mr. Skelly: Mr. Speaker, the very reason I asked the question today is that, unfortunately and for whatever reason, it has not been part of the speeches of some Members of this House. It has not been part of the priorities and planning of this Government. What I suggested, and what other Members have recognized and said today, is that they are willing to commit themselves to try, before this House rises, to put constructive proposals to the Government. I outlined five things that I felt would work. I asked the Member whether or not he would be prepared to work with other Members of this House in a non-partisan way to try to improve the access of native people to the forest industry. It is a fact that since the turn of the century native people have suffered upwards of 90 per cent unemployment. In my area they are dependent on a sole resource, the fishing industry. Without finding fault, laying blame or going back to the past, I would like to see this House look forward to the future, and would the Hon. Member be prepared to offer his services in a non-partisan way to try to achieve this before the House rises?

Mr. Simmons: Mr. Speaker, I thought I answered that question in passing earlier. I said I could give my support to any initiative which ensures fair access by native people to employment and other programs underwritten by the public Treasury. That would certainly include working in a non-partisan fashion, as I am known to do on all occasions with the gentleman from Comox-Powell River, my good friends in the Tory Party—

Mr. Malone: Name one.

Mr. Simmons: —and my equally good friends in the NDP. By all means, Mr. Speaker, I would name many, but I would not want to give them an unfair advantage in the leadership race by so doing.

Mr. MacKay: Mr. Speaker, I had hoped to ask the Minister a question, but as my friend opposite is the spokesman for the Government I will ask him about his private opinion of the Canadair water bomber. I concede it may have a limited use in some areas, but coming as he does from Newfoundland where it is not always possible to find suitable lakes, would he not agree that helicopters are also a very useful way to fight forest fires, sometimes more so than these, some say, obsolete water

bombers? Would he support a representation to his colleague, the Minister of National Defence (Mr. Lamontagne) to give the armed services a role in fighting forest fires as a part of their flight training?

Mr. Simmons: First of all, in relation to the preamble of the Hon. Member for Central Nova, I am not a spokesman for the Government. I am happy to support the Government because of the excellence of its policies but I am not a spokesman for the Government.

Having said that, he invited me to give my private opinion. That I can do very quickly because the technology of the two types of equipment is something I am not very well versed in. I can tell him, though, that our experience in Newfoundland with water bombers has been quite a happy one. We can point to a number of otherwise very grave incidents which have been avoided because we have had those water bombers available. As the Hon. Member knows, they have been used in Newfoundland for many, many years. How their capabilities compare with those of the helicopters he mentioned I have no idea because I am not informed on the respective technology involved.

Mr. Jim Fulton (Skeena): Mr. Speaker, I welcome this opportunity to enter the debate, but before getting into the technical matters before us I should like to point out that there is a person in this House who has probably done more for forestry in Canada in the last couple of years than any Member sitting in the House, and that is the Deputy Minister, Les Reed, who is fortunately with us in the Gallery today. I am sure he is very interested in hearing the debate today.

Looking specifically at the motion before us which was put forward by my friend and colleague, the Hon. Member for Prince George-Peace River (Mr. Oberle), there are a couple of things I would like to raise because they have been put in there for very obvious reasons and they raise some concerns with me. He says in his motion that the House condemns the Government for its neglect of Canada's forest. I am sure the Hon. Member is aware that the Government of Canada controls only 1 per cent of the forests in Canada, some 92 per cent falling within the provincial domain and some 7 per cent being in private hands.

• (1650)

I have some difficulty with another point raised by the Hon. Member, and I am sure he will be able to clarify it in the question period. It is in relation to a constitutional point which he raises toward the end of the motion which states:

—acknowledge its responsibility to protect the Canadian environment—

I recognize that the federal Government has a certain responsibility, but it is certainly my understanding that the domain of the Provinces includes the environment. We can deal with that in terms of acid rain and so on. I am sure he meant it in that light.

I certainly agree with the part of the motion which calls on the Government to stimulate research massively. More research is a crying need and, as we know from the committee and the excellent work done by Mr. Reed, it is an area where Canada has fallen drastically behind. It is an issue we must deal with very quickly.

While I agree with the theme of the motion, I have found difficulty with it after having gone to the Parliamentary Library to read a copy of the 1979 budget of the Hon. Member and his Party. The only references to forestry that are even close are to sparkling wine and pickles. The word "forestry" does not even appear in the entire Tory budget of 1979. Therefore, it is evident that in recent times the Tories have not held forestry in as high esteem as pickles and sparkling wine.

Let me talk about British Columbia for a moment, a Province which is of equal importance to myself and to the Hon. Member for Prince George-Peace River. I am concerned about the provincial sphere there where, in recent years, a fund has been set up to deal with silviculture and replanting. I believe there was approximately $230 million in that fund which was gathered from the forest companies. Unfortunately, it has all been spent on the big gas bag in Vancouver, B.C. Place, and northeast coal. Unfortunately for us and future generations of Canadians, and British Columbians, those hundreds of millions of dollars which should be going toward future forests have disappeared into other priorities of Mr. Bennett's Party, the copatriot party of my hon. friend for Prince George-Peace River.

I have another concern which I am sure the Tories will deal with. That concern is log export. During the last number of years it has reached epidemic proportions in British Columbia. We now see entire pages of logs for sale from companies such as Standing Green, Hemlock, Balsam, Spruce, Cypress and others, by companies such as Macblo, Canadian Overseas and Crown Zellerbach. They are all trying to sell off our future heritage.

A very excellent paper was written by the British Columbia local of the International Woodworkers of America. It concerns the number of jobs that will be lost by the year 2000 as a result of present levels of export. We are now looking at losing about 30,000 jobs by the year 2000 simply from the logs that are being exported now.

Let me quote from a recent article in the Vancouver *Sun*. It says:

> Shortage of Asian timber have also created a high demand for North American logs in the Far East but companies must prove the logs are surplus before they're approved for export. Shipments of uncut B.C. logs have jumped to 724,000 cubic metres during the first eight months of 1982, more than two per cent of the provincial harvest, compares with 591,000 cubic metres during the same period last year, about 1.5 per cent of the B.C. harvest.

I do not hear any Members from the Government side, the Tory Party or particularly from the Social Credit Party trying to deal with that. It is a very real issue. While it is free enterprise and those logs can be sold now, the logs will go to Japan or Indonesia and the jobs are there instead of in Canada. I think this country and the Province of British Columbia must very soon adopt a policy of no raw log export, because those jobs are for ourselves and future Canadians.

Let me deal with a point which has been raised continuously during the debate today by my colleague, the Hon. Member for Comox-Powell River (Mr. Skelly). It is in relation to the very important matter of the high levels of non-involvement by native people in the forest sector, not only in B.C. but across Canada. I would have hoped that this motion would have included that, but I think that, through the solicitation and questions and very positive responses from the Official Opposition and the Government, we will see some new policies coming forward in Parliament. Perhaps in the next Speech from the Throne we will see some major steps taken in terms of accessing native people to the forest industry in terms of research and development jobs, forest tenure, training, affirmative action with existing corporations in the industry as well as direct industrial development for many of the small rural communities. Many of these communities are similar to those shared by my colleague from Comox-Powell River and other colleagues from British Columbia.

Let me deal with the Environment Canada publication entitled "Policy Statement: A Framework for Forest Renewal". This is a good document which was produced last fall in Ottawa. I believe it gives us an idea of the analysis of the federal Government about where the forest industry is going and what problems exist. It points out the following:

> The total value of shipments exceeded $23 billion in 1981. Forest products make up one-seventh of all manufactured goods in Canada. The share runs as high as 30 percent in New Brunswick and 50 per cent in British Columbia. Forest industry exports reached $13 billion in 1981, or 16 percent of the total. The forest industry and its employees paid over $3 billion in taxes and resource revenues in 1979, of which 43 percent was federal and 57 percent provincial.

I will come back to those two figures in a moment when I get to the table in this document.

This document goes on to state that directly and indirectly this industry provides one million jobs in Canada. It goes on to say:

> As an employment generator among the primary resource sectors, the forest sector ranks first or second in 10 out of 16 economic regions in Atlantic Canada, in 8 of Quebec's 10 economic regions and in all 6 of those of Ontario. In British Columbia the forest sector is first in 8 regions and second in only 2 where mining and smelting dominate.

I think it gives us some indication of the reason why this debate is so important. I was interested to note, after reviewing the last 10 or 15 years of debates in the House of Commons, that it is very rare that any forestry matter is raised in the House of Commons even though it is the largest industry in Canada. In terms of balance of trade and actual job creation, it far exceeds the petroleum sector and agriculture combined. Those are two subjects which are frequently debated in the House, but rarely is that kind of profile given to forestry or consideration given to the steps that should be taken with respect to the forest industry. These steps should be taken particularly by the Government and, as I pointed out, by new Governments in office when the word "forest" or "forestry" fail to appear anywhere in its budget.

Let me continue to read from the same document. It says:

> This sector has the potential to provide additional employment for approximately 100,000 workers, of which one-quarter could be in forest renewal. The potential also exists to double foreign exchange earnings, increase timber sale and tax revenues, and contribute to regional development aspirations.

It is quite clear that a signal is coming from the industry that it wants to double its revenue at a time in British Columbia, for example, when the forest service has indicated that we are very quickly approaching a 20-year falldown effect. If we continue to cut at present rates without some kind of very substantial thinning, silvicultural and replanting process, we will run out of trees and actually be forced in a little more than a decade from now to reduce cutting rather than increase it.

The paper makes some interesting points with respect to the timber supply situation. It states:

> In effect, we mined the virgin forests and gave too little thought to the future crop. Forestry is now in a critical transition stage where mining must give way to systematic forest renewal and harvesting.

I very much agree. I know the writer of those comments. I think they are very true and something which this House must deal with. It goes on to say:

> World demand for pulp and paper is expected to grow by 3 percent annually for the next 2 decades, whereas demand for lumber and other wood products should increase by about one percent annually. However, market opportunities mean little if timber supply cannot be augmented.
>
> The limits are in sight for premium softwood sawlogs—

We are aware of this, but British Columbia still exports three quarters of a million cunit of our No. 1 logs offshore. It does this knowing full well that an accurate and undisputed study conducted by the workers in the Province point out that it will mean the loss of 30,000 jobs. Yet nothing is done in British Columbia. I do not hear any federal Tory Members from British Columbia publicly saying that this kind of practice should be stopped.

The paper continues:

> —in many locations and supplies of larger, higher quality hardwood logs have been largely depleted. Pulpwood shortages are emerging in communities across the country. Only a fraction of our forests are being managed for sustained production, even today. In most cases the timber resource is renewable, both promptly and adequately, only if action is taken immediately following harvest or natural calamity.

That means that if a fire has gone through the area a replanting process should be undertaken immediately. If it is clearcut, no time should be wasted. As we know, literally hundreds of thousands of square kilometres in Canada that have been harvested since the turn of the century are sitting idle and not returning in the type of soft or hard wood that forest companies and various forest specialists expected they would. In early 1980, CCREM, which is the Canadian Council of Resource and Environment Ministers, endorsed a target. The target was a level of 210 million cubic metres by the year 2000, or approximately 40 per cent above the harvest in 1981. The point which we must consider is that with the present practices in Canada and the present rate of harvest with which we are involved, we will simply never be able to achieve the levels which have already been endorsed by Environment and Resource Ministers.

• (1700)

The report goes on to touch on three aspects. One involves forest renewal. That is something which the House must debate extensively. Another is closer utilization of the existing forest in terms of fibre supply, recycling and all the rest. That must be done very soon. There must also be better protection from fire, insects and disease. I think all Hon. Members of the House are aware of the fact that far more forest is lost to disease and fire than is actually harvested in this country.

Although the Government side has moved on a few water bombers and a few techniques here and there, there must be a really substantive change in forest policy, not only in terms of the kinds of equipment provided, but as well, rather than continuing to pursue monoculture in terms of the forest sector, we must go back to the diversified forest. This is important because of the long distance crowning effect of certain kinds of fires and the massive movement of certain kinds of pests. There are problems which simply have not been alleviated by chemical spraying. We must move very quickly to some kind of integrated pest management approach whereby we start studying, more intensively, the biological side of controlling pests. I know it is something the Canadian Forestry Service is considering. However, having suffered massive reduction in staff for 15 years, it will be a long process, as touched upon by the Minister of the Environment (Mr. Roberts). In the last three years the problem has increased about 10 per cent. We need a massive increase in the availability of highly qualified technical forestry staff to deal with the questions involved in returning to a diversified forest, silviculture problems and pest control.

The report goes on to point out that current expenditures on forest renewal by senior Governments and industry are believed to be on the order of $300 million annually, but that an expected total annual expenditure of $650 million will be required by all parties simply to deal with the present problems. It breaks it into two parts. Basically, planting must be increased by about two and half times, from 200,000 hectares to 500,000 hectares, with genetically superior seedlings. In terms of silviculture treatment, weeding, spacing and fertilizing, that must be increased by a power of 400 per cent, from 100,000 hectares to 400,000 hectares annually. That involves a cost of $300 million.

An area in the report which gives me concern, which I am sure is shared by my friend, the Hon. Member for Prince George-Peace River, is that an expenditure of only $50 million per year is proposed in the report to deal with the backlog of idle forest land. That would bring in only about another 100,000 hectares a year. With the enormous backlog we have, I think Parliament must make a much stronger move in getting a base fund into our national budget to deal with the backlog problem.

Some Provinces, such as British Columbia, have been using their replanting and silviculture funds for other purposes. Before they are given any comparable funds from the federal Government for reforestation, they should be encouraged, through whatever means possible, to ensure that their own programs are in order. There should be at least 20-year plans operating, as has been recommended in another part of the report.

The concern which I believe stimulated today's debate comes from the table on page 5, where we see the federal involvement, which has in fact been zero for many years, going to $50 million last year, which was really a shift of DREE funds, only rising to $130 million by 1987 in terms of overall forestry, out of $650 million. Whereas the federal Government's involvement was 37 per cent last year, it means that by 1987 it would drop to 20 per cent, an effective drop of 50 per cent. However, those figures are somewhat difficult to deal with unless one takes them in their proper context. In 1980, for example, the federal and provincial Governments took about $3 billion in taxes directly and from resource revenue, of which 43 per cent went to the federal Government and 57 per cent went provincially.

A myriad of studies have been done, and it is evident that only five cents out of every dollar taxed by the federal Government from the forest sector, whether directly in taxes or from income taxes or resource revenue, has ever gone back into the forest sector. This is a hideous state of affairs, because we have learned from other studies that we are getting into a massive fall-down situation in terms of inadequate supplies of wood. Earlier today I raised this question with the Minister of the Environment, but I do not think his response hit the nail on the head. He tried to fudge around on the issue, saying that UIC Section 38 and DOE support are not included in the 1987 projections because all those agreements are yet to be negotiated.

The House should be considering putting a very substantial sum before the House in terms of a base funding, permanent and perpetual funding, basically receiving a good chunk. Rather than having a situation where five cents out of every dollar goes back to the forest sector, let us ensure that 50 per cent plus goes back in terms of research and development, replanting and silviculture, and in terms of an integrated approach to recycling, getting native people involved in the industry, and so on.

I note that I do not have much time left in which to speak, but I would like to touch upon a couple of points with regard to recycling, something which is not included in the motion. However, the House must consider the matter if we are to discuss coherently the problems in the forest sector. It is not only a matter of having a proper study but also of considering the problems now being created at landfill sites, basically as a result of wood fibres in various forms, whether they be paper bags, cardboard, boards or whatever. Following a thorough and balanced assessment, we should consider the feasibility, benefits and costs of using recycled fibre, not only in the pulp industry but also in terms of biomass for electrical production, heat production, and so on.

A few moments ago I mentioned the need to change our ideas from monoculture to a more diversified and mixed forest, not only to help reduce insect and fire outbreaks, but also so

that we may more appropriately utilize our soils and forest lands.

There is an abundance of information I would like to put on the record, but I would like to make one final point taken from a recent forestry publication. It points out that of the 800,000 hectares of timber the industry harvests each year, a mere one quarter is artifically replanted or seeded. Given that, another one quarter or so will regenerate reasonably well on its own. The depressing sum is that only half of the cut forest each year has a prayer of one day returning. Added to that was the current rash of forest fires in 1980, the worst fire season in 50 years. The area burned was five times the area harvested.

Parliament has a big job and I think it is a non-partisan issue with which we should deal more effectively than not even mentioning it in the 1979 Tory budget or in terms of the paltry sums which have been allocated for far during this Parliament.

Mr. Huntington: I am very interested in the suggestion of the Hon. Member for Skeena (Mr. Fulton) that this is such an important matter for the country and that it should be non-partisan, then jabbing in the statement at the beginning and end of his speech that there was nothing concerning it in the Tory budget. I will address that subject when I am given an opportunity to speak in the House.

I am also interested in the Hon. Member's condemnation of the exporting of whole logs from B.C. to Japan. I think I heard him properly. I would not want to be unjust. I would like to ask him if he is not aware that there are at least four categories, fallers, buckers, truckers, sawmill workers and longshoremen, involved in the forest industry out in B.C., and that when the market collapsed before cut lumber was out of our sawmills, not only were these sawmill workers out of work, but the fallers and buckers, the truckers and longshoremen were also suffering, and that many logs were cut and fallen, particularly up in the Squamish area, and they could not get to market unless they were taken to market and sold as logs. Is he against that type of activity? Is he against a market activity which keeps the fallers, the buckers, the truckers and the longshoremen at work?

Mr. Fulton: I am glad to have an opportunity to address those two questions. I hope the Hon. Member for Capilano (Mr. Huntington) does have a copy of the 1979 budget. I have read it through and I would be interested in learning where forestry is referred to. On the second point, in terms of the export of raw logs, as I said, an abundance of studies have been conducted. The present escalating levels of raw log export from British Columbia will mean the actual loss of 30,000 jobs, right from fallers, buckers, haulers, loaders, shippers to the sawmill workers, that will all go down the tube because logs are being exported now. Those are No. 1 logs which are being exported.

• (1710)

Mr. Huntington: Mr. Speaker, the Hon. Member mentioned that with logs being exported 30,000 jobs will be lost. I am suggesting 30,000 jobs would not be lost on the export of the logs. There is no market for them, yet those logs were fallen and lying in the bush. I suggest to the Hon. Member for Skeena (Mr. Fulton) that it is far better to have those other three categories at work and the harvest of logs that was lying on the ground shipped to markets which can use the logs than to let it all go to pot.

Mr. Fulton: Mr. Speaker, I am not completely sure whether the Hon. Member for Capilano has all his facts straight. If he would look in some of the more recent copies of *The Sun* of Vancouver, I think he would see that most of the logs which are being offered for sale are standing green.

An Hon. Member: That would be a great research facility.

Mr. Fulton: I hear an Hon. Member saying that that would be a great research facility. It is the only place in which we find the offers for sale published. They are standing green. They are in the bush. They have not been cut down yet. If we had the wood being processed, either through a pulp mill or through a sawmill, we would have the thousands of jobs at the other end rather than just the front-end jobs.

Mr. Oberle: Mr. Speaker, I have a couple of questions for the Hon. Member for Skeena (Mr. Fulton). Sometimes it is unfortunate that we cannot call upon the people sitting in the Gallery. I would like to recognize the presence of Les Reed who has just left, thus I will not embarrass him. Had it been possible for Mr. Reed to participate in the debate, he would have probably said that my colleagues and I have had very serious discussions with the Minister and with departmental officials to do precisely what Hon. Members of the New Democratic Party are suggesting. Indian people throughout the country deserve a share of the economy which is generated by the forest. They should first be encouraged on their own reserves and then on public forest lands to develop their economies and start rebuilding their lives from there.

My question for the Hon. Member concerns the statistics which he quoted. He said that the federal Government owns only 1 per cent of forest lands in Canada. I can forgive his ignorance because it is probably a statistic which he read from the forestry department or in *The Sun*; that would explain it more. The fact is that federal lands include Indian lands throughout the country. Federal lands south of the 60th parallel exceed in geographic size the Province of Nova Scotia. Most of the Indian lands are heavily wooded, some with commercially viable timber. Federal lands also include parks. While we do not cut timber in parks, the woods in our parks are a very important social asset and of course require the very tender care and attention of the federal Government, no one else.

Going to the Territories, the Hon. Member is totally ignorant because there is all kinds of commercially viable timber in the Territories and in Yukon. Of course it is difficult to get to, but if we think a hundred years ahead, we will realize that there are all kinds of land which would be marginal for agriculture but could be planted today with sufficient foresight and forward planning.

I know that this is not so much a question, but from time to time the Hon. Member needs a little enlightenment, as do all Members in the NDP, so I thought I would take this opportunity to provide him with that short enlightenment.

Mr. Fulton: Mr. Speaker, I am always glad to have an opportunity to respond to high-rolling, tough questions like that. My perception has always been that Yukon and the Northwest Territories are lands basically under their own control. I recognize that they are a federal jurisdiction. However, I was quoting from an excellent article, which I recommend the Hon. Member read by Roy McGregor who was the Ottawa editor of *Today* magazine. It reads:

> But not in Canada, where it has never been clear just who might hold over-all responsibility. The federal Government once laid claim to the forests, but by 1930 the Provinces had been given most of the control, and today the Provinces own approximately 92 per cent, private sources 7 per cent, and the federal Government a mere 1 per cent.

I agree with the Hon. Member on his earlier comment. I would sincerely like to see more involvement of native people in the industry. I was glad to hear the comments of other Hon. Members of the House who would also like to see that proceed because unemployment among native people in Canada is still tragically at about 90 per cent. Something very serious has to be done very soon.

Mr. Oberle: Mr. Speaker, I have another brief question. Would the Hon. Member for Skeena undertake, or should I do it myself, to enlighten the author of the article from which he quoted, because he is obviously as ignorant as he was?

Mr. Fulton: Yes, Mr. Speaker.

Mr. Nickerson: Mr. Speaker, the Hon. Member for Skeena (Mr. Fulton) quite rightly pointed out that the volume of timber lost annually to disease and to pests exceeds by many times the volume of timber lost by forest fires. Several months ago when we discussed in the Chamber the Pesticide Act, a number of Members of the New Democratic Party said that we should cease and desist from the use of pesticides, especially those applied by air. If the position of the New Democratic Party is that we should not use pesticides, how are we supposed to control disease and pests in Canadian timber lands?

Mr. Fulton: I recommend that the Hon. Member read some of the studies which have been done on the chemical spraying program carried out in the Maritimes. It is now quite clear that the majority of that spraying has been quite useless. It simply has not stopped the ravages of the various species of pest which very quickly became reasonably immune to spraying. The Canadian Forest Services entered into a very interesting program which I support. Unfortunately, people such as the Hon. Member who asked the question would not be interested in learning anything about natural biological forms of pest control. There is a very interesting and important bit of work being done right now where a natural pest has been dropped and is being allowed to breed to take over some of the pests that are parasitizing forests in Canada.

Mr. Kristiansen: Mr. Speaker, I also would like to ask the Hon. Member for Skeena (Mr. Fulton) a question. Has he ever heard a definition of economic viability of timber which excluded all consideration of the distances to market and the costs of transportation? I was absolutely astounded by the question and the apparent definition of the Hon. Member for Prince George-Peace River (Mr. Oberle) a few moments ago when he said that the Arctic was full of economically viable timber but that of course it was too far from the markets to be sold. Has the Hon. Member ever heard such a definition of economic viability? It leaves me absolutely flabbergasted.

Mr. Fulton: No, I have not, but I hope the Hon. Member for Prince George-Peace River does not have anything to do with writing forestry policy for the Tories.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to see the motion before the House today. I do not agree with the negative aspects of the motion of the Hon. Member for Prince George-Peace River (Mr. Oberle), but I believe the topic is one that should be debated in the House of Commons in view of the importance of the forestry industry to Canada. Not only is it important to the entire country, but it is of special importance to northern Ontario, an area which I happen to represent. In fact, it employs some 70 per cent of the region's manufacturing work force throughout northern Ontario. Throughout the Province of Ontario, 160,000 jobs are provided directly and indirectly by the industry. In fact, 17 per cent of the nation's export trade or $14.8 billion was earned from the forestry industry in 1980. Indeed, throughout the country there are some 310,000 workers directly or indirectly engaged in that industry. I am told that there are some 300 communities with the forestry industry as their sole industry. We do not have to look very far to see that this industry is very important to our country. In fact, new capital and repair expenditures in 1981 from this industry were estimated to be $4.5 billion, representing some 20 per cent of new manufacturing investment. Therefore, this industry is very important to every Canadian It is important to note that many industries are contracting in job opportunities. I am told that, with the potential in this industry, if we put in place the reforestation, research and further expansion and development of this industry, we can create some 100,000 new jobs.

• (1720)

On the first weekend of February this year, the northern Ontario caucus sponsored a conference in Thunder Bay entitled "Focus on Forestry". The Hon. Member for Thunder Bay-Nipigon (Mr. Masters) and Thunder Bay-Atikokan (Mr. McRae) chaired that conference. Some six Cabinet Ministers and also northern Ontario Members from both sides of the House attended. We made a very intensive study of the whole forest industry. We have been hurting during the past year because of the economic slowdown in North America. However, we wanted to look at the immediate problems of the industry and at such things as research.

We had people attend from the Great Lakes Forest Research Laboratory in Sault Ste. Marie. We wanted to look at infrastructure and the needs of the future. We spent a great deal of time talking about reforestation. I chaired the subcommittee working on reforestation. A very important discussion took place there. I want to spend more time talking about that this afternoon.

As well, we talked about trade, transportation and other aspects of the forest industry. A number of important recommendations and representations will be coming forward to the Government from that conference. The discussions we had at that conference on reforestation was of particular importance. I am very conscious of it because during the past seven or eight years we have put in place throughout Canada a massive new pulp and paper and sawmill capacity.

In my own constituency of Algoma, historically at Blind River we had the largest white pine sawmill operation east of the Mississippi River. During the thirties, forties and early fifties, that sawmill could produce some 28 million boardfeet of lumber a year. It went above that on a few occasions, but that was the average amount of production. Some 700 or 800 people were involved in the manufacturing and forestry aspect of that operation. It was the largest in eastern Canada.

The Rural Development Incentives Act, put in place in 1969 and the pulp and paper agreement between the federal and provincial Governments offered incentives for the pulp and paper capacity. In Espanola in my constituency, there is a sawmill with a capacity of close to 100 million board feet a year. I am told that when it is completely developed, it will have a capacity of close to 128 million board feet a year. That is larger by at least 100 million board feet of lumber than the historically largest sawmill operation located at Blind River. At the same time, the capacity of the pulp and paper mill at Espanola will have its pulp capacity increased from 500 tons or 600 tons per day to 900 or 1000 tons per day.

Those two developments are in one little area of northern Ontario. These agreements are nation-wide. Clearly the demand for wood fibre has increased. In the sawmill operation example I gave, it has increased fivefold. These economies of scale that are being developed are good. We will be competitive with sawmills throughout the world.

The problem is developing the fibre. A few years ago I had the opportunity to make representation on behalf of a small sawmill operator to the Deputy Minister of Natural Resources in Toronto. When I told him that this small operator wanted greater limits to operate his sawmill, his reply was "Well, we have really gone to the last row of hills". That is true of the whole forest industry. There are no new areas to cut. We have to grow new fibre. We have to stop mining our forests and start farming them on a renewable basis. One instrument for doing that will be the forest management agreements being put in place by many of the provincial Governments.

Ontario has put in place a forest management agreement program. Since 1979 six companies are not only cutting the fibre but are carrying out a regeneration of the fibre. This makes good sense. Obviously there is a public interest in seeing additional fibre grown. However, there is an intense interest in that for the individual company, which in many cases has spent hundreds of millions of dollars on pulp and paper and sawmill capacity. By having in place these forest management agreements, it is in their own interest to grow the fibre that will be needed in the years ahead. Under the Ontario arrangement, they will carry out silviculture treatment, road construction, maintenance and the operation of forest limits. It is a 20-year agreement, renewable on a five-year basis.

There are six companies with 131,000 acres of land that have signed these agreements. One is Eddy Forest Products in Espanola. In 1981 it planted 300,000 trees, in 1982 1.6 million trees and in 1983 it will be planting 2 million trees. By 1986 it plans to plant 8 million trees. The company is well ahead of schedule. This kind of agreement is important.

During the last five years, the federal Government has had an important forestry agreement with the Provinces for carrying out regeneration, enhanced forest management, acceleration of reforestation and the creation of employment opportunities. That $82 million program was for construction of forest access roads. When you put in a road, you not only provide an opportunity for harvesting the forest, but you provide an opportunity for management, fertilization, fertilizing the forest for forest fire protection, insect control, and ultimately the use of those in society for leisure, recreation and so on. The forest management agreement between the federal and provincial Governments provides for a nursery expansion program and $11.5 million for planting stock. As well, there is $4.7 million for research and assessment, $2.4 million for silviculture camps and $1.1 million for soil survey. That agreement will come to an end a year from now. It is essential that the two levels of Government put in place a new forest management agreement to reach the objective of the Minister's statement last fall. It was to increase production of wood fibre by 40 per cent over the next decade or so, and that will have to be achieved mostly by forest regeneration.

• (1730)

I want to comment on the concern the Hon. Member for Comox-Powell River (Mr. Skelly) has about the question of native employment. My own constituency has, I think, the second largest Indian band member population in the Ontario region. There has been a very extensive program going on this past year under Section 38 in which $1.121 million has been spent under the Section 38 Job Creation Program on six reserves in my constituency which will be providing 2,702 work-weeks of employment. I think that there are six reserves in my constituency which have sawmills located on them and a number of sawmill operations which are close by.

This is not to say that there is not room for greater opportunity in native employment. Of course, there again the problem of shortage of fibre is faced. Many Indian bands have cut over their existing fibre, and so this Section 38 of the forestry program will provide an opportunity not only for improving these woodlot stands but likewise for planting of seedlings this

year. This program is a co-operative effort between the Canadian Forestry Service and the Canadian Employment and Immigration Commission.

It seems to me that at the Forestry Conference in Thunder Bay, one of the most progressive arrangements that I heard spoken of was that one of the Indian bands had their own forestry management agreement with the Ontario Government and were developing and providing wood fibre for sawmills in the area. It seems to me that there should be an opportunity for that to happen in other areas where Indian bands do not have adequate fibre on their own reserve lands. These bands should have the opportunity to opt into those forestry management agreements which would allow them to operate the license and sell to the operator of the pulp and paper mill or sawmill in their area, unless, of course, they have their own sawmill or pulp operation. It seems to me that there is a real opportunity there.

The proposal to increase employment by 100,000 people, much of it in reforestation, obviously offers a real opportunity. That is not to say that many native people do not already work in pulp and paper and sawmill operations throughout many areas of northern Ontario, but as the Hon. Member has indicated, the unemployment rate on many reserves is much higher than it is off the reserves. So this clearly provides an opportunity that we must expand upon. On several reserves in my own constituency, though, I have seen that the problem is that the limits put on the reserves tend to have been cut over. There must greater reforestation for the long haul.

It occurs to me, Mr. Speaker, that these forest management agreements will have to provide for a number of things if we are to increase the long-term need of greater fibre for the forest products industry. The proposal of the Minister of Forest Resources and Development suggests that spending by Government and industry on reforestation should increase by $300 million to $650 million per year by 1987, that long-term agreements should contain forest management agreements between the private sector and the provincial Government involved, that there should be a provision for transfer of technology, that there should be a provision for intensive forestry and an increase in the input of the provincial Government and the private sector, and that there should clearly be a greater development of private woodlots.

I was interested to hear the announcement of the Special Recovery Capital Projects because I have mentioned the importance of the Great Lakes Forest Research Laboratory in Sault Ste. Marie. That announcement, which was made a couple of weeks ago, in fact included provision for a $13 million expansion and upgrading of the Great Lakes Forest Research Laboratory which serves the Ontario region. It is interesting to note that likewise in other regions $22.5 million was allocated for a new laboratory in Fredricton, $14 million for expansion and upgrading of the facilities of the Pacific Forest Research Centre in Victoria, $10 million for expansion and upgrading of the Laurentian Forest Research Centre in Quebec, as well as $10.5 million contribution for the construction of a forest ranger school on the site of the Maritimes Forest Research Complex at Fredricton. This represents a very significant commitment by the federal Government, a commitment of some $60 million to these major forestry facilities for research. The federal Government, of course, has a special responsibility in research.

The importance of the purchase of the CL-215 water bombers has been mentioned. That purchase is important not only to keep Canadair viable but it is important to Provinces like Ontario, and especially the northern Ontario region. Much of that activity is based in the City of Sault Ste. Marie and will play an important role in preserving our forests.

It is interesting to note that the Canadair water bomber agreement provides not only for the federal Government to purchase some 20 water bombers, but I believe that it provides for the Provinces to purchase 16 water bombers on a reciprocal basis. If the federal Government spends money on water bomber fleets, the Provinces will do likewise. Similarly, the production of those water bombers probably becomes more economically viable because the agreement offers the opportunity for construction of water bombers for the overseas market. I believe that the announcement indicated that some 20 additional water bombers would be allocated for that. We are looking at a pretty massive project for Canada. It is a project in which I have a special interest because the sub-contractor who is to paint those water bombers is in my constituency of Algoma in northern Ontario. Even though the contract will go to Canadair in Montreal, the spin-off benefits will affect other parts of the country, including that painting subcontract which will help an aerospace facility in northern Ontario.

I would just like to review the Government's role in the establishment of the nation-wide forest fire intelligence and information system which will provide fire control agencies with added water bombing capacity and the opportunity to develop fire management systems to increase the effectiveness of provincial forest fire control operations. This program to which the federal Government is contributing, is centred in Winnipeg and will be a co-operative effort. It is typical of the way that the federal Government is recognizing its responsibility nation-wide, not only in silviculture research but in forest fire prevention and the whole gamut of the forestry industry. The Government is meeting that challenge for the future because of the tremendous importance this industry holds for every Canadian and especially those of us in the resource producing areas.

• (1740)

The Acting Speaker (Mr. Blaker): Do Hon. Members have any questions or comments? The Hon. Member for Capilano (Mr. Huntington).

Hon. Ron Huntington (Capilano): Mr. Speaker, I think I just have enough time to say what I want to. The problem we are debating today is not new. I compliment my colleague, the Hon. Member for Prince George-Peace River (Mr. Oberle) on the motion because he has brought to our attention once again the serious need for co-operation between the federal level of Government and the provincial level of Government.

The same cry was heard in 1925 when C. D. Howe addressed the Royal Canadian Institute saying:

> Taking the Dominion as a whole, forestry is much in the same condition as that which Mark Twain once described with reference to the weather: 'Everybody talks about it and nobody does anything about it.'

I think that is why we are debating this Opposition motion today. Canadian forests are a facade. They look plentiful and nourished from the view of an airplane, but in reality they are an asset we are going to lose very quickly if we do not act now.

It is interesting that he was saying this in 1925. As the Hon.. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) keeps telling us, the longer he stays around the more things remain the same. The Government, which has been in power for a long time, really has not addressed this very serious national resource nor has it entered into co-operation with the Provinces to make sure that the total tax resource of the country is used wisely to enable the industry to recover from the position of being overharvested and undernourished.

We may ask why forestry is so important to us. Directly and indirectly it provides one out of every ten jobs in Canada; it provides jobs for 13 per cent of all people employed in manufacturing; it generates over $1 billion in tax revenue for the federal Government; it provides $1 billion in tax revenue for the provincial Governments; forest products exports total $9 billion and account for 18 per cent of all Canadian exports. This one industry contributes more to the federal economy than fishing, mining, fuels and agriculture combined.

Three hundred communities in this country depend on the health and well-being of our forest industries. Canada ranks first in the world in exports, second in forested area and third in forest products. Trees cover 44 per cent of Canada; 4.4 million square kilometres of which are in forest and half of this is harvestable. This is a very serious factor in our timber industry today. I agree with the forecasters who say that in the next 20 years, over 100,000 jobs will depend upon the initiatives we take today. The new Assistant Deputy Minister at the Canadian Forestry Service says that he believes that an immediate, massive and sustained reforestation program can avoid the imminent crisis in the forests. I should like to think that Members of all Parties in the House are prepared to assist him with the muscle, the energy and political pressure he needs to meet his objectives.

Forestry industry consultants, Ted Fellows, says that for at least the next 20 years we will not be able to develop our timber industry as fast as we could have if we had paid more attention to forestry 20 years ago or if we had heard the words of C. D. Howe back in 1925. We have to start immediately and plant like crazy with the best genetic and proved stock that we have. There are a lot of ifs, even if the industry is to start to take a more far-sighted view of the resource base.

It is interesting that we have harvested some 800,000 hectares and replanted only 200,000 hectares while 400,000 hectares have received no regeneration. British Columbia accounts for one third of the world's soft wood lumber exports. There is a world shortage of soft wood fibre. We have to put that into perspective and I hope I will be able to comment on it before I end my speech. About one half of every dollar earned in British Columbia stems from forestry and accounts for 42 per cent of total manufactured shipments from that Province.

I will take a risk and say that some of my best friends are foresters. I have travelled the coast. I love the coast and I love the mountains and I love the wilds, but I have seen some terribly stupid things going on out there. I have seen crews of university students hired on special summer programs go out with skid-donkey engines to pull snags and clean streams to allow fish to get up the natural streams to the natural spawning areas. I have seen them working in the middle of a stream when suddenly a truck will drive up, take the crew out and leave the donkey engine there. The project is finished with logs still lying in the stream because there is no more money. This is happening everywhere.

Fishery inspectors patrolling the northern waters of British Columbia have sat and had a drink with me. They have told me about the stupidity of not being allowed to take a chainsaw into a stream to cut away a dead fall or a new fall that is interfering with the fish migration. It is in these areas that we seem to be so blind. We cut off budgets where it is terribly important, out in the fields, in the streams, in the area of wildlife, yet we waste and squander so much money here in advocacy advertising, in administration and bricks and mortar. We need planning, reforestation, streams opened up out in the field where the meaningful work is.

When people are put to such work in the summers they feel they have gained something, because they feel the magnitude and majesty of the outdoors. They appreciate the size and scope of the country and know that in their days at university they did something meaningful to earn their education. I should like to see a lot more money from the UIC and from the Department of Employment and Immigration redirected to forestries and fisheries to provide meaningful jobs, not false ones. I get so frustrated with our activities here, Mr. Speaker.

I want to come now to the point made by the Hon. Member for Skeena (Mr. Fulton) that this Party was in Government for nine months in 1979 but did nothing. I know he will never have that experience so I will point the problem out to him. There is a bureaucratic pipeline, full of planning. The planning takes 42 stages—something gets into the pipeline and comes all the way through. Things in the pipeline normally have to flow through before you get a chance to implement something new. In the meantime you start your planning process and it starts to plug in behind the flow.

In 1978-79, the Government spent $196.1 million on the forestry sector of which $41 million went to the forest service—only $41 million—while $154.9 million was spent by other Departments. That shows the priority that existed with the Liberal Government prior to 1979.

In 1979-80, the brief period when there was a change in Government, the objectives of the Department were stated in the Estimates as being to promote effective economic management and use of the forest resources of the nation. The objective was to improve the management and sustained economic utilization of the forest.

As a result of the planning and the work that went on in that short nine months in 1979—credit for which goes to the next Government, as is often the case—they get the credit or the blame—the objective in the Estimates was changed as a direct result of work done by our Government. The wording started in 1980-81, and went through to 1983-84, as a result of the change in Government. It was as follows:

• (1750)

To promote and advise on the preservation, enhancement, and wise use of forest resource and terrestrial environment for economic and social benefits; to provide information for policy and program development and co-ordination of federal activities relating to the forestry sector; to carry out research aimed at solving problems and capitalizing on opportunities in all aspects of forestry including forest management, protection, harvesting and utilization; to participate in the evaluation of environmental impacts on the forest resource of forestry practices, air pollutants and major developments; to assess the potential for using forests and trees for energy, chemicals and new products; to provide forestry services and advice to other federal agencies and to promote public awareness of the economic, ecological and social value of the nation's forests.

The Government which was in power for nine months in 1979 set out a whole new area of objectives and a whole new direction. Also, I believe that that Government can take full credit for creating the post of the Assistant Deputy Minister of Forestry and, I believe, in the selection and at least the recommendation of its present incumbent, a man who, I feel, deserves a lot of support from all of us here in the House. I am not going to accept the little jibes of the Hon. Member for Skeena (Mr. Fulton), that we did not do anything in that nine months in 1979. We laid some very solid foundation and framework for what could go on, except that it seems now to be stifled with a lack of resources.

I am also troubled, Mr. Speaker, that the Pacific Forest Research Centre has in this Estimate only $775,000 this year. As I have already reported in this speech, the Province is responsible for 33 per cent of the world soft wood lumber exports. There is something very wrong there. Perhaps the free enterprise spirit out in that Province does not require of this Government all the money which some of the other sectors of Canada do. I am not going to stand here and ask the Government to send us more money. Perhaps we do not need it, because I believe there are lots of little things which go on to prove that the initiative and innovation of man in small units is far more effective than large bureaucracies which shovel out in wasteful sums the taxpayers' energy and resources.

In the Estimates we have some $94 million forecast expenditures in forestry for 1982-83. Yet the Estimates for 1983-84 dropped by $20 million. Is that not interesting? I notice that contributions to provincial agencies and to persons for development initiatives undertaken under the General Development Agreements and Subsidiary Agreements for the purpose of economic and socio-economic adjustment has dropped from $75 million to $63 million. This does not do us very much good in British Columbia, but we do get out of that $94 million the sum of $50,000 for the Council of Forest Industries of British Columbia. The Council of Forest Industries is a very valuable organization in that it co-ordinates the activities of the industry in B.C. and communicates pretty well and effectively with the federal Government—I would say "all too well" with the federal Government because it is part of that lobby group of industrialist leaders who arrived down here last week to try to put enough pressure on the Opposition Members to have them support Bill C-155, the Crow Bill. It is that kind of debt which associations like the Council of Forest Industries of British Columbia pick up when they accept money from Governments to sustain their needs. They would be far better off if they kept their independence and their honesty in terms of political force by remaining independent; $50,000 is nothing to the members of COFI out in British Columbia. I would suggest that they do not have to join that type of delegation to twist our arms to submit to something which is totally wrong in principle before the full debate on the Bill is heard.

Grants from the federal Government can control grassroots agencies out in the country. I would warn all of them to be very careful about accepting grants of that nature because they do pick up that kind of leverage, which I believe destroys their true impact and potential which they have as responsible associations.

The Canadian Forestry Service in the 1982-83 Estimates receives $92.5 million. Let us look at how that is distributed. There is $63.8 million for administration of the Canadian Forestry Service. I just heard the Hon. Member for Algoma (Mr. Foster), who is just leaving the chair, talk about all the bricks and mortar which was going to be put into the Department of the Environment, but there is $5 million for capital expenditures and there is $23.7 million in grants and contributions. Administration is two and a half times what they are delivering out in the field where the trees are and where the fish are. There is something very wrong when we can build that type of top-heavy over-burden on anything as important as our forest industry. I notice also that of $346.8 million in grants and contributions, our Province of British Columbia picks up 14 per cent. That is the combination of provincial and federal contributions.

I am very proud to stand in the House and take part in this debate, being from British Columbia, because we are a Province which has done well. Although, I will stand now and criticize our own Province for the fact that in its forest management licences, it has set its inventory far too high. It has included inventory in the higher elevations on the mountains which are difficult to get to and which are causing flooding and water problems and which, generally, has caused an overharvest in the Province which we are having to pay for. However, there are some interesting things happening in British Columbia. I believe we have to recognize, Mr. Speaker, that the world is short of fibre, short of soft wood fibre, and if we can get our act together and not accept the statement of the Prime Minister (Mr. Trudeau) that co-operative federalism is dead, if we can get back to a sense of co-operative federalism and have the federal Department of Environment work in co-ordination and co-operation with the Provinces, we can then start to replant, to give the generations of tomorrow some of the strength we are taking from them today in our overspending.

There is a tremendous opportunity which we have to serve the future generations by utilizing and making the federal Department of Environment go out in the field and be co-operative with the Provinces so that we can address the real issues of species research. The whole market is changing, Mr. Speaker. Out in British Columbia we have big sawmills collapsing. They will no longer work. The whole market is such now that as we go farther out from the tidal ports, we are moving into smaller more efficient sawmills. One of the greatest things we need now in our industry in British Columbia is a new type of saw. And we can do more of the manufacturing out in the hinterlands and cut down the transportation costs to market. We have a situation in the Okanagan and in the small forest areas now where we are finger-joining small cut trees, and that is opening up a whole new vista for us.

I am pressured with time here, Mr. Speaker, and I would love to explain what is going on in some of the forest culture. Crews are now going out and trimming the branches off trees for three metres in height in order that down the road, 60 years away, there will be tall, knot-free trees which will have maximum market use in the future. I personally was involved in the research which made the breakthrough for cottonwood farming on the deltas of our rivers out in British Columbia. That was over 25 years or 30 years ago now. We can now start to see the harvest of these cottonwoods. It is now becoming one of the most important areas for manufacturers of fibre products, such as Scott Paper. They are now expanding what we started in a very small way. It is now being expanded to the major river deltas all up through the coast of British Columbia. We have not done that expecting great gobs of money from Ottawa. That original research all came from the private sector which hired people like me to work on those research projects in the field and to make them possible. This type of thing does not come from these bricks and mortar monuments we build here with all these millions of dollars. We must feed it out, give incentives and encouragement into the field. We must allow the Department of Environment and that new ADM to start co-operating with the industry through the Provinces and see if we cannot get a spirit of well-being and growth going in this very important part of our lives.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

NATIONAL RESOURCES—PROCESSING OF URANIUM—EXPORT OF CONCENTRATE

Mr. Maurice Foster (Algoma): Mr. Speaker, on May 20, 1983, I put a question to the Minister of Energy, Mines and Resources (Mr. Chrétien) as follows:

Could the Minister clarify the Government's policy concerning further processing of uranium in Canada? At the present time the Government is spending some $200 million to build uranium refining facilities at Port Hope and Blind River. However, last summer it exempted a large sale of uranium concentrate from being upgraded in Canada—

I put that question to the Minister because last summer the Government's uranium review panel exempted from further processing in Canada some 1.8 million kilograms of uranium oxide. This decision resulted in the loss of some $10 million in foreign exchange and cost the country some 150 person years of work. All this at a time when we have 1.5 million Canadians unemployed.

My own personal concern is that at the present time in the town of Blind River in my constituency a uranium trioxide refinery is being built at a cost of $130 million. At the same time a uranium hexachloride upgrading facility is being built in Port Hope. We have been trying for a long time to achieve further processing of our natural resources in this country. Yet this large sale of uranium to the United States from Saskatchewan was exempt from further upgrading in Canada.

I understand this came about mostly because the Saskatchewan Mining Development Corporation put pressure on the Government, saying if it did not exempt this from further processing then the company would lose the sale. Mr. Speaker, that is hard to believe. I understand this uranium was sold for around $17 a pound. Yet Australia will not allow uranium to be sold for less than $35 a pound. So it is just hard to believe that if the federal Government had forced this uranium to be processed in Canada the sale would have been lost.

Even if the odd sale is lost, it seems to me that we should maintain the principle of continuing to process our own uranium. We are going to a lot of trouble and expense to create this processing capacity in Canada and we should not be knuckling under to the pressure of provincial Governments. It is my understanding that they are not only pressuring the federal Government, they are trying to coach other producers in how to avoid further upgrading in this country.

• (1805)

It can be clearly seen how committed the Saskatchewan Mining Development Corporation is to further processing of our natural resources in this country. I hope the Government will not allow future sales of uranium to leave the country without further upgrading and processing taking place here. Clearly, we do not want go back to being hewers of wood and drawers of water. We want to get the value added to our natural resources. We want to create and keep the jobs in this country.

I hope the Hon. Member responding to my representations today will make a clear statement that uranium will not be exported from this country without further upgrading. We have very efficient facilities for upgrading. We can do it as cheaply as any other country in the world. The Government should reaffirm its policy statement so that everyone will know that it is the policy of the Government of Canada that we carry out upgrading and further refining of our uranium resources in Canada.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I should say at the outset that the Hon. Member for Algoma (Mr. Foster) has raised this issue on previous occasions, both in committee and in the House. Indeed, he has raised it in his discussions with the Minister and myself as well. I can appreciate his rightful concern.

We are all familiar with the problems in our uranium and nuclear industries. One common element of these problems is that we tend to be working toward conflicting goals. In the case of uranium, we are on the one hand expanding our uranium mining industry, while on the other hand we have placed certain conditions on exports which encourage development of our uranium refinery and conversion businesses. The conversion business presupposes the existence of uranium export contracts. Outright insistence on further processing could lose both the immediate uranium business and the sale of conversion services.

The Canadian Government has always been sensitive to the problems facing the uranium industry. The processing problem was addressed by the then Minister of Energy, Mines and Resources in early 1974 when he stated:

> Uranium will be required to be exported in the most advanced form possible in Canada unless specific exemption is granted by the control agencies.

This position was reaffirmed in the September, 1974, statement on Canadian uranium policy.

The most advanced form presently possible for essentially all of Canada's uranium exports is uranium hexafloride, UF*in6, and this is likely to be the case for some years. The basic further processing issue is the degree to which Canada should insist on conversion of uranium to UF*in6 before export. If it does so, there is a risk of lost sales. If it does not, it puts at risk its investment in Eldorado's new refining and conversion facilities. It could also compromise its policy of industrial development based on natural resources.

It may be that the exemption issue will not affect a sufficiently large portion of Canada's substantial uranium exports to threaten the further processing policy. However, exemptions could be considered pragmatically on a case by case basis.

From 1973 to 1979, uranium was perceived to be relatively scarce and it was not difficult for Canada to obtain compliance from uranium customers in respect of its further processing policy. The present situation is very different. There is considerable overcapacity and some uranium customers have already contracted for their conversion services.

Canadian uranium producers are finding that the market is soft and that sales prospects are difficult to find and hotly contested. The condition of further processing in Canada is considered onerous by some customers, even if it is imposed only when there is a capacity available and when the Canadian services are competitive. Customers want complete freedom to to shop around for conversion services in a buyers' market.

However, the Canadian Government recognizes the importance of developing its own uranium and conversion business and does not freely grant exemptions from its further processing policy. The exemptions which have been granted have been made only after careful consideration by Ministers of the facts surrounding the sale.

• (1810)

In conclusion, I would like to reiterate what the Minister of Energy, Mines and Resources (Mr. Chrétien) stated in the House on May 20, that the Government of Canada wants to maximize refinery in Canada, but not at the cost of losing uranium sales.

FINANCE—INCOME SECURITY INVESTMENT PLAN. (B) POTENTIAL OF SMALL BUSINESSES TO CREATE JOBS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, on April 27 last, I raised a question in the House with the Minister of State for Finance (Mr. Cosgrove) concerning the Income Security Investment Plan filed with the budget. At the outset let me say that we on this side of the House are reasonably happy with the Income Security Investment Plan. We see nothing really dangerous about it. Indeed, the spirit of allowing those who invest in securities to shelter themselves from the effects of inflation, which is really the granddaddy of the production of all capital gains in this country, is a proper activity. Indeed, we would like to see, by and large, capital gains taxes removed from all business investment. However, what we have here is a plan which is very limited in its scope.

I raise the question because the plan is a help to those who are in large businesses which finance in the stock market, but it is of no help whatsoever to small or medium-sized businesses, to family owned businesses or closely held businesses. Most businesses in this country, even large businesses, are not listed on the stock market, nor can they be. This is not because they are relatively closely held. The families and individuals owning the businesses cannot easily accept the problem of turning their businesses into public corporations. These are they very businesses which are dynamic, growing and creating most of the jobs in the country.

The budget we faced on April 19 last was supposed to attack the problem of unemployment. Massive numbers of Canadians are unemployed. The Minister and the Government are looking presumably to the private sector to be the engine of growth, the engine of the supply of jobs. Frankly, the capital gains tax seriously hurts business in terms of encouraging people to invest and to create new opportunity, because with a capital gains tax facing an investor, the zing, the hope of profit, the smell of a go-ahead economy, is to a large extent taken away.

Mr. Fisher: Nonsense.

Mr. Blenkarn: My friend says "nonsense." I say to Your Honour that what we must do is encourage investment, investment by individuals of all kinds. To wind up with a system which helps only the rich, large corporations which happen to be listed on the stock market, and then only in a very bureaucratic fashion, is just not good enough. If the

Government really intended to do something to create jobs, if it really intended to make business investment the kind of thing that was there for the engines of growth about which the Government speaks, then it would have come forward with a plan much broader and much more comprehensive in terms of business investment and the way inflation affects that investment. It has not.

These questions were asked of the Minister of State for Finance. The House should receive an apology from the Government for this Minister. He really does not understand the budget nor the Income Investment Security Plan. His answers can be read in *Hansard* as reported at page 24897. He went on to speak of the Special Recovery Tax and the $4.8 billion which is to somehow stimulate the economy. But the questions were directly with respect to this investment plan. It is too bad the Minister of State for Finance (Mr. Cosgrove) is not more competent. I am hoping we will receive a good response from the Parliamentary Secretary who is certainly far more competent in financial matters than his Minister.

• (1815)

With that aside, it is important that we have a response from the Government to encouraging investment in business, something much more comprehensive than this plan which in some senses is only applicable to people who trade stock rapidly on the stock market. That was the suggestion of Lyman MacInnis, President of the Canadian Institute of Chartered Accountants. We should have a plan that does not require those who invest in the shares of any business to pay taxes on inflationary gains, or that allows them to deduct losses if there is a tax against a gain.

The present system of capital gains tax is really a tax on inflation. Most of the capital gains on which the Government has collected tax were gains that resulted from inflation. When it comes to business investment, particularly, it is totally improper that that type of gain should be taxed; indeed, we would be far better off in terms of employment and in terms of growth if we did not tax those gains at all.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, let us put the income investment security plan into its proper context. Let us start with the post-budget analysis in *Maclean's* magazine wherein it was indicated that business was the big winner in the budget. Following the applause from *Maclean's*, the Canadian Chamber of Commerce in its newsletter in May indicated:

> Canadian Chamber reacts favourably to recent federal budget.

It went on to indicate:

> With this in mind, it applauded the Minister for recognizing the important role of the small business sector by introducing a number of special tax and other measures that may help to alleviate certain elements of the difficult financial situation faced by small business.

That is a very strong statement which indicates to us that the small business sector, the sector which is not traded on the stock market, has reacted well to the budget as a total package. In fact, the Chamber of Commerce told us that it submitted 30 ideas, of which 24 were approved in whole or in part. The Chamber indicated that it agreed with the budget and viewed it as a win on behalf of small business. It also indicated that the budget would create investment, business expansion and new jobs.

There are three important tax measures in addition to the ISIP which the Hon. Member mentioned. There is the share purchase tax credit which was worth $240 million in business stimulus. There is the investment tax credit, with special new rules to enrich new investment, and those rules are even better for small business than they are for big business. There are the carryback and carryforward provisions on losses that allow people to obtain refunds on their taxes over the past three years or the next seven years to alleviate loss. These things will let small businesses obtain equity financing, get off debt and get themselves into a much better cash flow situation.

When we set up ISIP we listened to the Lortie Commission and to pre-budget consultations. In fact it was all a breakthrough in effective pre-budget co-operation. Perhaps it is because of that that I can close with a direct quote from the Investment Dealers' Association which indicated that the budget was "a carefully thought-out program to help the private sector in the recovery". I think ISIP has to be put into context, and that small business measures in the budget are one of our strongest points.

• (1820)

MINES AND MINING—CLOSING OF SHERRITT GORDON MINE AT LYNN LAKE, MAN. (B) REQUEST THAT TAX WRITE-OFF PROVISIONS BE CHANGED

Mr. Rod Murphy (Churchill): Mr. Speaker, I welcome this opportunity to make further comments to those I made in the House of Commons regarding the proposed closing by Sherritt Gordon Mines Limited of its Fox Lake mine operation in the area of Lynn Lake, Manitoba. One of the questions I asked in the House at that time was directed to the Prime Minister (Mr. Trudeau). I referred to the fact that tax deductions allowed to companies for exploration are actually preventing exploration from taking place in the Lynn Lake area. I asked a supplementary question which was answered by the Minister of Employment and Immigration (Mr. Axworthy). I referred to the NEED program and the application which had been put forward by the company.

I wish to explain that the problem facing the residents of Lynn Lake, Manitoba is simply that the company will be closing its present mine in 1985 or 1986. As a short-term project it re-filed a NEED application with the Government on May 11, 1983, as the first application did not meet the criteria. In its request, the company asked for approximately $2.6 million of which Sherritt will pay $1,138,625. The federal Government is being asked for $1,011,575 and the provincial Government $547,200. The Manitoba provincial Government has indicated its support for the second NEED application. That is a good sign. I encourage the federal Government to give this application favourable consideration. It is recognized by the residents of my community that the first application did not meet the criteria of the program. I am glad that, after

some consultations, the company has put forward what I believe to be an acceptable application.

In the few minutes available to me, I want to talk about the other matter I raised in my question to the Prime Minister. I recognize that in certain circumstances, perhaps not in all, the provisions that allow a corporation to write off either past or future profits against certain exploration costs do not necessarily encourage exploration. I will give the example of the operation of Sherritt Gordon in the Lynn Lake, area.

In that case, Sherritt Gordon does not have the money at this time for exploration. It has not been able to do much exploration in this area over the last few years. As a result, it has not been able to find a new ore body for its present copper-zinc operation in that area. The provincial Government has offered to come in on a joint venture whereby it would receive some equity control of that operation in return for doing exploration in that area. It is the same kind of negotiating for a contract that would exist between Sherritt and any other private enterprise operation.

The reason the company has given for not accepting the offer of the provincial Government, an offer which could save jobs and businesses in the town of Lynn Lake, is that the federal tax provisions for exploration are so good for private enterprise, that sometime in the future it may get a better deal if it forms a partnership with another private enterprise organization.

At the present time the provincial Government is offering to make a deal to carry out the exploration on the properties presently under the supervision of Sherritt Gordon, just as the provincial Government is doing the majority of the exploration in the area around Lynn Lake that is not directly under the control of the company. The company is sitting on the best leases, not because of any fault of its own, Mr. Speaker, but because at the present time it cannot afford to undertake the exploration, and because the federal Government's tax breaks, write-offs, depreciation and all the rest are so good that it does not want to give them up at the present time.

● (1825)

What I would ask of the federal Government is to do one of two things. It should make the Province eligible for a similar type of tax credit on the investment it puts into that area, therefore encouraging exploration at this time. As I stated earlier, the Province is willing to do this. It is only by exploration at this time that jobs in the Lynn Lake area will be saved. If that is not acceptable to the Government, then I would ask the Government to review its present tax write-off schemes for exploration, realizing that in this particular case those provisions are actually preventing exploration and may cause the death of a town, the loss of its businesses and the loss of the homes of the residents of that community.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I listened very carefully to the concerns raised by the Hon. Member, in particular his last two or three sentences in which he requested that certain tax write-off provisions be changed. I have certain information before me, Mr. Speaker, I would like to share with the Hon. Member. Perhaps I could read information into the record and, if he believes it to be incorrect, perhaps we could discuss the matter further.

I am of the view that senior officials of Energy, Mines and Resources have checked with a senior official of Sherritt Gordon Mines Limited as to why the company would not accept money from the Province of Manitoba because of the federal Government's tax write-off procedures. The senior officials stated that no money has been offered to the company by the Manitoba Government. He also stated that an application by Sherritt Gordon for a grant under the NEED Program for further exploration of a gold deposit near Lynn Lake is being considered by the Manitoba and federal Governments and that taxation policies of the federal Government have not at any time entered into this matter.

In my view, Mr. Speaker, the provisions of the federal Income Tax Act have always provided considerable stimulation with respect to mining exploration. In addition, most of the Provinces follow the lead of the Government of Canada in this regard. For example, for several years now exploration expenditures have been deductible from any income, to the extent of that income. Since late 1978, mining exploration expenditures have included pre-production mine development expenditures, also deductible from any income.

In the budget of April 19 an additional measure was provided to stimulate mine exploration. As may be known, mining exploration earns depletion at a rate of $1 of depletion for each $3 of expenditure. Prior to the budget the earned depletion could only be deducted from resource income. This made it difficult at times for various interests participating in mining exploration ventures to claim the benefit. This was especially true for individuals and non-resource companies. The budget provided that the depletion earned after April 19 on exploration costs can also be deducted from any income for federal income tax purposes. As most of the Provinces will also recognize this incentive, the after-tax cost of the high risk mining exploration activity is significantly lowered for investors.

In view of the Government's recent commitment to further encourage mining exploration, it would not seem likely to me that the tax incentives for exploration would detract from the Sherritt Gordon application under the NEED grant, as the Hon. Member mentioned.

I wish to conclude, Mr. Speaker, by saying that most of those facts were taken from the Income Tax Act and deal with definitions which are contained in the definitions section. If the

Hon. Member wants further information, I would be happy to provide it for him.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at 11 o'clock.

At 6.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, May 31, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1983-84 (NO. 2)

MEASURE TO ESTABLISH

The House resumed from Thursday, May 26, 1983, consideration of the motion of Mr. Cosgrove that Bill C-151, an Act to provide supplementary borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, I am sorry that we have no representatives from our socialist Party in the House as we commence debate on this very important Bill this morning. I say that because while the Liberal Party must carry the main burden for the deficit financing that we are now into and the necessary borrowing which follows from such deficit financing, I think all Members of the House would agree that it is certainly the socialist Party that has egged the Government on month after month, year after year, into more and more irresponsible spending with the resulting deficits and borrowing requirements with which we are now faced.

One of the saddest things happening to us is that people are losing their perspective. They no longer can relate to $1 million, let alone to $1 billion or to $30 billion of deficit financing or requirements. The perspective is so confused or fudged at the present time that the Government sees nothing wrong with coming before us, as it did in its last presentation in the form of a budget, and indicating that between the 1983-84 fiscal year and 1986-87 the total financial requirements of the nation will be $93 billion.

Let me repeat that figure: $93 billion is what the Government has put before us as its financial requirements in the sense of what it will have to borrow either during this fiscal year or through to fiscal year 1986-87. I mention that because is it not strange that we have a Prime Minister (Mr. Trudeau), to whom many refer aptly as the emperor, who went to Williamsburg and had the colossal nerve to say to the United States of America, the United Kingdom, Germany, Japan and various other participants in the conference, "You had better get your deficit in line; you had better cut back on your spending"?

• (1110)

That was the representation on the part of our Prime Minister who only weeks ago, through his Minister of Finance (Mr. Lalonde), told us that our own deficit requirement for financial needs between now and 1987 would be $93 billion. That on a per capita and gross national product basis is much higher than they have or are anticipated to have in the United States. For example, in Canada our deficit for fiscal 1983-84 will be $31.3 billion, more than we spent at the federal Government level in total in the fiscal year 1975. It is about triple, in deficit terms alone, the total spending when the emperor took power in this country in 1967-68.

I mention this little bit of background because our socialist friends to the left, who have been so instrumental in putting the spending in place, have not only been allowing the Government but egging it on to increase this deficit. I still hear the odd socialist say that it is right to spend, that the Government should be borrowing, that somehow or other deficit financing is the way of the future. That is not true.

There is all kinds of evidence that the dilemma we face in this country with high spending, low revenues and big deficits is actually deterring rather than encouraging growth in this country. Some may claim it is Keynesian to argue that the state should be spending, fine tuning—as they call it—the economy with such spending and deficit financing. I invite those who attribute that approach to Keynes to read what Keynes said with respect to such deficit financing as we are now experiencing. He would have been shocked that socialists of the day, such as those who sit to our left or the dear socialists opposite who presently form the Government, would attribute their irresponsibility with respect to deficit financing to something that they learned from Keynesian teaching.

What Keynes suggested was that in times of a slowdown, the state can spend and go into a deficit position in anticipation of going into a surplus position in better times. You then pay off whatever you incurred in the form of debt during the slow time and somehow you have a levelling. Perhaps where this Government went wrong is that it only heard one side of the equation.

In the early seventies, at the behest of the New Democratic Party, the Government put in massive spending programs. When we were in power, we learned that they did not even have the foresight to ask about the projected ongoing trends with regard to the cash requirements for those programs year after year.

Mr. Kristiansen: What about MPs' office staff?

Mr. Stevens: There we have it again, a Member of Parliament earning over $60,000 a year shouting out "What about MPs' staff?" Another socialist is trying out for—

Mr. Kristiansen: It is a service to constituents.

Mr. Stevens: Let me tell that Member of Parliament that the best service he can give his constituents is to start cutting back on some of the federal spending that has been so rampant, largely at the behest of the NDP.

• (1115)

Mr. Kristiansen: Why does the Hon. Member not lay off his people if he does not want to spend the money?

Mr. Stevens: I would like to return to my central theme, Mr. Speaker, but it is clear how the rabbles start to get roused here. The socialists are the most intolerant group in the House. They never like to hear the candid truth about the thrust of their policies discussed in public.

I believe that before any borrowing Bill is passed, we in Canada must insist that the Government present a more meaningful program for the reduction of the ongoing deficit that it foresees for the country. There is absolutely no reason why we should be placing an invisible mortgage on the future generations of the country, a mortgage amounting to some $93 billion of federal financial requirements between now and 1987.

If I had an opportunity to speak longer, Mr. Speaker, I would tell you about the effect that, if in power, we in this Party could have on the deficit by stressing the greater productivity in industry and by seeing that agricultural produce is exported to a greater extent. In short, if we could do these simple things, we could reduce unemployment, reduce the deficit, reduce inflation in the country and we could raise the real growth to over 5 per cent on average per year. In truth, we would bring back to Canada a realistic prosperity, a Conservative type of prosperity that would be built on responsible fiscal financing with less deficit financing than this socialist-Liberal conspiracy has been frustrating the nation with for too long.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, it always amazes me that when a moderate like my colleague, the Hon. Member for York-Peel (Mr. Stevens), gives the House the benefit of his experience and his knowledge with respect to moderation in government spending, it causes shouting and disorder in the House on the part of the socialists to his left and the socialists across from him on the Government side. They have gone absolutely berserk and wild in response to this man who speaks only common sense.

As a Member of Parliament who attempts to represent a constituency from western Canada, I would like to carry on in the enlightened way of my colleague and try to bring to the House some semblance of perspective with respect to the Government's spending program. For a number of very legitimate reasons, this spending program is causing very serious and deeply felt concern for the people I represent.

The Hon. Member for York-Peel has made reference to the meeting of the leaders of the industrialized seven in Williamsburg, Virginia. He has pointed out quite rightly that there was a rather unusual and almost unbelievable intervention on the part of the Prime Minister (Mr. Trudeau) in the course of those discussions. During the course of the discussions, as reported widely by the press, the Prime Minister joined with other leaders in railing against the extent of the deficit in the United States. One must ask oneself who is fooling whom.

This is the seventh time in this session that the Government has brought a borrowing Bill before the House to ask for additional funds over and above those it planned to spend in terms of an increasingly enlarged deficit. On each occasion that the Government comes before the House to seek borrowing authority, we find ourselves in a more deteriorated economic circumstance. The Government cries to the Opposition that it is in dire straits and in dire need of additional funds. This having happened on seven occasions, the only conclusion one can come to is that the Government is incapable of dealing with the economy of the country. That seems to be a self-evident fact. Why are we becoming more and more reliant upon borrowing Bills to carry on the day-to-day activities of the Government?

• (1120)

I was interested in the final communiqué issued from Williamsburg because it referred to the debt situation. After deliberation, the seven leaders stated that they viewed with concern the international financial situation and especially the debt burdens of many developing nations. The concern that should have been expressed is for the debt burden being experienced not by the developing antions but by the western industrialized nations. That is a matter of great concern to many Canadians.

In western Canada where I come from deficit financing and the great debt are viewed with alarm and skepticism. The Prime Minister increased spending from $12.6 billion in 1968 to approximately $100 billion in 1983-84. Our deficit will be in excess of $25 billion for at least each of the next four years. Yet the Government is back for the seventh time asking permission to borrow money. Its obligations amount to $26.7 billion but it already has $16 billion in borrowing authority. Now it is asking to borrow $4 billion more than the $10.7 billion it needs to meet requirements.

One has to ask why the Government is asking for these additional funds when, clearly, they are not needed at this time. As a humble country boy from western Canada, I can only conclude that there is the prospect of an election sooner or later. The Government wants to get into a position where it can have a slush fund available if an election comes within the next few months. I ask Hon. Members opposite why the Government is asking for $4 billion more than it requires. There is only one answer, Mr. Speaker: it needs the money to try to buy its way back into power in a future election.

That $4 billion is an interesting figure, Mr. Speaker. In western Canada people realize that is the amount of the

Western Development Fund. Government Members look blank at that because they do not remember it, but it was promised to the people of western Canada—

Mr. Pepin: And you voted against it.

Mr. Hnatyshyn: It was promised to them with all the trappings of the Speech from the Throne. They were told this amount of money would be available in return for the amount that was going to be extracted by taxes on western resource development and energy prices. This phantom Western Development Fund has disappeared, Mr. Speaker. It has gone, it is kaput, it no longer exists.

Is it any wonder that people in Saskatchewan and western Canada are skeptical about the Crow proposal? I am glad to see the Minister of Transport (Mr. Pepin) is present for this debate. The Speech from the Throne in 1980 is the only one we have had in this session of Parliament. At that time the Prime Minister said that the Government has no representation in western Canada and asked western Members of Parliament to stand up and address the issues that relate to western Canada. I propose to do that, Mr. Speaker, even if the Minister of Transport and the Prime Minister do not listen. I was asked to do it by the Prime Minister in the Speech from the Throne.

It is no wonder that the people of western Canada are concerned about the Crow proposals. They are skeptical about a Government that would commit $4 billion to western Canada and then completely renege on that commitment. How can they be impressed, therefore, with the commitment that the Crow benefit will be enshrined statutorily? That is precisely the question of trust which permeates this whole debate. The people of western Canada, the livestock producer, the grain producer, are looking at this Government in terms of the way in which it manages or mismanages its affairs, and because they are very wise people out there, they say to themselves: "We are not prepared to change what we now have for something which we describe out here as a 'pig in a poke'."

• (1125)

We have seen the way this outfit operates, the way it reneges on its commitments. It promised $4 billion to be expended to increase the industrial and manufacturing base in western Canada, yet not a cent has been committed under this program, of which I am aware, in any tangible way towards that objective. Where is the basis upon which we can expect anything from this Government that is not almost a matter of being enshrined in the Constitution, Mr. Speaker? I am looking forward to the amendments to the legislation which the Minister of Transport has promised for us today to see what exactly he has in mind. However, the federal Government under the present proposal holds all the cards. There are only two elements of statutory protection in the present proposals; one is for the railways. They are all right. The poor fellows, we should almost go out and have a tag day for the railways, they are so hard done by, according to the Minister of Transport; so he has looked after them in his legislation.

Of course, the other statutory protection is given to the federal Government. God knows, it needs some direction in writing as to what it is supposed to do. But that, Mr. Speaker, is not satisfactory. The farmer is stuck with an escalating rate. The protection given to the Government contribution is far more defined and comprehensive.

I see, Mr. Speaker, I have only a short period of time left. I look forward to the opportunity to carry on this debate. I will simply say, Mr. Speaker, I have given a couple of examples of what the feelings are in my part of Canada. There is dismay and disillusionment at the way in which this Government has carried on. The fact that it would ask for $4 billion more than it actually requires is offensive and reprehensible. It is the kind of fuzzy-headed thinking that this Government indulges in, which only says one thing to me, and that is that we may be having an election sooner rather than later. I look forward to that. I look forward to the chance which the people of Canada will have to vote on the performance of this Government.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I noted with interest that when this debate started 20 minutes ago there was not one Member of the New Democratic Party in the House. They have been trickling in ever since. They, of any Party in the House, are very big on borrowing anyway, and they have an interest in this debate, but it is usually retroactive. They always want the Government to borrow and urge the Government to borrow more, but then when we are before a borrowing Bill, they are against it, usually because the priorities are not quite the way the New Democrats would like them.

Mr. Fisher: What is new? You do the same.

Mr. Friesen: I wonder if it would be helpful, Mr. Speaker, in a case like this—

The Acting Speaker (Mr. Corbin): Order.

Mr. Riis: Mr. Speaker, I rise on a point of order. The Hon. Member has just referred to the fact that when we commenced our sitting today at precisely eleven o'clock, it was a few moments before Hon. Members of the New Democratic Party took their seats. I would like to remind the Hon. Member that some of us take our committee responsibilities very seriously and we were hurrying back from our committee meetings.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Corbin): Order. Order.

Mr. Friesen: I might remind the Hon. Member for Kamloops-Shuswap (Mr. Riis), Mr. Speaker, that I just came from committee to speak in the House. His Party alone seems to be the guardians of the committee system, if you would listen to the Hon. Member for Kamloops-Shuswap; no one else in the House is really interested in committees.

• (1130)

The Government seems to have quite a double standard, Mr. Speaker. If you go to a bank or to Household Finance to borrow money, one of the requirements that both this Government and the provincial Governments have laid on the lender is that before the borrower signs on the dotted line he has to be told exactly what the loan is going to cost him. Now, would it not be a unique experience if this Government were required to tell all the taxpayers of Canada exactly what its borrowing is going to cost them? Would it not be unique if each of the taxpayers could say to this Government: "We will not lend you this money until you explain to us how much this is going to cost us"?

The cost to the taxpayer, Mr. Speaker, is going to be astronomical. As the Hon. Member for Saskatoon West (Mr. Hnatyshyn) has already pointed out, this year alone we have gone in hock for $31 billion, much of which is probably not necessary at this point. At that rate of borrowing the national debt is going to double over four years. We are already paying 25 cents out of every tax dollar just to pay the interest on the national debt. Imagine what that is going to do to the poor taxpayer out there given the borrowing trend we face in this country. It would be in the interests of fairness and equity to the taxpayer if he was able to extract from the Government some kind of statement about exactly what this is going to cost him.

As I have said a number of times in the House, Mr. Speaker, we are not going to repay this debt. There is not a Member in this House who is going to help repay this debt. Neither will our children. It is our grandchildren who will begin paying off this debt. That is the interest; I wonder if they will ever get a chance to start paying the principle.

If you borrow money in the business world you have to have some assets against which the borrowing takes place. But this Government's borrowing is like borrowing against the groceries. It is like some of the fishermen in my riding who would borrow money to pay for gasoline or groceries when they go on a fishing trip. They burn up the fuel, eat the groceries and afterwards there is nothing which the lender can attach to cover the debt. They cannot attach the boat or the fish or anything. The Government has spent this money and there is nothing which can be attached. It seems to me that we are in deep trouble, Mr. Speaker.

My friends to the left, who are always so interested in borrowing, should realize that there is a fundamental tenet in the borrowing world—that when you start putting yourself into debt you become at least a partial prisoner of your creditor. My friends to the left are always harping on the need for Canada to express its economic independence. Since this is the fourth time this fiscal year that the Government has come to us for borrowing authority, we need to ask ourselves how much is owned to Canadian citizens and institutions and then now much is owed by the Government to foreign institutions. I wonder if the financial critic for the NDP, the Hon. Member for Kamloops-Shuswap, has any idea of how much we owe to Wall Street bankers.

Mr. Riis: Do you?

Mr. Friesen: How much have we borrowed in the name of PetroCan? It seems to me to be a fundamental fact of life that once you start putting yourself in hock you become at least a partial prisoner of the one who extends the credit. It is one thing for the Members of the NDP to say we want economic dependence, as I would, but it is another thing for them to say we need to borrow more money, knowing full well that the Government is going to have to borrow from Canadians and perhaps from foreign institutions and thereby mortgage our independence to those institutions. You cannot cry for independence and put yourself in hock at the same time. You cannot have it both ways.

Mr. Kristiansen: You would rather be in permanent hock to everyone by offering equity; is that it?

Mr. Friesen: The Hon. Member from Kootenay West (Mr. Kristiansen), who is a great financial expert and used to be the union leader in that area and knows all about this kind of deficit spending, is interjecting.

Mr. Kristiansen: We never had a deficit.

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

Mr. Friesen: Thank you, Mr. Speaker. It is time for order in this place, and any time the Hon. Member for Kootenay West speaks we certainly lose all sense of order here.

Mr. Kristiansen: It is because you are so titillating.

Mr. Friesen: Well, I would agree to that.

The Hon. Member for Saskatoon West brought forward an excellent point: Why is it that the Government is asking us to give it permission to borrow $4 billion more than it needs? That certainly is not in the interests of good husbandry. The Hon. Member indicated one probable reason, that very likely we are about a year away from an election and with $4 billion extra in the kitty there would be some kind of a slush funds for the election year goodies the Liberals want to have available to them.

There is another possible reason, albeit less likely because it would infer that the Government really knows what it is doing, that if the Government gets permission to borrow $4 billion more than it really needs, a year from now the Liberals could come back to the public and say: "Hey, we do not need that $4 billion; through very careful management and husbandry of our resources, through very careful cost accounting and cutbacks in all Government programs"—although we know that will not include advertising programs—"we have managed to save $4 billion for the Canadian taxpayer. Are we not wonderful people?"

That could be one of the ploys the Minister of Finance (Mr. Lalonde) wants to throw at the Canadian people a year from now and that is why he is asking to borrow $4 billion more than he really needs. I say that is not being honest with the Canadian people. It may be clever but it is not very smart. It

may be cute but it is not honest. The Minister of Finance ought to come clean with the Canadian people and tell us exactly why he wants permission to borrow $4 billion more than he needs.

I say again that this is the fourth time this fiscal year alone that we have been asked to give the Government money, some of which it does not really need. We need to close the door on that. We need to tell the Government it has to be accountable to the Canadian people. Perhaps, as I said at the outset, we need to invoke the rule that the Government requires of lending institutions, that they are required to give the Canadian people a careful accounting of just exactly what it will cost them to borrow this amount of money.

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I took note of the self-righteous comments of the last speaker when he made note of the fact that there were no Members of this Party here at eleven o'clock. I would like to inform the Hon. Member that we had advance warning that the first three speakers this morning would be Conservatives. Let me inform the House that that would be enough to delay all but the craziest people from coming into the House.

• (1140)

Mr. Kempling: Hurts, eh?

Mr. Sargeant: Once again, I welcome this opportunity to participate in a debate on the Government's borrowing authority. This particular Bill, which would authorize the Government to borrow another $14.7 billion, comes hot on the heels of the last appeal to Parliament for borrowing authority. A little more than three months ago, the Government asked for authority to borrow $19 billion. At that time Members of Parliament were asked to authorize that gang over there to borrow $14 billion for this fiscal year without even knowing what the money would be spent on. Therefore, when the Minister of State for Finance (Mr. Cosgrove) proclaimed as he introduced the Bill that this time Hon. Members would be told where the money would be spent, I found his self-righteousness a little hard to understand. Of course the Government told us this time what the money would be spent on. However, it should do that each time it requests authority to borrow money. The Minister really has no right to puff up his chest as if the Government had done Parliament some great favour by telling us how it will spend the money.

When we add it up—the $14.7 billion the Government wants to borrow under the Bill, the $14 billion borrowed for this fiscal year under the last Bill, as well as the $2 billion left over in borrowing authority from last year—we find that the Government is asking to borrow over $30 billion, a tidy little sum. I would not begrudge this to the Government if I were convinced that it would be invested wisely in economic recovery, if it were invested in putting Canadians back to work and, by so doing, increasing the Government's tax revenues, reducing its expenditures on Unemployment Insurance and welfare. However, I am not convinced of that.

In spite of the grandstand statements about recovery and job creation in the April budget, all that is evident is that the Government plans to wait the recession out, hoping that it can claim credit for recovery when the recession is over. However, when the business cycle begins its upturn, the Government will surely not be able to claim any of the credit.

On balance, the Government's record shows that its tight fiscal and monetary policies spurred on the recession, throwing people out of work and bankrupting small Canadian businesses, farmers and fishermen, among others. The irony of ironies is that the Government, driven by the Conservative obsession with reducing the deficit, actually contributed to its incredible borrowing requirement today. Instead of investing its deficit a few years ago, the Government tried to cut its spending at the same time as it tried to slow down the economy with high interest rates. We all know what that brought us: recession. The recession brought on by those policies actually increased the Government's borrowing requirements as close to two million Canadians were thrown out of work and on to welfare and Unemployment Insurance rolls.

When I spoke to the borrowing authority Bill a few months ago, I had a slim hope that the new budget would hold something different for Canadians than the dreadful mix of Conservative economic schemes with which we have lived for the past five or six years. It was a slim hope, but nevertheless I harboured it.

At that time the Minister of Finance (Mr. Lalonde) seemed to be testing the waters to see how far he should go with economic stimulation in his new budget. However, when he brought down the budget on April 19, we did not receive the long-heralded economic stimulation and job creation. No, what we received was the promise of almost 1.5 million people unemployed for the rest of this year and not even a glimmer of hope of returning, by 1987, to the days of less than one million Canadians unemployed. What we received were grand statements about the Special Recovery Program which gives $2.4 billion to the private sector over the next four years, and additional spending on public capital projects of only $560 million this year, $760 million next year and only $390 million in the following year. That kind of spending will not go far at all in sponsoring economic recovery and job creation.

What we received with the April budget was another stab at identifying the private sector as the engine of economic recovery, another abdication of the Government's responsibility for directing economic development and planning in Canada, directing it to the likes of Canadian Pacific, Imperial Oil and the mines. I am not saying that the Government should take over and run the Canadian economy. However, what I am saying is that the Government has a responsibility to provide some long-term direction as to how the Canadian economy will develop for the benefit of Canadians, not for the benefit of the blue ribbon coupon clippers south of the border.

Therefore, by throwing $2.4 billion at big business over the next four years, the Government expects it will fuel investment and economic recovery. However, I would like to remind the Government that Canadian industry is now operating at only

60 per cent capacity. Without an increase in consumer spending, there is really no incentive for business to invest, in spite of Government tax giveaways. The April budget did absolutely nothing toward putting more money into the pockets of the average Canadian consumer.

Mr. Riis: It took money out.

Mr. Sargeant: In fact, what it did was to take $3.5 billion out of those consumers' pockets through higher taxes over the next four years, all the while reducing taxes for corporations.

I want to tell the House what a couple of spokespersons from the corporate world had to say about this situation, because it is probably the only kind of source some of my Tory friends to the right will consider seriously. Tom D'Aquino, President of the Business Council on National Issues, has said:

> In the budget, Lalonde identified the private sector as the engine of economic growth ... but what if the private sector does not deliver because it can't, because the demand just isn't there.

Tom Van Zuiden, senior vice-president of finance for Dofasco, said:

> Corporations are not going to expand just to get tax credits. They need expanded markets and the current economy is not such that further expansion in our industry is really warranted.

All this says to me is that the Government is heading in the wrong direction, that when it builds a recovery program around incentives for corporate investment at the same time as it is taking money out of the pockets of consumers, it is missing the boat. It is a shame for the Government to approach this House for authority to borrow an additional $14.7 billion when we can see that none of the economic programs the Government is sponsoring will turn the economy around or, in the long run, reduce Government borrowing requirements.

Finally, I want to make the point that the Government's economic policies are adrift. Rather than trying to do something positive about the recession, the Government gave Canadians lots of talk but not a lot of action on economic recovery. The April budget may have been good to big business, but it does not hold much hope for the rest of us looking forward to genuine economic recovery. The economic posture contained in the last budget is one of waiting and pinning our hopes on American recovery. It is exactly the kind of timid economic direction we have been told over and over again we could expect from a Progressive Conservative Government. I contend that Canadians deserve better.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, a few minutes ago the gallery of the House of Commons was filled with young people, people in their early' teens listening to the debate. I wondered as I watched them what legacy this Government will leave to these young people. Will it be a legacy of opportunity or will it be a legacy of bankruptcy, indebtedness and high taxes?

• (1150)

Really this is a sad debate. This Bill asks Parliament to approve the borrowing by this Government of some $14.7 billion. This is the seventh time in this session that the Government has come to Parliament for borrowing authority and has requested a total of some $81.5 billion.

Many people do not understand what a billion means. If you relate that $81.5 billion to millions, Mr. Speaker, that means $81,000 million. That is the amount of money this Government has asked permission to borrow in this session which started in 1980.

It is interesting to look back on the history of the Trudeau years and see what has happened to this great country of ours. It is a great country. It is a country rich in resources, natural, physical and human, and a country which has the greatest potential of any country in this world. But this Government has not developed that potential. It has done its best to stifle it. Personally, I suggest it is because of the philosophy of the Prime Minister (Mr. Trudeau) and this Government, a philosophy which embraces socialist and Marxist theories, believes in centralization and in government control. This "Big Daddy" syndrome has forced us into low productivity and has caused this country to end up with the highest unemployment record in history, high interest rates and an 80-cent dollar. The Government and the Prime Minsiter say: "Well, there is nothing we can do about it; this is a world-wide problem and basically the Americans are to blame. If the Americans can only pull out of their problems, then Canada will pull out as well."

It is interesting to examine what has happened in the last 15 or 20 years, that I call the Trudeau years. If one looks at the statistics, one will find that on a national accounts basis spending in 1968-69 was $12.6 billion. In 1983-84 it will be $100 billion, which in that period of time is an increase of some 693 per cent. If one looks at it on a public accounts basis, a basis commonly used, one will find that in 1968-69 expenditures were $12.3 billion. In 1983-1984 they will be $89.8 billion, or an increase of some 554 per cent.

Let me refer to the public debt. When the present Prime Minister took over as leader of this country, our gross public debt was $31 billion. At the end of 1981-82, the last figure that we are able to get, it was $134 billion. It is estimated that in 1982 the public debt will be about $165 billion. It is further estimated that by March 31, 1987 our net debt, that is after we take our assets away from our debts, will be some $232 billion.

What about the interest on this debt? Each and every taxpayer in this country is faced with the responsibility of paying the interest on this debt. In 1983-84 the interest on our national debt will be some $17.6 billion. That is about $700 for every man, woman and child in this country, or about $1,700 for every taxpayer. But let us look at the year 1968-69. The estimates, the total cost of running this country, in 1968-69 were about $12 billion. That $12 billion included all the cost of government, all the cost of defence; in fact, every expenditure

of government. Now we are asked to pay $17.5 billion just in interest alone. The burden is almost unbearable.

I always relate the Government to a farmer, a worker or a small business. If you spend more than you take in, you are in financial difficulties. That is what this Government has done and is doing. It is spending more than it is taking in, and it is borrowing far beyond its means to cover the portion it is not able to take in. The result is we are very close to being in a bankrupt position.

I have told groups of senior citizens that they are probably the most fortunate group who ever lived in Canada because at the present time they are in receipt of the old age pension, the Guaranteed Income Supplement, the Canada Pension Plan, a health care plan and New Horizons grants. But I have to say to them that it is unlikely their children, or your children or mine, Mr. Speaker, or their children's children, will enjoy those benefits because there will just not be the money to cover those types of programs. With increasing budgets, increasing national debt and the aging population there will be fewer and fewer taxpayers to pay the cost of those programs.

Let me ask once again: What legacy will we leave to our children and our children's children? Will we leave them a legacy of opportunity, or will we leave them a legacy of bankruptcy and indebtedness? Unless we change our ways, unless we curb our spending and unless we base our decisions on economics rather than politics, I am very much afraid the legacy we will leave to those children will be one of bankruptcy, indebtedness and high taxes.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, a veteran Member of this House recently told me of a colleague who had one standard speech format available for all occasions. No matter what the debate, the speech was appropriate with only minor modification made to suit the subject. All that was required was a five-minute preparation to fill in the blanks.

That type of style would be an extremely efficient format for Members of this House confronted with this Government's legislative finesse of the past few years, and particularly of the past few months. This Government under the guidance of the Prime Minister (Mr. Trudeau), and latterly under successive Finance Ministers, has increased Government expenditures from $12.3 billion to $89.8 billion in the past 15 years. The Government, through waste and irresponsible neglect of fundamental principles basic to even a child's understanding of economics, has left the nation's productive capacity in shambles, while blaming the catastrophe on all the world around us and never accepting responsibility or putting it where it belongs.

• (1200)

The combination of excessive spending and a shattered tax base from which to draw revenue has had the inevitable result of ever enlarging annual national deficits. Now the nation, which a few years ago was shocked at the prospect of an increase in the national debt of Canada $4 billion, hardly blinks an eye as the Minister of Finance (Mr. Lalonde) declares a deficit in excess of $30 billion and notes that the national debt has doubled in the past five years and will double again in the next five years.

The nation hardly grasps the implication of the Minister of Finance's figures, which show that a third of the revenue of Canada, which comes mainly in the form of taxes that Canadians pay directly or indirectly to the treasury, goes simply to pay the interest on the national debt or that 20 per cent of the expenditures of Canada go for that unproductive purpose. One can only pause to wonder what figures will be presented to the House and the nation five years from now when the national debt has doubled from $120 billion to $240 billion, if the Minister and the Government are allowed to pursue their unrepentant ways.

This is a special concern considering a growing conviction which is occupying thoughtful Canadians and was contained in an article in today's edition of *The Citizen* of Ottawa, headlined "Large federal debt will force up interest rates". I will refer to this article later if time permits.

In this circumstance of spending excesses, the only certainty which exists is that the Government of Canada through its Finance Minister will be back repeatedly to lay claim to the right to appropriate more and more borrowed money to maintain its expensive, expansive ways.

Thus the original concept of a standard speech would be entirely appropriate to the House. On how many occasions could it have been used in the past few months? A standardized speech on borrowing authority legislation would have been useful on seven different occasions during this session of Parliament.

The obsession for spending which consumes the Government has been demonstrated in Bills C-30, C-59, C-111, C-125, C-128, C-143, and Bill C-151 which is presently being debated.

In fiscal year 1982-83 the Government came to the House four times to demand authority to borrow a total of $22.6 billion so that it could continue its habit of unrestrained extravagance. And where are we today? In its April budget the Government indicated that it would require $26.7 billion to make up the excess of its spending over its revenue during the current year. At present the Government has borrowing authority in place of some $16 billion. If the Minister of Finance is forecasting a shortfall of $26.7 billion and has a reserve of authority to borrow $16 billion, the demand we should be debating today should be for $10.7 billion.

Why, then, are we faced with a demand for nearly $15 billion? I suggest it is because the Government does not have any faith in its own figures and, more specifically, it does not have any faith in its own discipline when it comes to curbing its appetite for spending. Government Members say: "Give us unlimited financing so that we can act as we have always acted—bestowing favour on our friends, using the largesse of the treasury for political advantage whenever and wherever it most pleases us and is seen to be to our advantage".

We should contrast this attitude with that of the newly elected Government of British Columbia which campaigned on a platorm of restraint and realism. The people of British Columbia understood and appreciated this, as evidenced by the manifest rejection of the NDP call for actions of spending which are the duplicate of what the Government in Ottawa is presently inflicting upon Canada. Both the NDP and the Liberal Party opposite would be well advised to take note of the clear, decisive message which the electors of British Columbia provided. Canadians want their treasury to be treated rationally and reasonably—the type of restraint promised and being delivered by Premier Bennett of British Columbia.

I would like to refer to an article which appeared in today's edition of *The Globe and Mail* headed "Curb needed in spending, Bennet says". It reads:

> Without fiscal restraint, the British Columbia Government will accumulate deficits totally $12 billion in the next four years, Premier William Bennett said yesterday.
>
> "Not only the provincial Government, but all provincial agencies and local Governments will be called on to exercise greater responsibility," Mr. Bennett told reporters . . .
>
> "It is fair to say that every program of Government, every Government agency, every Crown corporation, every board, every commission—all are under complete review over the next few days and the next few weeks."
>
> Mr. Bennett said the recession has ravaged Government revenue and he expects major shortfalls in tax income, particularly from corporations.

Where do we have any comparative degree of restraint shown by the Government of Canada? Of course, the answer is that we do not and will not have a comparative degree of restraint as long as this particular regime is in power.

Earlier I referred to an article in *The Citizen* by Seymour Friedland. It is in that context that I think we must be very concerned about what will happen five years from now when the national debt of Canada is double what it is presently because we have allowed the Government to continue in its unrepentant style of spending. An article entitled "Large federal debt will force up interest rates" quoted one Earl Bederman of the Canada Permanent Trust Company. I see Mr. Speaker is indicating that I have used up my allotted time, but the article reads:

> Part of Bederman's pessimism is based on the recent Lalonde budget. Although it has received widespread acclaim, Bederman argues that it will have a depressing impact on the economy for the next four years.

I advise my colleagues opposite to read this particular article.

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

• (1210)

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, was there unanimous consent to let the Hon. Member for Okanagan-Similkameen (Mr. King) finish? May I request that on his behalf?

The Acting Speaker (Mr. Corbin): The Chair has recognized the Hon. Member for Edmonton-Strathcona to make a speech. Only the Member who had the floor previously could make that request and seek unanimous consent of the House. I gather he is not interested in doing that.

Mr. Kilgour: Mr. Speaker, I wish to speak for only ten minutes. This Bill is a symptom of the dreadfully serious mismanagement of the Canadian economy by its Government. Last year Canada ran dead last among the 24 member nations of the OECD. We placed 55th out of 81 countries in terms of economic performance, according to the publication "Euromoney". Some on this side feel that the Liberals have deliberately worsened the economy in order to fight inflation. We must ask ourselves, for example, how many of our constituents were put out of work because of the interest rate policy of the Government about a year ago?

As others have pointed out, this Bill will authorize the Government to borrow an additional $14.7 billion. It follows seven previous similar requests made by the Government in this Parliament. In his recent budget, the Minister of Finance (Mr. Lalonde) indicated that the deficit for the coming year will be $31 billion, $28.8 billion for 1984-85, $26.7 billion for 1985-86 and $25.6 billion for 1986-87. That is $114 billion in the next four years. We must add to that the approximate $70 billion which those fiscal maniacs opposite ran up in borrowing in the eighties. That will be more than $200 billion before they are voted out of office in the next election.

Let me give some idea of their idea of irresponsible Government financing and what it is doing to this country. First, total Government spending in terms of the $100 billion the Government intends to spend next year is enough to buy a $100,000 home for every household in Alberta.

Second, the cost of interest on the debt exceeds the value of all federal income taxes collected from persons earning less than $50,000 a year.

Third, the Government's gross debt is the equivalent of $6,400 per capita and $16,000 per taxpayer. That is outrageous.

Fourth, in private industry, an enterprise with revenue that was only 70 per cent of its expenditures and gross debt that was four times the net value of its assets would be forced into bankruptcy. Where is there a place for those opposite to file for bankruptcy on behalf of their fellow citizens?

Fifth, the Liberals will spend between 1980-81 and 1983-84 a total of $49 billion more than had been planned in the Conservative budget when we were in office. That is $4,900 per taxpayer.

Sixth, the federal Government spends money at the rate of $274 million per day, $11 million per hour and $190,000 per minute. At that rate, $19 million was spent during the budget speech of the Minister of Finance.

Seventh, including operating deficits and capital expenditures, Mirabel airport today, as an example of the profligacy on the other side, has cost the taxpayers more than $700 million. That sum of money is the equivalent of giving 800,000 Canadians a free round-trip ticket from St. John's, Newfoundland to Vancouver, British Columbia.

Eighth, the federal Government has an information and advertising budget of $245 million a year, the largest of its kind in Canada. That sum of money is 18 times the total cost of Government in the first year of Confederation.

Ninth, in 1981 the federal Government spent $13.1 million on food, liquor and entertainment. I wonder how much of that was spent on other than Liberal friends. That is the equivalent of more than one million bottles of liquor.

Finally, the deficit this year will be $31.3 billion. If that incredible amount of money were turned into $1 bills and laid end to end, it would stretch just under three million miles. That is the equivalent of travelling the Trans-Canada Highway and back 304 times. The line would stretch to the moon and back six times.

What else can we say but that the Government is grossly irresponsible? It is doing its best to bankrupt the country, aided and abetted by its annex in the New Democratic Party. I sometimes wonder which is the annex of which. I ask that in light of the Gallup poll which came out a week ago. It indicated that 30 per cent of Liberal supporters favour a greater role for the private sector, contrasted to 41 per cent for NDP supporters, the Party of the Regina Manifesto, and 61 per cent for supporters of this Party.

The point is that the supporters of the new Democratic Party are now more in favour of private enterprise than the supporters of the Government Party. Times are changing and I cannot explain it. Maybe the New Democratic Party or the Liberals can explain it. Somebody looking at this country from Mars would consider that we were being run by a group of lunatics.

Mr. Riis: What about the guy speaking right now?

Mr. Kilgour: At least I have their attention. It is really what I was hoping for because there is nothing more boring than standing up and giving a speech where nobody listens and then everybody gets up and disagrees.

Mr. Riis: If you say something silly enough, people will listen.

Mr. Kilgour: Mr. Speaker, I will end early. I have said everything I wish to say. I hope that all Members of the House will vote against this Bill.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, it gives me great pleasure to rise and speak again on this borrowing authority Bill which is in the order of $14.7 billion, of which something in the order of $4 billion is completely unaccounted for. Speculation runs high that that $4 billion would make a fairly substantial contribution to an election slush fund, paid out at something of the order of $10 million a day. That is a very serious matter. The matter of this House authorizing legislation to borrow taxpayers' money should receive a very careful and scrupulous accounting. If the Government is going to borrow that money, it should be targeted to specific projects that will fulfil a community need, an employment need and a need for economic development at this time. We do not see that occurring with the present initiatives of the Liberal Government.

Today I call to the attention of the House and the Minister some areas where it could allocate the $4 billion instead of dropping in into a slush fund. It is opportune that we have with us in the Chamber at this time the Minister of Transport (Mr. Pepin). I recall to the Minister of Transport the need for an airport in the community of Bella Bella, B.C. Over the years that community of approximately 1,000 people has been looking for Government support by way of a borrowing authority Bill or a contribution. This is an excellent project and is worth studying. It is a native community with very high unemployment. There is a hospital in that community from which they evacuate people with difficult medical problems. There is an RCMP law enforcement establishment in the community and there are schools in the community.

• (1220)

It desperately needs an airport. The people have virtually scratched out of the ground by their own means the beginnings of an airport and, for a very nominal sum of money, could extend the airport runway to 3,500 feet which would accommodate not only their community but other communities on the central coast. Instead of spending that money, Mr. Speaker, It would appear that the Minister of Transport and his officials have decided that they would rather support an airport on another island.

Mr. Pepin: The choice is to be made by the Government of British Columbia.

Mr. Skelly: It would be very nice if the Minister would not pass the buck on to the Government of British Columbia but fulfil his Government's federal responsibility to native people through the mechanism of the borrowing Act by allocating assistance to the Indian community of Bella Bella.

There is no justification for allowing any government to go ahead and move a facility which is so desperately needed to an island with only 60 residents. I hope that my old friend, the Minister of Transport, will find in his heart a willingness to come forward and support that community of Bella Bella and the development on the central coast that will stem from it. I believe this is vitally important, Mr. Speaker. This is an important use for the funds that have not been accounted for in the borrowing authority.

The borrowing authority is an important mechanism by which funds can be allocated. It is interesting to note that the Ministers often complain that they do not have any money. Well, here in the borrowing authority it looks as if $4 billion has not yet been accounted for or allocated. The Government would like to see the House ratify the borrowing authority.

I bring to the attention of the Minister of Transport another project that is needed in the community of Bella Bella and which illustrates what I am trying to point out. If the Minister of Transport or the Government of Canada are looking for some way to account for those funds, the community of Bella Bella desperately needs a roll-on/roll-off ferry facility. The

cost of living in that community is so astronomically high that it cripples any economic development that would benefit the approximately 1,000 people who live there. The cost of food is prohibitively high. Here in Ottawa we live in luxury in terms of the cost of food and facilities. The situation in Bella Bella could be changed, however, if the Government were to provide support for a roll-on/roll-off ferry facility. It is a nominal cost to create such enormous benefits in that community.

I hope that when the Government makes an evaluation about what it wants to do with that $4 billion it is asking the House to vote for, the Minister of Transport will provide that ferry facility for that Bella Bella. It would be very useful if the Minister of Transport could look at that project very carefully and find it within himself to support it as one of the priorities of the $4 billion.

In looking for ways to spend that $4 billion fund that has not yet been allocated, another very interesting application of those funds might be found in the community of Powell River. The community of Powell River has a single major industry, and its example is duplicated in many areas across the country. There are problems created by single industry communities. For instance, the pulp and paper mill in the community of Powell River has cut back production and has laid off 500 people. In a small community such as this, the lay-off of 500 people has a devastating effect. The people cannot move out because the housing market is depressed. There is no other source of employment in that community and the pulp mill will be virtually unable to rehire many of those people. The federal Government could provide support for work-sharing programs in that community. Even the apprentices who were laid off could be rehired to allow them to finish their training. The $4 billion that has not yet been allocated could be used in Powell River.

In addition, certain kinds of economic development could go ahead in a community such as Powell River, but initial support is needed. That initial support could help to diversify and strengthen the economy of a single industry community so that the boom and bust phenomenon would no longer occur. But that support is not forthcoming. It would be my hope that the Minister of Transport, the Minister of Employment and Immigration (Mr. Axworthy) and other influential members of the Government would look at Powell River when addressing the question of how to spend the extra $4 billion. I hope they would look seriously at creating employment opportunities, at creating job sharing opportunities as a short-term arrangement, and then look finally at assisting a single industry community such as Powell River to create some kind of diversity in its local economy so that it can take the boom and bust phenomenon out of the economy and allow people to have some kind of employment security.

While I am on the subject and the Ministers are present and listening, I would like to call three communities in the Comox Valley to their attention. These are the communities of Courtenay, Cumberland and Comox. The community of Comox has an air base which is proposing to move approximately 500 people to another area of the country to reduce the size of that facility. Those 500 people, their families and their children will be removed from the valley. This will in fact have a very dramatic impact on the economy of that community. The community has already been hard hit by a recession and by the slowdown in the forest industries, and this is the present that they are to receive from the federal Government. I recognize why this is in fact being done, but certainly when 500 pay cheques are removed from a community with a stroke of a pen, the economy of that community is harmed.

Certain things can be done with this $4 billion slush fund that seems to be unaccounted for that would assist the communities in the Comox Valley. The Government could attempt to help the community with some offsets, and there are a number of offsets available. Hopefully, the Government would be concerned enough to provide the community with an alternate, such as another branch of the Canadian Armed Forces that could use the facility that is already there. The facilities are ideal for Sea King helicopter training. There are many other projects for which the federal Government could provide the offsets and opportunities after having caused a great deal of harm by removing 500 pay cheques from Comox.

It would be my hope, Mr. Speaker, that the Government would be in a position, through the $4 billion that is unaccounted for to begin to address some of these very serious problems that are faced by these people.

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, I represent 87,980 people who live in North Vancouver-Burnaby. Each one of those households operates on a budget. They have so much coming in as income and they have so much going out for rent, food and other expenses. If expenses exceed income, the first thing that the householders would do is to look for a way to cut back and change that situation. This may mean, of course, that there will be spaghetti for dinner instead of hamburger. That is logical, but the Government is incapable of such plain common sense.

Anyone who operates a business works on the basis of a yearly cash flow statement which will indicate to him what he is taking in and what his expenses are. Hopefully there may be a little profit left over. If there is no profit and the businessman sees that he is going into the hole, then obviously he must cut expenditures or increase revenue. Again, this is just plain common sense. But the Government seems to be totally incompetent and totally incapable of understanding such plain common sense.

It might be interesting for my constituents to know that all 87,980 of them are in debt to the extent of $1,600 and that every taxpayer in the riding is in debt to the tune of $16,000 as a result of the Liberal Government. I am reminded of the story of one of my constituents who just had a baby. He immediately rushed to Lion's Gate Hospital, looked through the nursery window at his child and said: "Congratulations, my child, you are now $1,600 in debt. A few years from now when you become a taxpayer, you will automatically be $16,000 in debt, unless we can elect a Conservative Government and turn this kind of loose spending around."

• (1230)

How does the Government do it, Mr. Speaker? What is a supplementary estimate? It is an admission of failure. Seven times the Government has come back to Parliament for supplementary estimates in this Session of Parliament. That is seven admissions of failure—seven admissions that it cannot figure out what it is doing with the money.

We could talk about the $12 billion or $14 billion which was granted before, but let us look at the last 11 months. If this does not demonstrate incompetence on the part of the Government, I do not know what does. Eleven months ago the Government got $6.6 billion; nine months ago $11 billion; six months ago $4 billion; two months ago $19 billion; and today $14.7 billion. It has received $77.3 billion over a three-year period, or about $25 billion per year.

It might interest my constituents to know that they have a Liberal Government which is borrowing at the rate of $2 billion per month and that it has been doing this for years, to the detriment of the country. It is a Government gone mad. I would point out to my constituents that every dollar the Government borrows means one less dollar available for them to borrow for any purpose. This has an effect on interest rates and on the confidence the world has in Canada. When the Government is a mad spender you cannot expect investors to have much faith in it. As a result, in the last year alone $10 billion has left Canada. We will never know how many jobs that would have provided for Canadians had it remained in this country. We know why the money left Canada, however—because of the borrowing of $2 billion per month, month in and month out, that the Liberal regime has foisted on the public.

The foregoing is not all of the borrowing, Mr. Speaker; it is only the things that we know about. How many debts do Crown corporations have that are disguised as loans? How many debts do Crown corporations have disguised as letters of credit? How much are they showing as assets on the books, such as buggy whips, which should be written off and accepted as a loss? The Opposition cannot get that information from the Government and I can understand why it must be kept a deep, dark secret. It must be a source of continual embarrassment that such terrible things are even suspected.

A succession of Auditors General have told us that spending is out of control. You do not have to be very bright to know that, Mr. Speaker. The Government has the authority to spend but it has no responsibility.

When I first came to this House I served on the Public Accounts Committee—until I gave up in disgust. I remember asking an official of the Treasury Board what I thought was a very key question. I wanted to know what happens when a bureaucrat makes a colossal error, such as the overspending on the Calgary Airport, or architects designing buildings that drop into the muskeg, or any of the other scandals that have happened with this Government. I wanted to know the penalty for someone who did not know what he was doing in his job—the penalty for a Government official who wastes money. The answer I got from Treasury Board was that there are no penalties. As my colleague says, the chances are that the official would be promoted because it would be an embarrassment to leave him in the same position. But no bureaucrat is afraid of his job or is prepared to take the responsibility as well as the authority when he spends money.

I could go on with a thousand stories and it would take all day, Mr. Speaker, but I have two or three that I would draw to your attention. This year the CBC wants $820 million. I wonder if the Canadian people are prepared to spend $820 million over and above the revenue of the CBC. As well, $45 million is required for the Official Languages Act and the metric Commission wants $32 million. The Metric Commission is a good example of what I call the rise of bureaucrats. In 1974 its total budget was $44,000 but it has managed to get that up to $32 million. Today, its payroll is $3.2 million. The Consolidated Computer caper wasted $125 million. Some of the bureaucrats responsible for that should have been hanged by their thumbs.

I would like to see one budget, totally complete and fully explained in simple terms but no supplementary supply and no borrowing. If the managers cannot do that they should be given their running shoes. If the Cabinet cannot do it, that should be the greatest news story in Canada.

There are 12 American States where the people, through the native shrewdness that enables them to survive, have passed laws requiring that the budget of the State must be balanced. We may see that sort of thing here. This country will not have fiscal responsibility until this crew of drunken sailors and spendthrifts is thrown out of office, the sooner the better. I do not mean Government restraint on the backs of the poor. What I mean is financial responsibility on the heads of the wasteful bureaucrats who spend, spend, spend, without a thought for you and me, the overburdened taxpayer.

Mr. Mel Gass (Malpeque): Mr. Speaker, we are once again witnessing the federal Government's need for parliamentary authority to borrow new money. Prior to this Winter, the Government had never had to use its emergency borrowing powers. To date the Government has come to Parliament seven times in this session to ask Parliament for more borrowing authority. We need only to recall Bills C-30, C-59, C-111, C-125, C-128, C-143 and now C-151. In fiscal 1982-83 alone, the Government came to Parliament four times to seek borrowing authority.

The Government has borrowing authority of $16 billion in the 1983-84 fiscal year. Bil C-143 had provided for up to $2 billion of the $5 billion of authority it granted for fiscal 1982-83 to be carried over into fiscal 1983-84 if it was not used. Bill C-143 also provided for $14 billion to be granted for this year, fiscal 1983-84.

Based on its financial requirements of $26.7 billion and existing borrowing authority of $16 billion, the Government needs $10.7 billion in additional authority this year. Bill C-151 provided for $14.7 billion in new authority—$4 billion more than is indicated by the financial requirements. Of this, $2 billion does not have to be used this year and may be carried

forward into the future. The Government thus has a cushion of $2 billion for this year, plus a cushion of $2 billion to be used in any year. The money that is carried over in this bill does not have to be used next year and could be carried over indefinitely. The Government already has $16 billion in borrowing authority for this year, more than enough to last until summer. The past history of the federal Government is proof positive that it has mismanaged our country's finances and now must borrow more money to make ends meet.

Let us examine the federal Government's spending and the deficit which will outline the Government's mismanagement of the country's economy. Over the past 15 years, Government spending has risen at an unprecedented rate. On a national accounts basis spending has climbed from $12.6 billion in 1968-69 to an estimated $100.2 billion in 1983-84, an increase of 693 per cent. Spending has increased from $12.3 billion in 1968-69 to $89.8 billion, an increase of 554 per cent. Relative to fiscal 1979-80, spending has risen by 78 per cent on a public accounts basis or 84 per cent on a national accounts basis. In 1983-84, the Government plans to spend $20 billion more on a national accounts basis than the Progressive Conservative Government had planned to spend, and will borrow $22 billion more than the Progressive Conservatives had planned to borrow.

• (1240)

For every $3 the Government spends, it must borrow $1. A deficit can be financed only by printing money or by borrowing. In 1982, borrowing by the federal Government accounted for 51 per cent of all net new security issues placed in Canada. Borrowing of that magnitude clearly must have an effect on the supply and demand for money, and thus on the interest rates which must be borne by the private sector. The budget points to a deficit in excess of $25 billion for each of the next four years.

At the end of the 1981-82 fiscal year, the gross debt was $134 billion. The gross debt was probably between $160 billion and $165 billion as of March 31, 1983. In comparison, the gross debt was $31 billion when the present Government took office. The net debt was $120.1 billion as of March 31, 1983. This compares to $16.2 billion in March, 1968. Since the Government resumed power in 1980, the net debt has almost doubled from its March 31, 1980 level of $68.6 billion. In the coming year, one public accounts revenue dollar in three, or one expenditure dollar in five, will be used to pay interest on the debt.

There is the ever-growing interest burden. Interest on the debt cost an estimated $17.6 billion, the equivalent of $700 for every man, woman and child in Canada, or $1,700 per taxpayer, just for interest. Interest on the debt in 1983-84 will equal 4.6 per cent of Canada's Gross National Product. This compares to 2 per cent when Trudeau first took office.

The Acting Speaker (Mr. Corbin): Order. I must invite the Hon. Member to refer to his colleagues in the House by the name of their office or their constituency, and not their proper name, please.

Mr. Gass: I apologize, Mr. Speaker. The third cost is that productive private sector borrowing is crowded out and interest rates rise. In the 1982 calendar year, federal Government borrowing accounted for 51 per cent of the net new security issues placed in Canada. If there was less federal Government borrowing, there would be less demand for money and interest rates would be lower. At the time of the 1980 election, the Bank of Canada rate was 14 per cent, the average mortgage rate was 13.5 per cent, and the chartered bank prime rate was 15 per cent. By August, 1981 the bank rate had climbed to a record 21.24 per cent, chartered bank prime was 22.75 per cent, and some lenders were charging in excess of 22 per cent for first mortgages.

While interest rates have fallen significantly over the past few months, the reason for this stems from factors other than sound economic management. First, the recession has created a shortage of demand for new loans and a significant increase in the level of deposits. The savings rate is at record heights. People are afraid to spend money out of fear for the future, and they are justified because of the actions of this Government. The forces of supply and demand are thus partly responsible for the decline in rates. Economic recovery will mean the end of this source of downward pressure.

Second, there has been a sharp decline in interest rates in the United States. Any increase in U.S. interest rates will send Canadian interest rates back up again.

Third, because the current economic recession has hit Canada more severely than any of our major trading partners, our demand for imported goods has fallen sharply while our exports have remained relatively stable. This has taken some of the pressure off the dollar, which has been propped up by high interest rates. Economic recovery will end this temporary phenomenon.

The Government will argue that lower inflation is responsible for the drop in interest rates. In fact, the factors outlined above have had a far greater role. Indeed, a significant part of the decline in the inflation rate is due to the recession, which is hardly a sign of sound economic management. This year the financial requirements of the Government will be equal to 84 per cent of expected personal savings.

The fourth cost is that of confidence and it is possibly our greatest. The investment community does not trust a Government which continues to live so far beyond its means. They do not want to hold a currency which continues to be debased by excessive Government borrowing. As a consequence, the dollar has fallen, thus driving up the cost of living in Canada. Interest rates remain high as the Government attempts to support the dollar. Job creating capital investment has gone elsewhere. The financial requirements of the Government of Canada over the next four years will total $93.2 billion. Bills C-143 and C-151 are just the tip of the iceberg.

The Government's credit is certainly damaged when it comes to the unemployment issue. The national unemployment rate in February was 12.5 per cent, which means 1,585,000 Canadians were out of work. Four hundred and nine thousand Canadians worked part-time because they could not find full-

time employment. These unemployment totals do not include 149,000 discouraged people who have given up looking for work because there are no jobs available. In February, the youth unemployment rate was 20.7 per cent and in August, 1982 183,000 fewer students had a summer job than was the case in August, 1981. How can Parliament possibly support additional funding for a Government which has two million out of work and close to that number are on welfare? Unemployment Insurance benefits are running out and the Government does not offer concrete proposals which deal with this serious situation. In 1982 Unemployment Insurance payments totalled $8.6 billion. It is this very high unemployment rate which has been contributing to the increase in estimated financial requirements since October, 1982. By permitting the Government of Canada to borrow an additional $19 billion to finance the escalating spending deficit, now over $26 billion, Parliament is increasing the national debt to $160 billion.

I believe, Mr. Speaker, that my time is almost up. I have one last comment and that is that I believe very firmly in the adage that somewhere, sometime, somebody has to pay. I also believe that the "sometime" is getting very close and the "somebody" is our young people.

Mr. Howard Crosby (Halifax West): Mr. Speaker, this is the seventh time in the current session that the Government has presented to Parliament a Bill to authorize the borrowing of a vast amount of money. This has been pointed out by other Hon. Members but I would like to underline that fact. Bill C-151, which enacts yet another borrowing authority, makes provision for the raising of an additional $14.7 billion.

On several occasions, Mr. Speaker, I have underlined the practical effect on Canadians of the enormous federal Government borrowings. Let me stress the fact that today most of the funds borrowed by the Government are used to meet current account spending deficits and not to construct public works and undertakings of an enduring nature. Annual borrowing to meet current spending deficits has a two-fold effect on Canadians, especially Canadian taxpayers. First, it increases dramatically the debt load which must be borne by all Canadians in the form of increased contributions to Government revenues. Second, the Government competes directly with Canadian businesses and individuals for available investment funds.

• (1250)

In the result, rates of interest on all forms of loans, from consumer car loans to loans for industrial expansion, are escalated upward. At present the interest rate is low, not because of Government policy but because industrial activity and consumer spending are at an all-time low. As we search for economic recovery, we need assurance that increased activity will not increase interest rates to the dramatic levels experienced in 1982 or we will be faced with a new burst of double-digit inflation.

Once again, Mr. Speaker, expressing the effect of the federal Government borrowing in simple factual terms, we are now utilizing over 25 per cent of annual revenues to pay interest charges. In addition, we are burdening 11 million Canadian taxpayers with an individual debt share of over $2,500 this current year, with a total debt share of over $20,000. To this burden must be added any provincial Government debt the taxpayer shares as residents of a particular Province. All of these Government debts must be repaid by Canadian taxpayers, or passed on to future generations. That is a poor legacy to pass on to our children and grandchildren.

When we consider the current state of the Government's purse, we realize and recognize the certain need for restraint in public spending. But we need real reductions in expenditure, not programs like the Government's six and five restraint which stresses perception and not fact. The Government pretends to save by cutting payments to senior citizens, young persons and retired public servants and then squanders money on Crown corporations like the post office, Canadian National Railways and projects like Mirabel airport and the Gulfspan ferry. To quote an example which is currently in the news in Nova Scotia, there is the $62 million loss on the investment in the CAST shipping group. Every time I stand in this House I remind the Minister of Transport (Mr. Pepin) that was money thrown away. He was warned in advance, yet he allowed it to happen.

With spending restraint in mind, Mr. Speaker, let me consider some special areas of concern in Nova Scotia, indeed throughout Atlantic Canada, which are relevant to the financial status of the Government. We all know restraint must be exercised but we also should know that it must be implemented in a careful and prudent manner and in the hope and expectation that the Canadian economy can be restored to prosperity in the years ahead. Contemplating the fact that we will have a new Government and new direction in policy, I think we can look ahead seriously to the day when the Canadian economy will be restored to its former prosperity.

Let me examine some of those special interest areas such as the educational system. The Government with its alleged restraint has cut back on payments to universities and other post-secondary institutions to the extent of over $1 billion. This comes at a time when we need to provide education and train Canadians. Yet the Government, by keeping back this sum of money from our young people seeking an education, puts an additional burden on those 500,000 university students because it will become necessary in this and ensuing academic years to increase tuition fees.

Canadians are proud that we have an educational system which offers the opportunity to young Canadians to seek university level education if they have the academic ability to perform. But now we are placing that in jeopardy. That is a negative step in two ways. First, it destroys the initiative of young Canadians who do not now see an opportunity for advanced education. Second, it fails to provide Canada with the qualified work force we need to take advantage of the move to a technological economy. That is the kind of reduction in spending which has no productive effect. In fact, it is very damaging and we will realize this in future years.

The April budget spoke of a Special Recovery Program and allocated over $4 billion to the program. Some of it was to be

for special projects, over 100 of which were to take place across Canada. One of the most important projects from the point of view of Atlantic Canada was the allocation for marine transportation, specifically vessel procurement. Some $630 million was alleged to be allocated in the April budget of the Minister of Finance (Mr. Lalonde). But when we come to examine that in greater detail we find that a great portion of that money was to construct vessels for the Canadian Coast Guard and it was merely an acceleration of an existing program.

The net increase in expenditure is much less than the $300 million first indicated. We on the East Coast are very concerned about the plight of our shipyards, indeed all shipyards across Canada. We realize there must be an acceleration of Government vessel construction programs, both in the Coast Guard and the Department of Transport, more particularly in the Department of National Defence. The patrol frigate program, which is a $1 billion program to provide six modern vessels to the Canadian navy, must be accelerated but no mention was made of that in the budget. So we wonder how serious the Government is when it talks about accelerating activity in the shipbuilding industry.

In budgetary terms, in national defence we have undertaken to honour our commitment to NATO to expand and re-equip the Canadian Armed Forces. The budget lost sight of this and again we have this unproductive restraint. By investing in equipment to the Canadian Armed Forces we not only create jobs and activity for Canadians, but we also create an enduring asset for the future, one which will, in effect, save money by acting now. So I urge the Government to take a look at defence expenditures and make sure that some action is taken to improve equipment in the Armed Forces, particularly to upgrade the Canadian Navy through the patrol frigate program.

I want to speak of a local matter which is of great concern, the recent announcement that the contract for the refit of the HMCS *Nipigon* will go to Davie Shipbuilding in Lauzon, Quebec. This multimillion dollar contract would have made a great difference to the work force at the Halifax shipyards. With the loss of this contract we can expect an empty shipyard, for which the Liberal Member from Halifax will have to answer. He knows the difficulties which have occurred there.

I want to speak briefly of the fishing industry because in restraining Government expenditures the Government has apparently forgotten about its obligation to the Atlantic fishing industry. The task force report would require an expenditure of $300 million over and above the improvement of facilities at small craft harbours, but there is no provision for this.

We have to have some control over the offshore oil industry. I read in the paper that Husky—Bow Valley are going to expand activity in their project, yet they are going to use a drill rig imported from Norway. How does that create jobs for Canadians?

Let me end on this note, Mr. Speaker. While we appreciate and recognize that there must be restraints in Government expenditure, and while we oppose increases in borrowing, we want the Government to be responsible in its administration of the programs we now have on our books.

Mr. Orlikow: Mr. Speaker, I wonder if I could call it one o'clock?

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

HOUSING

SUCCESS OF CANADIAN HOME OWNERSHIP STIMULATION PLAN IN BEAUCE REGION, P.Q.

Mr. Normand Lapointe (Beauce): Madam Speaker, I would like to draw the attention of the House to an announcement made by the Minister of Public Works (Mr. LeBlanc) on May 25 of this year, according to which the Federal Government would honour all valid applications submitted on or before May 5, 1983, under the Canadian Home Ownership Stimulation Program. A number of my constituents will be able to take advantage of the program until June 15. I have personally received many telephone calls from contractors and future homeowners in my riding, who want to congratulate the federal Government on this very welcome initiative. I can therefore assure the House that this program has been a tremendous success and that it has had a very beneficial impact on the construction industry in the Beauce area. As of April 30, 1983, 612 grants, each in the amount of $3,000, had been given out in Beauce, representing a total $1,836,000. I am therefore very pleased with the announcement made on May 25, which has met with the approval of the vast majority of the Canadian people.

* * *

[*English*]

NATIONAL SOVEREIGNTY

JURISDICTION OVER ARCTIC OCEAN SEABED

Mr. Dave Nickerson (Western Arctic): Madam Speaker, it is high time that the Government of Canada made a firm

statement on the extent of its claim to sovereignty over the seabed of the Arctic Ocean.

Do we claim to exercise exclusive jurisdiction over the seabed within the entire sector extending from Canada's east-west extremities to the North Pole, or is the Government satisfied with something less?

At the time of the debate on the Canada Oil and Gas Act the Government was deliberately vague on the question. However, some maps issued by the Government tended to indicate a willingness to accommodate American claims to offshore resources under what has traditionally been considered Canadian territorial waters. Now speculation in the press puts into doubt Canadian jurisdiction over the Alpha Ridge in the Arctic Ocean.

The Government of Canada has waffled too long on this important issue, and must take a firm stand before the U.S.A. and the U.S.S.R. squeeze us out from our own Arctic resources.

* * *

STATUS OF WOMEN

MEETING OF FEDERAL AND PROVINCIAL MINISTERS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, the second annual meeting of federal, provincial, and territorial Ministers responsible for the Status of Women opened this morning with great expectations. I congratulate the federal Minister for hosting this important conference. We sincerely hope that positive action will result from this year's deliberations.

The situation for women has worsened considerably in one year. Future employment prospects are dismal. Lip service is not enough. All Governments must back up their intentions by committing the necessary resources.

This morning the federal Government unfortunately could not report the implementing of mandatory affirmative action which should be an example for Provinces to follow. Provinces called for a greater federal commitment to educational upgrading and training, particularly for high tech jobs and non-traditional jobs in the future. Adequate pay and protection for women working part-time, and extension of affordable child care, are other issues which urgently require joint action.

While Provinces have gained greater awareness of inequities, most have a long way to go in establishing strong, independent Ministries responsible for the Status of Women. I regret that British Columbia did not send either a Minister or a Deputy Minister to this very important meeting. Several Provinces, notably Quebec, Newfoundland, and Manitoba, reported positive programs which are models for other Provinces to follow. However, as the Minister from Quebec stated, it is a long march toward autonomy and equality for women. The march, at least, has begun.

S.O. 21

Madam Speaker: Order.

* * *

DRUGS

COST OF PATENTING NEW PRODUCTS

Mr. Hal Herbert (Vaudreuil): Madam Speaker, last weekend a Member of the New Democratic Party stated that improved patent protection for new drugs would increase the cost to the consumer. He was correct. The consumer always pays. What he forgot to mention was that any increased costs would apply only to new drugs researched and developed in Canada. He also forgot to say that the generic companies, which literally stole their licences to manufacture for a paltry 4 per cent fee, have exported much of their ill-gotton profit out of Canada.

Compulsory licensing, which has been abandoned by other industrialized countries, has cost Canada over $1.2 billion in investment, plus thousands of jobs. The consumer has paid less for a popular tranquilizer. The two cents a pill that he or she has saved has cost thousands of consumers their jobs. That is the real price which has been paid.

* * *

FINANCE

GOVERNMENT BORROWING—CALL FOR CUT IN SPENDING PLANS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the increase in interest rates, signalled last week by our Bank of Canada rate going to 9.5 per cent, the second substantial increase in two weeks, indicates that the demand by Government to finance deficits is already starting to crowd out the demand by business for funds, and is already starting to push up interest rates.

The Government must act immediately to change its fiscal plan, to cut back on its borrowing requirements, and to give strong signals to the marketplace that it will not be borrowing moneys indicated in the budget and that it will be reassessing its deficit and spending plans. If there is no immediate change in the Government's borrowing stance, then it is very likely that interest rates will rise rapidly and that any hopes for a recovery will be squashed.

Before the interest rate increase trend sets in too firmly, the Government must act dramatically. The Government could easily cut its spending plans by 5 per cent. This would reduce its borrowing by $5 billion and would significantly reduce the anticipated pressures on financial markets. Moreover, it would indicate to markets that the Government is prepared to be responsible with respect to its debt management. We cannot afford another round of high interest rates.

Mr. Rossi: Those are your figures.

S.O. 21

HIGHWAY SAFETY

COUNCIL'S ANTI-ACCIDENT PROGRAM

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, a harsh reality, road trauma, accounts for a greater loss of productive working years than either cancer or cardio-vascular disease. It is the most common cause of death and disability of Canadians under the age of 35 and should, therefore, be a matter of great concern to all Members of the House.

Aggressive community action programs are necessary across Canada to help prevent road accidents. An excellent model is the Council on Road Trauma of Hamilton-Wentworth which has been operating since 1981, and which is the only organization of its kind in Canada. The Council consists of community members, and involves the Academy of Medicine, Regional Police, the Hamilton Auto Club, and the Ministry of Transport. Its action program includes efforts to secure and restrain infants and children in vehicles, to investigate passenger restraints in school buses, to provide emergency care education, to educate high school students on the hazards of impaired driving, to increase awareness by cyclists and motorists of the hazards of cycling, and to assist the police department in evaluating the vehicular related deaths and injuries.

It is a matter of concern to me that this type of organization operating at grass roots levels is not yet utilized by communities across the nation in order to promote road safety measures and to foster accident prevention.

* * *

MINES AND MINING

YUKON PLACER MINES—POSTPONEMENT OF HEARINGS RECOMMENDED

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, the Yukon has supported, to various degrees, placer mines since 1886, and over $365 billion worth of gold has been put on the market by small enterprises and prospectors. Only a very small part of the Yukon area is considered to be viable for this type of mining, about one-tenth of 1 per cent.

At this time, in particular, with all significant hard rock mining shut down, placer mining is tremendously important to that economy and its people, yet the federal Government seems to be doing everything possible to chastise, demoralize, and potentially drive those miners out of business because, environmentally, it has been alleged that there may be some potential danger to some fish in a very few streams which are mined. Two reports, one slightly redone, have placed doubts in miners' minds about the priorities of the Government and its seriousness on coming to realistic grips with the problem—this, after 90 years of mining.

The problem is that public hearings, extremely important to the future of placer mining, are being held at the very time that the mining season begins. These miners need the hearings to put their case forward, which they feel is excellent. The situation is explosive, and the House must recommend the cancellation of these hearings until late Fall.

* * *

• (1410)

MEDICAL CARE

FUNDING FOR RESEARCH—EFFECT OF GOVERNMENT'S RESTRAINT PROGRAM

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, the Canadian Nurses Association has made an important contribution to the debate about the future of medicare in Canada by calling on Canadians to reflect on the inadequacies of the physician-dominated health care model that is now in place, and the way in which this domination contributes to increased health care costs. Their call for a greater variety of points of entry into the health care system, through the insuring of services provided by other health care professionals, and for more emphasis on health promotion and disease prevention, reminds us that a great deal of the cost strains on medicare are not related to the principles of medicare but rather to the prevailing health care model, a model which is not changed but rather reinforced by practices such as extra billing and user fees.

In this respect the Government's shortsighted application of six and five to funding for medical research is particularly tragic. Not only does it deny employment opportunities to the many who would like to work in this vital field, and seriously damages the long-term viability of medical research in Canada, but it precludes any expansion of research into the efficacy of various health care delivery models, research which desperately needs to be done if we are to find an alternative to the costs which our present model generates.

The Government should rethink its penny wise, pound foolish ways, and make up the shortfall in funding as it has been called upon to do by prominent members of the research community in Canada.

* * *

CHARTER OF RIGHTS

COMPLIANCE WITH INTERNATIONAL TREATIES

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, this week the Canadian Association of Statutory Human Rights Agencies is meeting in Saskatoon. As part of its discussions this conference is analyzing how various federal and provincial laws, including the Charter of Rights and Freedoms, fare in their compliance with the provisions of international treaties signed by Canada, in particular the International Covenant on Civil and Political Rights.

For instance, the federal Government refuses to bring forward legislation that would end discrimination against native women under the Indian Act. Canada promised these changes after complaints of native women were taken to the

United Nations, but promises are all that this House and the native people have received.

Another example of the Government's refusal to honour treaty obligations can be found in the recent case of Donald Marshall. Article 14(6) of the International Covenant calls upon a signatory nation to provide compensation to persons who have been wrongly convicted or punished for a crime and later subsequently exonerated through new evidence. The Government's actions put the lie to its words.

I call upon the Government to honour these and many other treaty obligations as soon as possible. Canada should be a leader in securing and maintaining rights and freedoms for its citizens. To fail to do so brings shame to our nation and our goal of a free and democratic society for all Canadians.

* * *

CANADIAN ARMED FORCES

CALL FOR PRESERVATION OF NAVAL TRADITION

Mr. Howard Crosby (Halifax West): Madam Speaker, over 15 years have elapsed since the Government of Canada, with great and grave controversy, unified our Navy, Army, and Air Force into one service called the Canadian Armed Forces. Whatever the merits or demerits of unification, the reality is that we have, today, distinctive elements in the Armed Forces under the new names of Maritime Command, Mobile Command, and Air Command.

In spite of the official nomenclature, Maritime Command has retained and maintained its status as Canada's Navy. The preservation of this tradition, so many years after unification, should be advocated, not discouraged. The existence of a distinctive naval force in Canada can be effectively publicized by utilizing the historic navy blue uniform. While the use of special insignia and the time honoured marine ranks should also be permitted, the whole world would recognize a navy blue uniform when worn by Canada's naval force.

I appeal to the Minister of National Defence (Mr. Lamontagne) to help preserve the naval tradition in Canada by allowing Maritime Command to identify itself as Canada's Navy by wearing a navy blue uniform. The cost of changing military colours is a minor expense to incur in exchange for the strengthened morale that would result by returning Canada's naval force to its navy blue.

Some Hon. Members: Hear, hear!

* * *

NEW EMPLOYMENT EXPANSION AND DEVELOPMENT PROGRAM

ASSURANCE SOUGHT ON USAGE MADE OF PROGRAM

Mr. Neil Young (Beaches): Madam Speaker, when the NEED Program was introduced in October of 1982 it was billed as a program to give Canadians who were exhausting UI benefits a chance to work for a short period and then to requalify for unemployment insurance. It was nowhere stipulated that, instead of creating more employment, this Program would mean that other workers would lose their jobs so they could be replaced by people on the NEED Program who would be working for much less, often as little as half the original salaries for these jobs.

Recently the Minister of Employment and Immigration (Mr. Axworthy) acknowledged that there had been some slippage on this point and that he would talk to the Minister of National Defence (Mr. Lamontagne) in particular, to insist that employees hired under the NEED Program do not take employment from other workers.

In view of the situation, we, in this Party, would like a categorical assurance from the Government that it will put a stop to the practice of shuffling workers on and off unemployment insurance and calling it job creation.

ORAL QUESTION PERIOD

[*English*]

FINANCE

WILLIAMSBURG SUMMIT—COMMITMENT TO REDUCE DEFICIT—GOVERNMENT POLICY

Miss Pat Carney (Vancouver Centre): Madam Speaker, in the absence of the Prime Minister, the Deputy Prime Minister, and the Minister of Finance—

Mr. Cousineau: Who else do you have on your list?

Miss Carney: —my question is addressed to the Minister of State for Finance. At the Williamsburg Summit, seven nations delivered a joint statement which said in part:

> We must all focus on achieving and maintaining low inflation and reducing interest rates from their present too high levels.
>
> We renew our commitment to reduce structural budget deficits, in particular, by limiting the growth of expenditures.

How can the Minister square that commitment, to reduce budget deficits and limit government expenditures, with the Government's own record of increasing the deficit by a whopping 50 per cent this year, and increasing expenditures by 12 per cent, which is twice the rate of inflation?

Mr. Nielsen: Yes or no.

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, in the absence of the former critic for finance, the Hon. Member for Etobicoke Centre, and in the absence of the former Leader of the Opposition—

Mr. Nielsen: I am here.

Mr. Cosgrove: —and, as matter of fact, in the absence of all the candidates who have any opinions on matters of finance for

the Opposition Party, I would be very pleased to attempt to answer the question for the Hon. Member.

There are two items which the Hon. Member, of course, has not taken into account in the recent budget statement of the Minsiter of Finance. The first is the plan by the Government to recover the expenditure for the Special Recovery Fund from a Special Recovery Tax. That tax will come into place 12 to 15 months from now to reduce some of the expenditures used for stimulation at this time. The second is the second part of the speech, the undertaking of the Minister of Finance that the expenditures of government would not exceed the general rate of growth in the economy, and there is the performance of this Government which is consistent with that undertaking over the last five years.

REQUEST THAT GOVERNMENT REDUCE AMOUNT OF BORROWINGS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is addressed to the Minister of State for Finance. I can point out that the Leader of the Opposition is here, and our finance critic is here. We are waiting for the day when Hon. Members over there are former Ministers.

Some Hon. Members: Hear, hear!

Mr. Cousineau: Speak for yourself.

Miss Carney: Speaking for Canada, the Minister of Finance told the United States that it must reduce its budgetary deficit of about $200 billion in order to reduce interest rates.

Some Hon. Members: Question.

Miss Carney: The Finance Minister warned that continuing high rates of interest could choke off the economic recovery. This is precisely the same argument that my Conservative colleagues and I have been making about this Government's own proposed budget deficit of $31 billion, which is 50 per cent more in relative terms than the United States deficit. If the Government feels that massive government borrowings will force up interest rates, shutting down businesses and throwing people out of work, why does the Government not take its own medicine? Why does it not practise what it preaches?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, it is very difficult to know, in fact, what is the position of the—

Mr. Nielsen: Government.

Mr. Cosgrove: —Official Opposition, when at least eight different opinions are offered on how the deficit should be treated, by the candidates for leadership of the Progressive Conservative Party.

Mr. Epp: How are you treating it?

Mr. Cosgrove: It is interesting to know what the Hon. Member's opinion is. That is number nine. I would warrant that there are probably many, many more different single opinions of Members opposite.

On the question, Madam Speaker, I indicated in my first answer that the Government was concerned about the deficit. Indeed, the Hon. Member criticized the Minister of Finance for introducing the Special Recovery Fund Tax in the budget which was designed to recover, as I say, the expenditures that are used for stimulation at this time, namely, the Special Recovery Projects. The Hon. Member cannot have it both ways. On one day she cannot complain that the Government is introducing a tax to reduce the deficit and then, on the next day, quarrel that the Government is increasing the deficit. What really is her position on the deficit?

• (1420)

GOVERNMENT OBJECTIVES

Miss Pat Carney (Vancouver Centre): Madam Speaker, my third supplementary question is directed to the Minister of State for Finance. I am glad he recognizes, in spite of his poor mouthing, that I am the finance critic for this Party.

Some Hon. Members: Hear, hear!

Miss Carney: The Minister of Finance is quoted as stating that Canada will not change its economic policy in the wake of the Summit because he had achieved all the objectives he had set for himself for the coming year. Do these objectives include an unemployment rate of 12.5 per cent, which reflects two million Canadians without jobs, 3,700 businesses in bankruptcy in the first four months of this year—

Some Hon. Members: Oh, oh!

Madam Speaker: Order, please. The Hon. Member is really exaggerating. She is really not asking questions but enumerating a lot of statistics.

Miss Carney: Madam Speaker, I was in the middle of my question—

Madam Speaker: The Hon. Member is not to argue with the Speaker. I have just told the Hon. Member that she must go directly to her question.

Miss Carney: Do these objectives, which he says he has achieved, include an unemployment rate of 12.5 per cent, which reflects two million people out of work, 3,700 businesses in bankruptcy, and a faltering economy?

Some Hon. Members: Order.

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, notwithstanding the present interim title or responsibility given to the Hon. Member, I would much rather, when it is apparent from the apparel of the Hon. Member, deal with a red Tory than with some of the Tory leadership candidates who have taken a very hard line on the deficit. It is very difficult to know what is the Conservative position on the deficit.

On the question of unemployment, the Minister of Finance has indicated that the figure of 12 per cent is unacceptable. The budget introduced a special recovery capital fund to create jobs at the present time. There is a special recovery fund of $2.4 billion designed to encourage the private sector to get involved and to help assist the Government, to take its share and provide jobs through the stimulation offered by those funds in the budget. We say that that amount of unemployment is not acceptable. There are steps in the budget in order to try to reduce that.

WILLIAMSBURG COMMUNIQUÉ ON LIMITING EXPENDITURES—GOVERNMENT POLICY

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the Minister ought not to throw stones—

Some Hon. Members: Hear, hear!

Mr. Blenkarn: I can remember when he was a full Minister.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Madam Speaker: Order, please.

Mr. Blenkarn: I ask the Minister—

Madam Speaker: Order. It is hard for the Speaker to think there is a question coming when the Hon. Member starts with an admonition.

Mr. Nielsen: Look to your right.

Madam Speaker: That may be well placed in a speech, but not in a question.

Mr. Blenkarn: In light of the communiqué at Williamsburg which indicated that we should operate by "limiting the growth of expenditures rather than raising taxes", will the Government advise us whether it will be abandoning the plan to increase sale taxes in 1984 as its only method of reducing the deficit?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I thank the Hon. Member for his question. It is obvious that we have a tenth opinion on how to handle deficits, from the Conservative Party. I wish some day the Hon. Member has a title in his Party, since he is criticizing me for being a Minister of State.

I think I have addressed the answer to that question in my first answer. The Government has taken steps to reduce the deficit by the special recovery tax which will come into effect approximately 12 months from now when the observed recovery will have permitted the economy to be stronger and to afford that kind of recovery tax. Second, the Government indicated that it would maintain its program of not permitting Government expenditures to increase beyond the general rate in the economy, that is, the growth of the GNP.

Mr. Blenkarn: We know about the Government's commitment to reduce expenditures. Its expenditures are really up 18.9 per cent from a year ago.

AMOUNT OF GOVERNMENT BORROWING

Mr. Don Blenkarn (Mississauga South): Madam Speaker, let us talk about where we are going in the marketplace. Perhaps the Minister knows about a Canadian Imperial Bank of Commerce study which indicated that Governments in Canada will be borrowing 82 per cent of domestic savings this year. What effort does the Government have in mind to reduce its demand for funds on the marketplace so that business can grow and will have an opportunity to create jobs? When will the Government cut down its deficits in line with the Winnipeg—

Some Hon. Members: Oh, oh!

Mr. Blenkarn: —Williamsburg Summit? What action does the Government have in mind?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I am really repeating myself, but I will because the Hon. Member has obviously not paid attention to my first two previous attempts to point out that in the budget there is a program to reduce the deficit, that is, to introduce taxes in approximately 12 months to 15 months under the heading in the budget called the special recovery tax. It is a program commitment by the Government to reduce the deficit and recoup those funds that were introduced to stimulate the economy at this time.

In so far as the question of crowding out is concerned, which I think is implicit in the Hon. Member's question, I doubt if there is a respectable economist in Canada today who would argue that the private sector is presently being crowded or there is any anticipation that there will be crowding by the public sector in the demand for funds.

* * *

ENERGY

PRICE OF NATURAL GAS IN BRITISH COLUMBIA

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. From a recent announcement in British Columbia it appears that the intention of its Government is to increase substantially the price of natural gas to consumers in the domestic market. Also it would appear that under the National Energy Program the federal Government made a commitment to consumers that, if they converted from oil to gas, it would see that there was a 65 per cent ratio between the two prices.

Could the Minister tell the House what he intends to do to ensure that British Columbians are not ripped off by a debt-ridden Government, and that in fact a 65 per cent ratio will be

maintained to honour the commitment the Government made to consumers if they converted off oil and on to gas?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, in all cases we have an agreement with the Provinces. For example, in January we decreased the special tax on gas and liquid gas in order to accommodate an increase in the price by the Province of Alberta. If I recall correctly, this decrease applied to British Columbia, but the Government of British Columbia did not increase the price of gas as did the Government of Alberta at that time. I do not know what the plans of the Government of B.C. are at the moment. Of course at the time of the agreement with the Provinces we said that we would reduce the special tax on gas. We did so in January, but very soon we will be running out of that tax because we have decreased it a couple of times in the last while.

PROVINCIAL TAXATION

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, there are two parts to my supplementary question. First I would like to ask the Minister what he said. On the other side of the coin, in terms of the price increase it is very definite that the Province of British Columbia will tax natural gas in order to raise revenues. It will increase the price of natural gas over the next three years, which will close the gap between the price of oil and the price of natural gas as a heating fuel. The Japanese appear to be forcing down the price of oil on the world market, which is an even more serious situation.

Is the Minister prepared to take action to protect not only the consumers of British Columbia but, should it set off a chain reaction across the country, other Provinces which want to earn needed revenue from the taxation of natural gas?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, if the Hon. Member had listened carefully to what I said he would know that I indicated that we have already decreased the federal tax on gas in January. The British Columbia consumers have benefited from that. But our commitment is related to the federal taxes. The owners of the gas can decide further price increases. Alberta increased the price of gas in March, and I think the Government of British Columbia is planning to do the same at this time. Perhaps the Hon. Member is not satisfied with the Government of British Columbia. He had a chance to say something about it not long ago, but there was a judgment passed by its own people.

• (1430)

PRICE SPREAD BETWEEN OIL AND NATURAL GAS—GOVERNMENT POSITION

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my last question is to ask whether the Minister is going to live up to the commitment to maintain a guaranteed spread between the price of oil and gas, or did he simply con the public when he stated that they would maintain that in order to get people to convert?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I invite the Hon. Member to read the agreement. We said we would maintain that ratio as long as there was tax room in which the federal Government could move. However, we do not control the producer price. It is controlled by the Province which owns the resource. In this case it is the Government of British Columbia, which was re-elected a few weeks ago.

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MEDICAL CARE

MOOSE FACTORY GENERAL HOSPITAL—MAINTENANCE AND SECURITY CONTRACT

Mr. John A. MacDougall (Timiskaming): Madam Speaker, my question is directed to the Minister of National Health and Welfare. Can the Minister advise whether a contract has been issued to the Moose Factory General Hospital for maintenance and security? There was a two-month interim contract. Has the new contract been issued?

Hon. Monique Bégin (Minister of National Health and Welfare): I am sorry, Madam Speaker, I thought I would have time to locate the answer. I was not given notice of this. I do not know whether a new contract was issued.

REQUEST THAT CONTRACT BE EXTENDED

Mr. John A. MacDougall (Timiskaming): Madam Speaker, the contract expires at midnight tonight, May 31. Will there be an extension of this contract for some period of time? If so, will the Minister explain why a $5,000 per month profit is being given to an interim company for two months, putting 16 workers out of work, workers who could have been used in that two-month period of time? Can the Minister tell me that?

Hon. Monique Bégin (Minister of National Health and Welfare): No, Madam Speaker, absolutely not, unfortunately. I would like to have received notice. This is a very small contract among a great number of contracts that we give to universities or others to maintain health services to Indians. If the Hon. Member is suggesting there will be a breach whereby people will be without service, I can immediately deny that. As to the specifics, I will supply them to the Hon. Member later.

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AIRPORTS

RESURFACING OF CHARLOTTETOWN RUNWAY

Mr. Mel Gass (Malpeque): Madam Speaker, my question is directed to the Minister of Transport. It concerns the closing of the Charlottetown airport for an eight-week period commencing August 15, in order to resurface the runway. I realize

that resurfacing that runway is very important and that good weather is required in order to apply the asphalt. However, has the Minister done everything in his power to ensure that there will be as little adverse effect as possible on the tourist industry? Has the Minister looked into the possibility of closing the airport later, possibly some time in September?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I must admit that I do not have personal knowledge of the situation regarding the resurfacing of the runway at Charlottetown. I will inquire into it immediately to determine whether all measures have been taken to minimize the aggravation and discomfort of passengers.

REQUEST FOR REPORT

Mr. Mel Gass (Malpeque): Madam Speaker, I thank the Minister for his answer. I am sure he also meant to say that, as soon as he finds out, he will get back to me.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the Hon. Member reads my mind.

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PIPELINES

ALASKA HIGHWAY GAS PIPELINE—JUSTIFICATION FOR CONTINUANCE OF COMMISSION

Mr. Arnold Malone (Crowfoot): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. For several days we have been asking him questions about the Alaska Highway Gas Pipeline. The Minister has repeatedly responded that that is an American affair and he is waiting until there is some commitment from the American people with regard to its construction. With regard to the pipeline commission across the street, for which there is $5.3 million for the Prime Minister's friend, how does the Minister justify keeping that commission in place if he cannot justify to the Canadian people that there is any hope in the foreseeable and predictable future that the pipeline will in fact be built? How does he justify that continuous expenditure, $3.3 million for staff alone?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I did not say that we can or cannot. We have a project at this time, with the Americans. We have upheld our side of the contract or agreement. The Americans have not been able to fulfil their side of the deal. We have not given up hope of building that pipeline. That is why we have to keep staff in place.

ROLE OF COMMISSION CHAIRMAN

Mr. Arnold Malone (Crowfoot): Madam Speaker, it is not a question of hope. It is a question of how we account for an expenditure of $5.3 million. That expenditure is taking place. There has to be some justification for it. We all hope the pipeline will be built and jobs will be created.

How does this Minister justify a former Minister getting half salary, his civil service pension, and his ministerial pension, along with his MP and old age pension? How is he able to collect half his salary as head of the commission? What value are Canadians getting? When will we know when the pipeline is going ahead? If the Minister cannot answer that, why will he not, at least in the interim, stop the existence of the commission?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I want to tell the Hon. Member we are very fortunate to have Mr. Sharp working on that commission. If there is one Canadian who has very good connections in the United States and knows everyone in the oil and gas industry, it is he. The Hon. Member should be congratulating me for having convinced him to continue working for the Government when he could be enjoying his pension and not doing anything. We are very lucky to have him.

* * *

[*Translation*]

PENSIONS

QUEBEC PROPOSAL ON EARLY RETIREMENT—GOVERNMENT POSITION

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, my question is directed to the Minister of National Health and Welfare. In an article in today's *Le Devoir*, the Quebec Minister responsible for relations with citizens said the following, and I quote:

Early retirement: Miss Bégin has failed to understand the Quebec plan.

I would like to know whether this plan is really going to help Quebecers, which group will be affected, and whether the study which appeared under the title: Outlook for 2030, the future of pension plans, provides for a more flexible policy on pension plans, and whether the Canadian Government has or will have anything particular in mind in this respect.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the first part of the Hon. Member's question is very easy to answer. Dr. Lazure's plan to allow people to retire at sixty will—as far as we can judge since we were not consulted at all—only benefit the rich and well-to-do who already have very good private pension plans, and they are only a very small part of the population. We cannot say it is all bad, and I suppose everyone would like to retire at sixty. But how will people manage to live on $125 a month, since instead of getting the maximum amount of $345 now allowed under the pension plan, they would get only about $125 per month. I think this plan will benefit only those who do not really need any extra benefits, and I am referring to

people who are getting very high private pension payments. To correct this anomaly, we started a long time ago, and we were the first to do it, with a green paper on pensions and national consultation. I regret that Quebec is doing this without consulting us at all, because it may get this issue off to a bad start and create expectations that no one will be able to satisfy. I think this kind of policy is most unfortunate.

* * *

[*English*]

BANKS AND BANKING

SLOW SERVICE FOR CUSTOMERS CASHING PENSION CHEQUES

Mr. David Orlikow (Winnipeg North): Madam Speaker, I would like to direct a question to the Minister of Consumer and Corporate Affairs. In the last few days hundreds of thousands of Canadians received their old age pension, Canada Pension or veterans pension cheques from the Government. Like me, they probably went to their local bank yesterday, and had to wait between 30 and 45 minutes because there were only two wickets open. Surely the banks, which are making hundreds of millions of dollars profit and which enjoy such a preferred position in the economy, can give better service to the people of Canada? I ask the Minister if he would take this matter up with the banks.

• (1440)

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I should be glad to transmit the Hon. Member's complaint to my colleague, the Minister of Finance.

[*English*]

Mr. Orlikow: Madam Speaker, I would like to refer that question to the Minister of Finance, but he is not here. Every other business in Canada, whether it be a supermarket or a department store, brings in extra staff when it knows that it will have a large number of customers. Surely the banks can do that too. Surely the people of Canada are entitled to better service than they are getting. I would urge the Minister to—

Madam Speaker: Order, please. Order, please.

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LABOUR RELATIONS

EASTERN PROVINCIAL AIRWAYS DISPUTE—COMPANY IN BREACH OF LABOUR CODE

Mr. Howard Crosby (Halifax West): Madam Speaker, my question concerns the settlement of the Eastern Provincial Airways strike and is directed to the Minister responsible for the Canada Labour Relations Board in the absence of the Minister of Labour, although my question could also be answered by the Minister of Justice since it involves a legal question. The Board has decided that Eastern Provincial Airways management breached the Canada Labour Code, and failed to bargain in good faith and make provisions for a quick return to work by EPA pilots. I would like to know whether the Minister responsible for the Canada Labour Relations Board can assure the House that the Board's decision will be supported and enforced by the Government. I should tell the responsible Minister that the President of Eastern Provincial Airways has made public statements indicating that EPA will not abide by the Board's decision.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in the absence of the Minister of Labour I will tell the Hon. Member that, in fact, the Labour Board's decision indicated that EPA must revise its collective agreement. The Labour Board has asked the parties to come forward with new collective agreements. It is our understanding that jurisprudence supports the fact that those particular orders of the Labour Board cannot be in any way delayed even if some kind of an appeal is put forward by the President of EPA. It is our expectation that such orders will proceed according to the present jurisprudence. I would like to have permission to check that out further for the Hon. Member.

Mr. Crosby: Madam Speaker, I thank the Minister for his response because it indicates that there will be a quick settlement which will put the pilots back to work for Eastern Provincial Airways and Atlantic Canada will benefit from it.

AIRLINE SAFETY

Mr. Howard Crosby (Halifax West): Madam Speaker, because the Minister of Transport is also familiar with the problems of Eastern Provincial Airways, I would like to ask him if he has had a chance to look into the matter of safety in the conduct of the airline and if he has decided whether there ought to be a safety audit on the use of aircraft during the strike. Will he respond to our concerns with respect to airline safety and the involvement of the Canadian Transport Commission in the operation of EPA?

Hon. Jean-Luc Pepin (Minister of Transport): Yes, Madam Speaker, I did check once again. I do check almost every two weeks now to make sure that my hon. friend is satisfied. I did check again and I was again reassured that the Department pays much attention to the situation to make sure that the safety of travellers on EPA is not endangered.

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[*Translation*]

TEXTILES AND CLOTHING

POSSIBILITY OF REDUCING IMPORT QUOTAS—GOVERNMENT POSITION

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce.

I imagine that the Minister has received a number of representations from representatives of the garment industry during the last few months, urging him to reduce import quotas in order to promote job creation or at least save existing jobs. Could the Minister inform the House whether, following representations made by representatives of the garment industry, the Government intends to respond positively to the requests made by this association?

Mr. Lumley: Madam Speaker, perhaps I may point out to the Hon. Member that clothing imports are the responsibility of my colleague, the Minister of State (External Trade).

Mr. La Salle: Madam Speaker, I have a supplementary for the Minister of State (External Relations), who, I believe, heard my first question. I apologize for not directing my first question to the Hon. Minister. I would therefore ask him whether the Government is examining the possibility of responding positively to the arguments submitted by the the Garment Workers Association, and when it will be able to give that response, considering the increasingly urgent aspect of this situation.

Hon. Charles Lapointe (Minister of State (External Relations)): Madam Speaker, my colleague, the Minister of State (International Trade) and the Parliamentary Secretary to the Minister of External Affairs have had several meetings to examine this question with representatives of the textile and garment industry, as well as with representatives of import firms.

This year, there has been a development on the market that has given considerable cause for concern. During the first three months of this year, a very large volume of clothing came on the Canadian market from Southeast Asia, mainly from five countries. My colleague, the Minister of State (International Trade), will be submitting a paper on the question to his Cabinet colleagues within the next two weeks.

* * *

[*English*]

CORRECTIONAL SERVICE CANADA

SASKATOON PSYCHIATRIC CENTRE

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Madam Speaker, my question is directed to the Solicitor General. It has been brought to my attention that it is the intention of the Solicitor General's Department to phase out the Regional Psychiatric Centre in western Canada. Could the Minister advise why his Department is doing this in view of the fact that incarcerated people need this facility so much?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, if the Hon. Member is referring to the Saskatoon Psychiatric Centre I can assure him that we have no intention to phase it out but that, indeed, work is now under way to find a way of improving it, and we certainly do not intend to close it down.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—INQUIRY RESPECTING DISCUSSIONS WITH UNITED STATES PRESIDENT

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of the Environment. In light of the urgency of the acid rain problem, does the Minister know whether the Prime Minister used the occasion of the Williamsburg Summit to discuss that issue informally with the American President, and in any event, does the Minister know whether the Prime Minister discussed any bilateral issues with the American President on that occasion? If so, and if not the question of acid rain, which issues were discussed?

Hon. John Roberts (Minister of the Environment): Madam Speaker, I cannot answer that question in relation to the entire range of bilateral issues. I do not know whether the acid rain issue was touched upon in an informal way. It was not the formal intention to do so since, as the Prime Minister knew, I had met with the head of the United States Environmental Protection Agency on the Friday immediately preceding the Williamsburg Summit, and because a series of mechanisms has already been arranged for discussing those issues between myself and my colleague, the Secretary of State for External Affairs, the Secretary of State of the United States and Mr. Ruckelshaus of the EPA. There is already an established formal pattern of continuing contact that will assist us with those discussions. There was no need to deal with these issues formally at the Williamsburg Summit.

GOVERNMENT POLICY

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is also directed to the Minister of the Environment. Does the Minister not think that the Williamsburg Summit would have been the ideal occasion for the Prime Minister to raise that urgent environmental issue with the American President, even informally if not through the formal structures of the conference? Does he not think that Canada's acid rain campaign would be greatly helped in a general way if he were to get more backing from his Cabinet colleagues, and especially from the Prime Minister who has all but ignored this most urgent problem?

Hon. John Roberts (Minister of the Environment): Madam Speaker, those two questions are absurd. The answer to the first part of the absurdity is no, the bilateral discussions on acid rain between Canada and the United States are more appropriately carried out in a bilateral forum and not a multilateral forum. In answer to the second part of the absurdity, I do receive very strong support on the acid rain issue from all of my colleagues including the Prime Minister who has raised it several times with the President of the United States.

I have no reason whatsoever to complain about the very strong support they have given to me, and the Hon. Member should not complain either.

Madam Speaker: The Hon. Member for Saskatoon West.

Some Hon. Members: Sing the blues.

Mr. Hnatyshyn: Madam Speaker, the only blues will be on the Liberal side after the next election.

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WESTERN GRAIN TRANSPORTATION ACT

PRESENTATION AND NATURE OF AMENDMENTS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I had intended to ask a question of the Minister responsible for emergency planning, but in his absence I direct another question to the Minister of Transport. The Minister of Transport will be tabling proposed amendments to the Crow legislation today. In light of the fact that he will have a press conference after three o'clock in room 130S, I wonder if he can enlighten the Members of Parliament, who represent the people of Canada, as to what the nature of those changes will be.

Hon. Jean-Luc Pepin (Minister of Transport): Yes, Madam Speaker, I will make that announcement in a few minutes. I was told, though, that procedurally I could not introduce amendments during the second reading of the Bill, and I submitted to that view. That is why I should not be accused of lèse-majesté because I did not provide the documents. The Opposition will have the documents in a few minutes. I will announce them later this afternoon, as I promised. This has to do with the safety net and with the addition of specialty crops to the statutory rate.

• (1450)

Mr. Hnatyshyn: Madam Speaker, one of the great problems we have had in the House is that the Minister insists, and persists, on moving outside the House to make statements of major consequence to so many Canadians.

REQUEST THAT AMENDMENTS BE PRESENTED TO HOUSE

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I want to ask the Minister when he is going to stop having debate outside the House of Commons and thus avoiding his responsiblity in the House? When is he going to bring these matters before the House so that we can ask questions, let alone the Press Gallery?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I definitely tried to do it the way my hon. friend is saying I should have done it. I was told that procedurally I could not do it. That is why I am doing it differently now. I was told that the Official Opposition was not opposed to that way of doing it.

HEALTH

MEDICAL RESEARCH COUNCIL—APPLICATION OF GOVERNMENT RESTRAINT PROGRAM

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is directed to the Minister of National Health and Welfare and is with regard to the concern expressed by members of the research community in Canada about the application of six and five to the funding of the Medical Research Council. This concern has been brought to the attention of Members of Parliament and the Government by eight former presidents of Canadian Federation of Biological Societies who are concerned about the paradox the Government has created. On the one hand it is restraining the funding for medical research and, on the other hand, it is trying to develop a long-term plan. They have expressed some very serious concerns about the damage that will be done to the long-term viability of the research base in Canada as a result of the cutbacks in funding to the Medical Research Council.

I wonder if the Minister could tell us whether she has had a chance to review the concerns expressed by these important members of the research community. Will she provide the $20 million they have requested to make up the shortfall that has been identified? If she is not going to provide that money, could she tell the House why not?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I acknowledge the need for more money in medical research. I do not think anyone would dispute that. There have not been any cutbacks in the way the Hon. Member has suggested, except that the general policy of six and five, which does not apply to medicare, does apply to Crown corporations and agencies and in that way affects the Medical Research Council. The whole question of more adequate funding for the MRC is under review by Cabinet at the moment.

REQUEST THAT FUNDING BE RESTORED

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, there is nothing to review. We have a fact before us, and that is that only a small percentage of those who applied for new funding have been accepted. That is not something that is under review; it is a fact. We want action from the Minister to restore the necessary funding so that what is really under review, which is the long-term development plan, can have some authenticity. Will the Minister do that in the meantime?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, as the Minister I have to look arrogant and I regret that, but when I explain to the Hon. Member that the matter is under review it means exactly that—the matter is under review. That includes a five-year plan. It is so obvious that I did not know the Hon. Member did not know that it includes funding.

THE CONSTITUTION

RECOGNITION OF ABORIGINAL RIGHTS

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, my question is for the Minister of Justice. I should like to know when the Government intends to bring forward the Bill that arises out of the communiqué from the Constitutional Conference that was just held. Will that be done before the summer recess?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I certainly hope so. I understand the Hon. Member is referring to the constitutional amendment resulting from the conference on native peoples in March. I hope that Bill can be introduced very soon, and I hope that now that we have had endorsation by all the four native organizations, we can proceed quickly with it. If we have the co-operation of the Opposition Parties we can do just that.

PREPARATIONS FOR SECOND CONFERENCE

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, is it also the intention of the Government to instigate meetings between the participating native groups after this Bill has been introduced, or before, in order to prepare them adequately for the next conference to be held within a year? Months have passed already and nothing seems to have been accomplished since the last conference.

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, the two are independent, the introduction and passage of the constitutional amendment by the House and the Provinces, and proceeding with discussions for the next conference. I can assure my hon. friend that we intend to proceed vigorously with discussions leading to the next conference. We plan to have a meeting at the official level, within the next month, I believe. The native peoples have asked for time before proceeding with the next stage, but I think all parties are about ready to begin the process leading up to negotiations.

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THE ADMINISTRATION

CRITERIA APPLICABLE TO MINISTERIAL EXPENSE ACCOUNTS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I have a question for the genial President of the Treasury Board about matters in which he has often expressed great interest—special procedures and cost-effectiveness, value for money, and accountability. In this area I want to draw his attention to an article which appeared in *The Globe and Mail* today, which indicates a certain amount of concern by one of their ace reporters about the lack of specificity, to use another well-known word, in the expense accounts of some Ministers. I wonder if the President of the Treasury Board is going to look into this lamentable situation and take steps to correct it.

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I will be happy to look into it. I understand that the guidance to Ministers from the Privy Council Office is exactly the same as that provided to Ministers of the previous administration.

Mr. MacKay: Madam Speaker, obviously the assiduity with which Ministers are following it is not equal to the standards of the previous administration, because we have seen other instances.

REQUEST THAT MINISTER CONDUCT EXAMINATION

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I should like to ask the Minister again whether he is concerned about this and if he will look into the matter seriously?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I am certainly prepared to look into it. It is not clear that the administrative policy manual in question is intended to apply to Ministers as distinct from the guidance from the Privy Council Office which, as far as I am aware, is being followed by Ministers. It is exactly the same as was provided to Ministers in the previous administration.

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AIRPORTS

VICTORIA INTERNATIONAL AIRPORT—INSTALLATION OF RADAR EQUIPMENT

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is for the Minister of Transport. I am sure the Minister has seen the Government publication which I think is known as Foreign Trade. It has a very interesting article about the installation in Barbados of the most advanced radar installations in the world, put in place by a Canadian company, Raytheon. I wonder when the Minister is going to provide radar installations in Canadian international airports as well, such as Victoria International Airport.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the selection process for the radar is under way. The number of companies has been reduced to two and a choice will be made in the coming weeks. Production will then start and delivery of the radar equipment will take place in due course. Victoria is still first on the list.

DATE OF INSTALLATION

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I think all Canadians who have the opportunity to visit Barbados will be very pleased that there is Canadian radar there. I think it would also be true that those who have an opportunity to visit Victoria would like to know when will radar be established at Victoria International Airport. I should like to know whether the Minister has a date for the installation of radar at Victoria International Airport.

Business of the House

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, Raytheon is one of the two companies on the list for the production of this radar. If my memory serves me well, the first radars will be introduced by 1986, according to the present plan. As I said, Victoria should be one of the first to receive one, so my hon. friend can promise radar for about that time.

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FARM CREDIT CORPORATION

REQUEST THAT FUNDING BE INCREASED

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is directed to the Minister of Agriculture who is in charge of the Farm Credit Corporation. Within two weeks of the new fiscal year the $100 million in funds that was allocated in the budget for special farm loans for farmers in financial distress, had run out. Many more farmers would like to apply, but cannot because there are no funds. Since the Minister of Public Works recently found $75 million for buyers of new homes, is the Minister of Agriculture planning to increase the funding of FCC for this very important program in the near future? Is he also planning to waive the penalty clause on Farm Credit Corporation loans in order that farmers in financial distress may renegotiate their high interest rate loans at a more affordable rate?

• (1500)

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, first of all I believe the Hon. Member should realize that the very capable Minister of Public Works found the $75 million within his budget for the year. I would like to have that capacity to find the money within Farm Credit, but the demand for our money was so great that we do not have any left. We are negotiating at the present time to try to raise additional funds. We are having discussions on the mortgage rates, to which the Hon. Member referred, which were higher last year. However, Madam Speaker, the Hon. Member knows as well as I that although they were higher than we would like them, they were still about 5 per cent below the rate at which anyone else in any other sector of the community could borrow. We are reviewing that matter, but I cannot promise what we will come up with.

Madam Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) on Government business.

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BUSINESS OF THE HOUSE

Mr. Deans: Madam Speaker, I have a question I would like to ask today in order that the Government House Leader might consider it before our meeting which normally takes place tomorrow.

Is it the intention of the Government to bring forward legislation for debate and passage before the end of June which is now not currently on the Order Paper? In particular, does the Government propose to bring forward the Canada student loan amendments for passage before the end of June?

Mr. Pinard: Madam Speaker, if the Hon. Member agrees to pass that legislation now, we are ready to do so without debate.

Mr. Deans: Madam Speaker, the issue is not whether we are agreed to pass it now. Is it possible that we in the House of Commons might see the legislative program which the Government hopes to have in place by the end of June in order that we can attempt, as we are supposed to do, to allocate adequate time for proper debate and consideration?

Mr. Pinard: Madam Speaker, I sent a letter to the House Leaders immediately after the Easter recess outlining the main Bills with which we wanted to deal. When we have to call some legislation which is not on the list I provided to the House Leaders after Easter, and before that, after Christmas, I usually meet with them to discuss it. If the situation occurs that we want to deal with some new legislation within the next few days which is not in the letter I sent to the Hon. Member, yes, indeed, I would be pleased to negotiate with him. We do not intend to call legislation if we have no chance of success in getting it through before the end of June.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

PRESENTATION OF FOURTEENTH REPORT OF STANDING COMMITTEE

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, I have the honour to present the fourteenth report of the Standing Committee on Transport.

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[*Translation*]

ROYAL COMMISSION ON CONDITIONS IN THE FOREIGN SERVICE

TABLING OF GOVERNMENT RESPONSE

Hon. Charles Lapointe (Minister of State (External Relations)): Madam Speaker, I have the honour of tabling, in both official languages, the response of the Government of Canada to the Report of the Royal Commission on Conditions in the Foreign Service.

[*English*]

PETITIONS

MR. SKELLY—MARINE INDUSTRIAL STRATEGY

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I have the honour to present to the House a petition signed by numerous employees and unemployed individuals in the shipyards of Canada, asking that the Government implement an adequate marine industrial strategy. And I expressly urge federal Government to consider the two-two-two division in the frigate program.

MR. SKELLY—ABSENTEE BALLOT SYSTEM

Mr. Ray Skelly (Comox-Powell River): I have a second petition, Madam Speaker. It is from the residents of Sointula, British Columbia, who have signed strongly in favour of advocating that the Government implement an absentee ballot system for the Canada Elections Act prior to the next federal election.

MR. BENJAMIN—RETENTION OF CROWSNEST PASS RATES

Mr. Les Benjamin (Regina West): Madam Speaker, just so that the Minister of Transport (Mr. Pepin) knows we are still here, I have the honour and the duty to present a petition signed by 37 residents of Canada from Kenora, Saltcoats, Ebenezer and Verigin, 34 of whom are members of the Saskatchewan Wheat Pool, in which they humbly pray that the Government will retain the Crow rate; that they are willing to pay one times the statutory grain rate for the movement of grain; and that the $131 million which they paid last year is their full and proper share for the movement of grain under the statutory rates.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,838, 4,903 and 4,916.

[*Text*]

NUCLEAR GENERATOR AT POINT LEPREAU, N.B.

Question No. 4,838—**Mr. Howie:**

1. Did the Government enter into discussions with the Province of New Brunswick to examine the possibility of sharing the cost of construction of a second nuclear generator at Point Lepreau, New Brunswick and, if so, on what date and at what level did the discussions take place?

2. Did the Government make any commitment to share in the cost of building Lepreau II and, if so, on what date are tenders likely to be called?

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited reports as follows:

Borrowing Authority

1. No specific proposal with regard to sharing the cost of construction of a second nuclear power plant at Point Lepreau has been discussed as yet between the federal Government and the Government of New Brunswick.

2. The only financial commitment the federal Government has made regarding Lepreau II is the authorization for AECL to spend up to $10 million to initiate preliminary studies to determine the economic viability of the project. A schedule for calling of tenders has not been established.

CROWSNEST PASS FREIGHT RATE

Question No. 4,903—**Mr. Anguish:**

In the past two years, how many (a) letters (b) telegrams (c) names (signatures) on petitions did the Minister of Transport receive supporting retention of the Crowsnest Pass freight rate?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): From March 1, 1982 to May 12, 1983, the Minister received the following items in support of retaining the Crowsnest Pass freight rate: (a) and (b) 2,213 (approx.), (c) 36,500 (approx.).

Question No. 4,916—**Mr. Hovdebo:**

How many (a) letters (individual or group) (b) petitions (c) telegrams (d) other communications did the Minister of Transport receive on the subject of the Crowsnest Pass freight rate since the appointment of the inquiry by Dr. Clay Gilson on February 8, 1982 and how many of the signatures on these communications (i) favoured retention of (ii) requested changes to the Crow rate?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): From March 1, 1982 to May 16, 1983, the Minister received the following items regarding the Crowsnest pass freight rate: (a) and (c) 2,282 (approx.), (b) and (d) 36,500 (approx.), (i) 38,713 (approx.), (ii) 69 (approx.).

[*English*]

Mr. Smith: I would ask that the remaining questions be allowed to stand.

[*Translation*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1983-84 (NO. 2)

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Cosgrove that Bill C-151, an Act to provide supplementary borrowing authority, be read the second time and referred to

the Standing Committee on Finance, Trade and Economic Affairs.

Mr. David Orlikow (Winnipeg North): Madam Speaker, we are again asked by the Government to give authority for the borrowing of several billion dollars more in order to meet the costs of operating Government programs for the coming year. We are opposed to this borrowing Bill. We are going to vote against it. Not because we are opposed to borrowing money. Not because we are opposed to deficit financing. We are opposed to this Bill because we see no intention on the part of the Government to deal with the serious problems which this country faces. We see a Government which is prepared, according to the documents tabled at the time of the budget, to live with more than 10 per cent of the population unemployed for X number of years. We cannot accept that. We can see no concerted, well-thought-out plan by the Government to deal with the major problems facing this country.

I would like to spend just a few moments dealing with some of the points made by a number of the Conservative Members of Parliament this morning. In their attacks on the Government and in their attacks on the deficit, one could not help but feel that they believe, or were trying to create the impression, that this Government is the only Government which is running deficits, that somehow these deficits could be avoided.

It is interesting to look at the record of the provincial Governments. We see that every provincial Government will operate this year with a deficit. Let me just put on record some of the figures which were reported by *The Globe and Mail* on January 24, 1983. The Province of Alberta, the wealthiest Province in this country, will have a deficit of $2.3 billion. How are they going to deal with their problem? They are going to deal with their problem by putting a user's fee on the people who can least afford it, the sick when they must go to hospital.

The Province of British Columbia, which has a so-called Social Credit Government but which we know is really a Liberal-Conservative coalition, will have a deficit of $1 billion.

The Province of New Brunswick will have a deficit of $250 million.

The Province of Nova Scotia will have a deficit of $170 million.

The Province of Ontario will have a deficit of $2.2 billion.

The Province of Saskatchewan, which has a new Conservative Government, will have a deficit of $220 million, which is probably a bigger deficit than in all the years of the New Democratic Government under Premier Blakeney.

I ask Hon. Members of Parliament what the deficit of these Provinces would be if it were not the case that so many of the programs for health insurance, hospital insurance, post-secondary education, the Canada Assistance Plan, and all the others, were cost shared by the federal Government. All the Provinces would have larger deficits if the federal Government were not involved in funding these programs. The deficits are not because Governments have been wasteful, although there is, of course, waste in every Government, as there is in every large institution, public or private.

• (1510)

The deficits are the result of this major recession. The only way they might be eliminated would be if we took the meat axe approach to cutting social programs, as President Reagan has in the U.S. I point out to our Conservative friends that in the four years President Reagan will be in office he will probably be responsible for increasing the U.S. deficit by somewhere between $1 trillion and $2 trillion. That from a President who was absolutely opposed to deficit financing. I note that none of the Conservative Party leadership candidates is advocating major reductions in any of our social programs.

However, I want to say just a few words about why I cannot vote for this Bill. It is because this Government uses the money for political reasons and in wasteful ways. To use my own city as an example, the downtown core of Winnipeg has been declining for a long time. It has lost a third of its population. Business establishments, from the largest like Eaton's and Hudson's Bay, to the small retailers, are suffering. Many of them are going bankrupt. Downtown Winnipeg will not be revitalized unless there is a major, well thought out plan to do so.

Each of the three levels of Government has agreed to put in $32 million towards a program to revitalize the core area. Of course, the federal Government, through many other programs such as DREE, the Department of Transport or the Department of Employment, has tens of millions of dollars to be spent in Winnipeg which could be used to revitalize the city. For years it has been recognized that this could not and would not happen unless we had a redevelopment plan that put in place a large number of housing units near what used to be the most vital business area in the City of Winnipeg. There are many people in the downtown core in the daytime. They come to work between eight and nine o'clock in the morning and they go home between 4.30 and 5.30 in the afternoon. They have an hour or an hour and a half for lunch—not enough to liven up the area.

What the downtown core needs is well planned redevelopment with a large housing component, but what they are getting through the urging of the Minister of Employment and Immigration (Mr. Axworthy), who seems to have control of all the federal money which goes into the city, is a number of poorly thought out, harebrained, off the cuff proposals. We get a proposal for an arena. Winnipeg already has an arena; we do not need another one. Along with that we would need a 2,000 car parking garage which would cost $30 million. We do not need it. We have a proposal for a hotel when existing hotels in Winnipeg are operating far from capacity. We are getting an Air Canada building which is being designed without any reference to the existing surrounding buildings. It does not blend in. There will be no stores or restaurants on the ground floor as there are in other privately owned or Government buildings in other cities. We are going to get a National

Research Council building, the idea being that it will develop its research and bring in private businesses which will build the kind of new products developed by the centre. There will be no space for them. It will not be the same situation as in places like Boston or Silicon-Valley in California. We are supposed to get a CBC building which will add nothing to the downtown core of Winnipeg.

What Winnipeg needs is not one or two buildings as the Minister has proposed and which are given front page publicity. What we need is an over-all plan to draw people into the area. Besides housing, we need to know that the new buildings will fit in with the existing buildings, that there will be walkways and arcades to protect against the heat of Summer and the snow and wind of Winter. We need a rapid transit system which could use the existing railway right-of-way to bring people from the University of Manitoba to the downtown area.

These are the kinds of things we need. The people who have been interested in the redevelopment of Winnipeg for years have been hoping to get these kinds of things. We had hoped the three levels of Government would co-operate in this development, but we have had a kind of bull in the china shop approach of the Minister of Employment. He has the money and he has tried to bulldoze these harebrained schemes through in the City of Winnipeg.

I cannot vote for this borrowing authority, Mr. Speaker, because I cannot see that this Government is prepared to do the kind of planning to provide the jobs and services required and meet the needs of the ordinary people of Canada.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I would like to say that I am pleased to participate in this debate but, frankly, it is a bit depressing. In fact, it is greatly depressing to be standing here for the fourth, fifth or sixth time in this incredibly long session debating a Bill to give authority to that group of bandits to go out and borrow another absolutely colossal amount of money, $19 billion. This is literally beyond human comprehension. We do not know how much $19 billion is; no one can get their head around that figure. What we do know is that it is going to have to be paid off at some time. That is what is most depressing.

We stand here making our speeches and we know that ultimately a vote will occur. The trained sheep and seals in the backbenches of the Liberal Party will say "Aye, sir, aye" to the request of the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Lalonde) for this authority. No one will really think about or contemplate that $19 billion, or think about the fact that future generations are going to have to pay that debt off, or about the fact that those who follow us will have the responsibility for the social programs that the Hon. Member for the NDP talked about.

Family Allowances are not going to go away; old age pensions are not going to go away; the assistance we provide medicare is not going to go away. The next generation will have the responsibility to pay for those programs. It will have to look at this generation in our old age. Obviously they are going to be interested in having money for themselves, educating their children and providing a good standard of living for themselves. But they are going to have to pay off this incredible legacy of debt.

We have left to the generation that follows a much poorer legacy than our parents left us. This Parliament, this Government, took over a country built by our predecessors which was much stronger, better placed than the one this crew is going to leave for those who follow us. That is what is depressing about what we are doing. We participate in the debate, we try and raise these concerns, but we know full well that our words fall on deaf ears. They will make not one whit of difference. After the Bill is passed the bureaucracy will go out, borrow the money and spend it as though it were nothing. To them it does not amount to anything. They will not lose one minute of sleep. There will not be one iota of expression of concern for the fact that this Bill will have to be paid off by the next generation. That is depressing.

• (1520)

The other depressing thing about this debate is the irrelevancy of this whole institution, all of us who are elected by the population of Canada, to the process of Government budgeting, spending, taxing and so on. Undoubtedly we in Canada have the most ridiculous system imaginable. It is certainly not democratic; it is anything but. Think about it. At the end of February each year, this year included, the President of the Treasury Board solemnly presents to the House the best estimate of spending for the fiscal year starting April 1. It is a great big, colossal, thick book. Members of Parliament, who have the responsibility for watching the public purse, for examining expenditures, are supposedly to oversee and examine the proposals, the estimates of the Government, and to deny the appropriations for inappropriate expenditures, to be the watchdog.

What happens in reality? In reality, nothing happens because, in fact, if the House does nothing, at the end of June the Government's proposals are passed in total anyway. If we attempt to do anything, the trained seals on the Government backbenches will prevent us. There is no one on the Government side who has the courage to challenge a Minister or the proposals of the Government. Therefore, in effect, the whole exercise is an exercise in futility.

Perhaps one can forgive it partially. I do not think one could forgive it if one has respect for democracy. However, perhaps one might partially understand it if the numbers were at least accurate, if one knew that that was really the amount the Government would spend. However, we know that those numbers bear only a passing resemblance to reality, because six weeks after the President of the Treasury Board (Mr. Gray) solemnly presented his estimate of spending this year, the Minister of Finance gave us another number which amounted to a difference of some $600 million. We are still supposedly seized with the responsibility of overseeing spending estimates for this year. We knew just six weeks after the estimates were presented to us that they were already inaccurate. Did the President of the Treasury Board say; "I regret that my estimates are inaccurate"? Did he issue a press release

correcting the figures which he had presented? Did he say: "My original estimate of increased spending this year of 9.6 per cent is now wrong because the Minister of Finance has increased the spending"? Did any of those things happen? Of course, none of those things happened.

On the taxing side, on the revenue side, what is the role of the House? The new taxing regime has effectively been law since April 19, the day the Minister of Finance presented his budget. Oh yes, we must pass some amendments to the Income Tax eventually. However, they will backdated, retroactive to April 19, so effectively that means they cannot be changed. Therefore, on the expenditure side there is no control by the House. There is no accurate information from the Government because it can change very quickly, as it has done.

On the taxing side, we were in the preposterous situation of not being able to have any input into what was proposed. So that is effectively law. When they do not match, here comes a borrowing authority Bill of $19 billion. One might say, understandably: "If one is to spend more than one takes in, one needs to borrow some money, and therefore the borrowing authority should be that difference". Should it, Mr. Speaker? No, it is not. The borrowing authority is not the difference between revenue and expenditure. The borrowing authority is some other number that we know is out by $4 billion or $5 billion, anyway. The whole process is absolutely absurd.

If we were being honest in this place, we are fraudulently collecting indemnities from the public of Canada—

Mr. Cosgrove: Speak for yourself.

Mr. Andre: —as representatives of this House.

Mr. Cosgrove: You're never here. You have to be here to collect.

Mr. Andre: There is the mouthpiece, the junior Minister of Finance, saying "Speak for yourself".

Mr. Cosgrove: You have to be here to collect, but you're never here.

Mr. Andre: The junior Minister of Finance has yet to contribute anything at all. Even if he contributed some thoughtful discussion once in a while in this place, perhaps he would justify some fraction of what he is receiving from the taxpayers.

Mr. Cosgrove: At least I'm here.

Mr. Andre: He says that at least he is here. He is a well trained seal. He says: "At least I am here as a well trained seal, saying, "What would you like, sir? Aye, sir, aye"'. That kind of performance can be replaced by a teddy bear with a mechanical arm. That is all one needs. A teddy bear with a mechanical arm could perform that function. That is not why we are elected. That is not what the public expects of us.

Mr. Cosgrove: It expects you to be here.

Mr. Andre: That is why we, Government Members in particular, are in fact fraudulently pretending to our electorate that we are here representing them, that we are here genuinely acting on behalf of the people who elected us. That is absurd. We are not, because we have no power to act. There is nothing we can do.

There is no ability in the House to do anything on behalf of our constituents. Any Hon. Member opposite who is honest will admit that fact. We just stand here and watch these colossal sums going by: $89 billion worth of spending, $70 billion worth of taxing, $19 billion worth of borrowing. The zeros just keep adding on, and we care not one whit. Therefore the next generation will have to pay for it. "So what? We will not be here. It is the next group which will look after it. Who cares about that? By then we will be in the Senate or appointed to the chairmanship of CNR or Air Canada or some other worthy office which comes from being a loyal, stuffed teddy bear which says, "Aye, Sir, Aye" at the appropriate time." That is all the Government cares about. That is what is so fraudulent.

If we were in fact genuinely overseeing the public purse, spending, taxing and borrowing would come down at the same time and they would not become law until this place judged on the question. That is the system in the United States, in Australia and in countries which still have democracy. It is long past the time we should have returned to that.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I, like everyone else on this side of the House, have risen to speak on Bill C-151, a Bill which covers one side of a piece of paper measuring eight inches by ten inches or maybe eight inches by eleven inches, a Bill representing in sum total $14 billion plus, added to the $5 billion which was carried over from another borrowing Bill amounting to $14.7 billion. As well, the Bill includes the provision that on March 31, 1984, if there is any sum which exceeds $2 billion left over, a little bit in a slush fund, just a little bit extra to play with, it will be cancelled because, after all, that is not very much money, $2 billion.

This is the seventh time this session the Government has come before the House of Commons asking us to approve borrowing authority for money because the Government is spending much faster than its revenues are rising. That could be accepted if the expenditures of the Government and the huge deficit has made a contribution to the well-being of the people of Canada, who in fact are responsible for paying off the debt.

In 1982-83, the Government came before the House with four different borrowing Bills. Bill C-143 was the largest borrowing Bill brought in by a Government in the history of Parliament. There has been mismanagement and overuse of this authority, which all Governments must have, by the federal Government, which still has $16 billion left over from Bill C-145. The Government still has $16 billion left over from Bill C-143. The projections of the Government for the current fiscal year are $26.7 billion. The most this Government needs with the left over $16 billion is $10.7 billion. As the Hon.

Member for Vancouver Centre (Miss Carney) pointed out, if you take into account the Government's own on hand cash balances, the Government needs only to borrow $7.7 billion. That is all the Government needs in additional borrowing authority.

• (1530)

But we are asked, as Members of Parliament, blindly to approve borrowing authority for a Government which, as I hope to show later on, has not been responsible to the people of Canada in the expenditures it has undertaken. People presume that the Government is responsible to Members of Parliament, the Parliament of Canada, and that we as Members of Parliament, in turn, are responsible to the people of Canada. But the Minister of Finance (Mr. Lalonde) when he brought in his budget, to save his own hide—a facade for the people of Canada—literally with the stroke of a pen, added $200 million. Just with the stroke of a pen the Minister of Finance threw in $200 million to change the budget he exposed through his asinine tomfoolery and his showmanship.

I do not know what the rush is to have this Bill passed, but I would presume that if this Bill is rammed through, as the Government wishes to do, then Parliament will not be able to scrutinize for the balance of this fiscal year any spending which this Government wants to undertake. This Government, and Members of the NDP who support the Government, have much the same policy lines. The Leader of the NDP in March of 1983, as reported in *Grainews*, said:

> What we're going to be doing is to express in emotional terms the need for action, rather than worrying about the details of the action that's needed.

That is what we see. It is a policy of "never mind what happens with the money. Just get the money, spend it and hope that after a long period of time some benefit accrues". It is policy of "for goodness sakes do not plan, do not set out priorities and do not try to bring the employment rate, which is devastating this country, below 10 per cent". It is a policy of "continue to borrow money and throw it against the wall. Some of it will stick and maybe then there will be some good for the people of Canada from this spending".

The people who pay for this Bill are the taxpayers of Canada. They will pay an additional $5.7 billion in tax increases over the next four years. The next Government and the next generation will inherit this burden, this legacy of debt, which this Government has put upon us.

The Government talks about fast-tracking. It is certainly fast-tracking when it comes to spending. In the past 15 years under this Government spending has increased almost 700 per cent. Since the re-election of the Liberal Government in 1980 spending has increased 84 per cent on a national accounts basis. Government spending now is equal to 26 per cent of Canada's Gross National Product. Over one-quarter of our productivity is channelled directly into Government and spent by the Government. What has been the result, Mr. Speaker?

In 1970-1971 the deficit was $370 million and the unemployment rate was 5.7 per cent. In 1975-1976 the deficit was $5.4 billion and the unemployment rate was 7 per cent. Today, with a projected deficit of over $31 billion, the unemployment rate tops 12 per cent. If we look at the projections of a $25 billion per year deficit over the next four years and the unemployment rate projected at well over 10 per cent for the same period; we see that the way this Government has been spending its funds and the way it has been abusing the power has not decreased unemployment. It has not helped those who wish to have jobs.

A $30 billion deficit works out to about $1,200 per man, woman and child. This Government is applying a debt of nearly $5,000 to each average family of four. That money is being borrowed on behalf of every average family in Canada. The people will have to pay off that debt through increased taxes.

Where could the Government have saved some money? Where was it not necessary for the Government to become involved and spend the money which taxpayers work hard to earn who would like to have a little bit left for themselves, a little bit to put away for a rainy day, and a little bit to enjoy on a holiday? This Government did not have to spend $350,000 on an advertising campaign in Quebec which gave out misleading information on the Crow. The Government did not have to spend an extra $300,000 on Crow ads in western Canada on a four-page circular to give different information that contradicted the $350,000 it had spent before along with a small brochure it sent to each permit holder of the Canadian Wheat Board. Over $1 million was spent on advertising the change in the statutory rate for grain. The Government could have brought the subject of the Crow into the House of Commons. The issue could have gone to committee. We could have debated the issue. Representations could have been made at committee stage. This process would not have cost the taxpayers of Canada. But it is not just the $1 million I have spoken about.

Let us examine some expenses of the Standing Committee on Transport. I would presume, because of the change in budgeting for the 1983-1984 fiscal year, that this Committee will have non-staff travel expenses, that is, expenses for professional services. The amount involved is $145,000 for travel. We did not have that expense last year. Let us look at the expense for Minutes of Proceedings and Evidence. Last year the Standing Committee on Transport budgeted for $57,000. That amount is now up to $98,000. The total for this coming year will probably be $110,000. Let us look at the cost of advertising for this Committee. It is $50,000. What about professional services? The amount there is $300,000. Now we come to this item of rentals. If committee hearings are held in Ottawa there is not a thing to rent. The amount opposite that category is $25,000. But look at what we have for miscellaneous. The amount is $115,860. Miscellaneous, just a small item.

I see that you are indicating my time has expired, Mr. Speaker. I thank you for the courtesy. Let me say once again that I feel a great deal of regret at the spending of this Government.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, this is the third time in four months that I have

spoken on borrowing Bills. The first time, if I remember correctly, I tried to put across to the house the necessity in Canada of getting our interest rates down. The second time I put forward a couple of ideas about how to keep interest rates going down, and on this occasion I will simply use one technique that I believe is mentioned in the Bill.

Essentially, what we are at the end of is about eight years of a policy by all Governments to spend their way to prosperity and political support. Now we are paying the price.

In 1974 this Parliament accepted two budgets. Those budgets double taxation on the resource industries of Canada by the law of this land. That started us on the road to this tremendous borrowing. It was hoped inflation would come so that the borrowing could be paid back in cheaper dollars. This tend kept up. We applied in the year 1975, when I believe it started, a type of monetarism in our monetary policy that tried to control things by raising interest rates. Of course, this was the most fatal blunder of all. Interest rates were the inflation. Honest and sincere people in our various central banks around the world thought that if they could get interest rates up higher this would control the inflationary process. However, interest is the biggest cost there is today in large and small scale enterprises. The inflationary pressure of the cost push which comes from raising interest rates destroyed not only the little person, whether he was a farmer or a small-businessman, but the largest international companies all over the world. This is the situation we face. We were told several months ago that the Government wanted to borrow all these billions of dollars at a time when the country was striving desperately to get out of what was almost a depression, with many businesses going bankrupt and the cash flow declining. When the Government announced that it would borrow large sums of money, a terror went through the business world. When businessmen saw large amounts of deficits, not only in Canada but in other countries of the world, they thought that there would be no money for them to borrow themselves.

• (1540)

My warning has been constant—are there not other ways to get around the situation? I have tried to put forward some constructive suggestions. For example, on March 28 I suggested that we use the Bank of Canada like the Americans were using their federal reserve system. Their charts showed that since last July the money supply carefully put into circulation by the federal reserve had had increased by more than 10 percent. If we look at the charts for Canada, the money supply went up and down but now it is roughly the same as it was a year ago, if measured by the M-1 figure. The point of my suggestion was to indicate that as the Americans used their federal reserve system to get a little more money into circulation slowly and carefully, not saying too much about it, inflation came down. According to the book, when more money is put into circulation inflation is supposed to rise. But the opposite happened because, as they put a greater amount of money into circulation slowly, interest rates came down with it. The real inflation was the inflation rate. This is why the inflation rate dropped in the United States, and our country naturally followed.

We are at a very critical time. Our interest rates have come down a little, to around 10 per cent, using the bank rate and the prime rate. But they must come down another 2 per cent or 3 per cent to let us hang on. If we are to use the credit system in our business operations we must be able to do so at a reasonable cost which is not inflationary. Our country is beginning to struggle to rise to its feet again and the inflation rate is falling. If we want to check that gentle motion, all we have to do is to throw the big borrowings on to the Canadian markets and the United States. Then we will see inflation rise once again.

Again I suggest that we should look carefully at using the Bank of Canada. The law allows us to do so. It has been used by previous Governments to take advantage carefully of everything they could to save them from borrowing more money. As we know, this can be done under the Bank of Canada Act without interest.

My second suggestion, which I have been making in the House for two years, was that various Government agencies which have the power to lend money should use that power by accepting money from any source under the Farm Credit Corporation. They do not have to borrow it from the federal Government, but they could lend that money at half the interest rates. They could take away the tax rights of the borrowers and not apply tax to the lenders in order to arrive at half the interest rates. We could apply this suggestion to housing, to exporting and the Farm Credit Corporation, which covers a great section of our needs. The techniques of the Small Business Development Bond and of the income averaging annuity available, the people of Canada will provide all the money needed for these agencies outside the Government to supply the capital we need at a low interest rate in order to operate.

Bill C-151 has a clause which has been in other Bills. I would like to draw attention to it. Subclause 2(3) reads:

> For greater certainty, any amount borrowed under this section may be borrowed in a currency other than that of Canada—

An Hon. Member: It is always there.

Mr. Hamilton (Qu'Appelle-Moose Mountain): That is right, but the point is that it has not been used to the extent it should have been used. I know of one or two cases where it has been used but at high rates of interest. I am simply saying to the Government in all seriousness that with world banks overflowing with money it could go to any group of German or Swiss banks—and we know from where the money comes—and borrow money as low as 6 per cent as long as it is repaid in the currency in which it was borrowed. The Government could borrow all the money it wants, whether it be $14 billion or $20 billion. If it wants to be sure about the exchange rate, there is a special system whereby all banks work together to provide an insurance, for which the Goverment would have to pay a very small premium, in case of any future changes in the value of the currency.

Why should the Government go out and invade the markets of Canada and relieve the banks of their danger—they have too much money—by borrowing money at 10 per cent, 11 per cent and 12 per cent? It is almost criminal, bearing in mind that money is begging to be borrowed at 6 per cent for governments.

I know private businesses found this out. They cannot obtain money as cheaply as 6 per cent, but they have discovered that they can go to these money sources and borrow huge sums with no interest. What they do in exchange is to give a share of their profits in the form of shares or in the form of an interest in the profits. Even though the Government cannot use this technique of giving a share of the profits, because rarely does a government show a profit, it can be used by various Government agencies to relieve pressure on the Treasury. Above all, the Government should not go out and borrow in the United States where interest rates are too high. All western Governments are appealing to the American Government to watch its money supply because theirs have been rising for almost a year now. They have probably gone too far, but there are indications that they are now levelling off. We should continue to attempt to reduce our interest rates because if we get the interest rates down, inflation down and prices down, we may pull ourselves up and let the present forward motion continue.

I put this idea forward, not in the sense of trying to embarrass the Government but because it has the legislative power to bring it about. Ministers rise and say that they are all for it, but they never do it. In terms of all other Departments it is indicated that they can do this if they have the consent of the Department of Finance. I ask Government Ministers to assert themselves and use the muscle they should have and obtain the consent of the Department of Finance to get money into the country cheaper and to keep pressure on our money markets to get interest rates down further. I think this can be done. All the Government needs is the will to get off this suicidal course of borrowing more and more regardless of interest rates, which will send us back into a downward slide. We have had enough of that over the past eight years.

• (1550)

Mr. Bill Kempling (Burlington): Mr. Speaker, I want to say a few words on Bill C-151 along the line of those of my colleagues who have spoken today.

Some people in Canada are beginning to see the recovery in our economy that we all want and need, but more than 1.5 million persons will remain on the unemployment rolls in the near future. The truth is that more people are entering the labour market when there are jobs to absorb them. Arguments that say we created more jobs than last year or the year before have little meaning. What is needed is more long-term permanent jobs. That has to be our number one priority.

We cannot under any circumstances place in jeopardy the recovery that is under way at the present time. If we allow inflation to return, we are betraying those who have sacrificed their jobs, businesses, homes and future as part of the price for beating inflation. They live in hope that a better time will allow them to recover their losses and build a new life, hopefully on a more sound foundation.

They have learned the hard way that you cannot spend your way out of inflation. They hope the Government has learned its lesson. They are looking for evidence to confirm it, but the evidence is not there. We see the deficit as a percentage of the Gross National Product doubling and tripling over a ten-year period. We see the level of borrowing going beyond our ability to pay in the future. The people who have been the biggest losers in the recession are expressing their concern at the level of borrowing because they know it will find its way in the rate of inflation and into the interest rates that we project in the years ahead.

We see the long-term national debt doubling and quadrupling over the next four years, according to predictions presented to us. Many of my colleagues have commented that this is the seventh borrowing Bill that we have had in this session. The present Bill is for $4 billion more than the budget indicated is required at this time. Projected financial requirements between 1983-84 and 1986-87 are $93 billion. This indicates that this Government will continue to try to borrow its way out of our financial troubles.

Our real Gross National Product fell 4.8 per cent in 1982. It has fallen 7.5 per cent since the second quarter of 1981. The recovery growth is estimated to be approximately 2 per cent growth in the GNP of 1983. That level will not keep unemployment from rising. That is the dilemma we really face in this country.

The Government has said that the engine of the private sector will lead us out of the recession and into recovery and a reduction in unemployment. Let us examine that statement. Manufacturing capacity is only 63 per cent of its potential. Capital investment will fall in 1983, according to Statistics Canada, by $2.4 billion. That figure, added to the 1982 decline of $4.5 billion, gives the total decline of $6.9 billion in capital investment in a two-year period.

That is not a formula for recovery. The worry in the business community is that the recovery we are experiencing is led by short-term inventory purchasing. If you are concerned that interest rates will climb, you are not going to invest in anything but short-term. That is another side to the dilemma we face.

What we need is long-term capital investment. Industry will not react in any meaningful way to tax credits that may be reversed in the following year. The economic and financial environment in which we operate in the immediate future has to improve dramatically if we are to see a reversal in the decision by the business community to reduce capital expenditures to the extent that it has. Until we make the connection between capital expenditures and jobs and then put in place a taxation environment that will attract long-term investment, we will not begin to make a dent in the growing unemployment that we have in this country.

Part of the taxation environment is better control of the spending practices. After all, inflation is a form of taxation from which no benefit accrues to anyone.

Part of our dilemma today is the fact that some expansion has taken place during high inflation and that inflated capital purchase is being paid for today. I cannot help but feel that we should look closely at the whole tax system, the way we value inventories, the way we depreciate assets and begin to rebuild our economy around a clear-cut tax system upon which long-term financial plans can be made. That is what we should be doing rather than throwing rhetoric back across the floor of the House of Commons. I believe we have the capacity in this House to do that.

Part of the reform would be a commitment to put in place better spending controls and a commitment to reduced borrowing. We need only read the daily press and the annual Report of the Auditor General to see the mess we have in financial control, or we can look at the mess in the control of Crown corporations to see the difficulty we face. The massive borrowing of Crown corporations, which in most cases is beyond the control of Parliament, certainly in almost every case beyond the control of Government, is one of our most serious problems. The contingent liability of the Government is rising dramatically directly as a result of the lack of control over the capital and operating expenditures of Crown corporations.

What all this leads to is a lessening of the amount of funds available to the private sector which could be used to finance capital expenditures needed to create long-term employment. I know there are some economists who will say it does not have that much effect. There is a mental hurdle that we must overcome, because it has an effect on the people in the private sector who closely watch interest rates and inflation rates. The fact that there is a continuous demand for funds by the Government with no meaningful attempt to reduce and control expenditures will surely drive up interest rates and fuel the resurgence of inflation.

In its recent comment on the budget, the C.D. Howe Research Institute said, and I quote:

> The commitment contained in the budget to reduce the deficit is not a convincing one.

Canadians are not convinced the federal Government is really giving anything more than lip service to a reduction of the deficit. Until they are convinced that there is a commitment, there will be little change in capital investments that are so desperately needed in this country at this time.

Mr. Girve Fretz (Erie): Mr. Speaker, I am pleased to share a few thoughts today regarding the supplementary borrowing authority which the Government is seeking through Bill C-151. The proper allocation of authority is vital to the survival of Parliament, but by whose authority are expenditures to be improved and laws made according not only to the traditions of this country, but also of other representative democracies throughout the free world? Is it to be done through Order in Council or in the lofty ivory tower of the Cabinet? No, Mr. Speaker, it should be discussed here in the House of Commons before people elected by the citizens of the country where decisions are made with the safeguarding of the best interests of the people of Canada in mind. These decisions are not, and I repeat, not to be made with the narrow partisan interests of the governing Party in mind.

• (1600)

Yet time and time again in the House we see gross examples of political engineering and manoeuvring instead of face to face negotiating on these very important points of borrowing authority and expenditure approval. I wonder if any self-respecting bank manager would lend money without having a fair idea of where that money was going and how it would be paid back. Of course not. Yet the Minister of Finance (Mr. Lalonde) refuses to disclose why $1.5 billion of his projected deficit cannot be accounted for. Not only that, but what contingencies does he have in mind when he asks for $14.7 billion through Bill C-151, yet only requires $10.7 billion for current needs? Is the clandestine setting aside of $4 billion for needs not yet known a responsible procedure? Where is the accountability to Parliament? Where is the accountability to the Canadian people? I believe that this is contempt of parliamentary tradition.

The word "tradition" is used by certain Cabinet Ministers who refuse to comment on allegations of scandal in major Crown corporations. Yet their colleague in the finance portfolio has, time and time again, broken the traditions of the House. Notably, he has broken the traditions by his refusal to resign over the budget leak and now by his release of budget figures that do not add up and borrowing estimates that are far too generous.

I believe, Mr. Speaker, that the Canadian public is tired of these kinds of shenanigans. The cart is losing direction because it has been going before the horse for too long. Why not do things in the proper order and let us know exactly how these moneys will be spent before requesting capital for "prudent financial housekeeping", as the Minister of State for Finance (Mr. Cosgrove) once put it? Any of our nation's homemakers will tell you that he could never stay afloat with this kind of financial housekeeping.

Two months ago, the Government came before the House to ask for some $19 billion in supplementary borrowing authority through Bill C-143. We recall some of the vague remarks that were made about current demands on the public purse due to income tax refunds and other supposedly unexpected requirements. We now have before us a similar Bill, and we in the Opposition are still wondering exactly how the money that is requested will be spent. I must admit that the budget offered a few clues as to how taxpayers' money will be spent in the next few years. There is no doubt as to the specific allocation of a certain sum of $200 million. Indeed, that allocation could have been interpreted as a recovery measure to sustain employment levels in high Government positions. We know that it aided the Minister of Finance substantially in keeping his own job.

However, the real theme of the budget is expenditure, not recovery. As a past master of the art of spending taxpayers'

money, the Minister is simply adding capital to the tail end of many existing programs or modifying them slightly. He is imitating the techniques of car manufacturers who put new curves in the bodywork to make buyers believe that they have a new and redesigned vehicle. For example, the RHOSP program has changed, but not meaningfully. A really beneficial change would have been to increase the limit for contributions to $20,000, for example. After all, what is $10,000 when you are purchasing a home?

The Finance Minister expected his housing stimulus program to last until the end of May. So did the Canadian people. However, the funds for housing grants inexplicably ran out. So did the Government's credibility. And now the Government expects us to approve its borrowing requirements with the stroke of a pen? Not when we have a Government with a record for misleading the public such as this one has.

Can one talk about recovery without discussing efficiency and restraint in spending? Common sense tells us that one cannot. But "Commons sense" is something different, especially when the Finance Minister speaks in the Commons. Billions of dollars are about to be spent, but no mention was made of cost cutting or restraint in public spending. Obviously, the Minister is content with the way the Government is managing things. Who is he fooling but himself? He must be content with the massive bail-outs of Crown corporations and with the blank cheque borrowing authority, not to mention the lack of accountability to Parliament evidenced in the Liberal regime.

However, the Minister of Finance is aware of discontent among Canadians for these and other reasons. That is why we saw him on national television last month with his Christmas goody bag and Santa Claus smile handing out voter freebies, including the extra $100 million to the Farm Credit Corporation and the new ruling that farmers can spread their losses out over a ten-year period. Realistically, though, will this help out the farmers who face bankruptcy right now?

Yes, there is spending, but there is little mention of how the money will be raised for the Minister's program. There is some minor tinkering with tax credits and increased taxes on alcohol, tobacco and construction material. The rest will be left for future generations to pay off. When the time comes to pay the piper for these lavish spending programs, the orchestra and its director will have been replaced. The Minister must be aware of the fact that he himself will probably not have to deal with the long-term and disastrous side effects of his actions.

We cannot operate indefinitely on such a huge deficit. Where does it end? There are too many hand-outs and too many golden handshakes. Until they stop, the deficit will continue to grow until our citizens are eventually taxed to death, the nation goes bankrupt and our dollars will become worthless souvenirs, like the deutschemark of bygone days when a full wheelbarrow would buy only a loaf of bread.

It was indicated earlier this Spring, supposedly in defence of Government spending practices, that Cabinet committees were taking responsibility for expenditure management following guidelines set out by the Lambert Commission. Glowing words were spoken about checks and balances on spending. If these checks and balances were in place and functioning, why did the Auditor General have so much to say in his recent Report? As Hon. Members will recall, there were many indictments of over-spending in that Report. Bill C-151 with its inflated requirements for capital is a good example of how much attention has been paid to the noble efforts of Mr. Kenneth Dye.

In the past weeks, we have heard abundant eloquence from Government benches justifying the supplementary borrowing authority on the grounds that it is inevitable spending and that somehow they have done their best and we should accept that. Well, their best is just not good enough. Figures abound to confirm the fact that Government spending has risen much faster than the Consumer Price Index or the Gross National Product. There can be no arguing there. Let us not turn this country into another Sweden where free enterprise is virtually dead and where the tax burden is unbearable. Yet that is where we are headed because of a Government that borrows increasingly and expects carte blanche to do so.

In conclusion, the Government must exercise more responsibility in dealing with the financial affairs of the nation. One way for it to do so is to determine right now that it will make an effort to cut down on the deficit by cleaning house and following the recommendations of the Auditor General. The second way for the Government to exercise more responsibility is to encourage the increased participation of Parliament in fiscal affairs. That is a tradition that all Members would like to see unheld and which would be of benefit to all Canadians.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen)—Correctional Service Canada—Polling of employees—Role of management; the Hon. Member for Halifax West (Mr. Crosby)—Labour Relations—Eastern Provincial Airways dispute—Enforcement of safety regulations; the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Medical Care—Request that Minister introduce new health care Act—Inquiry respecting date of introduction.

• (1610)

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY BORROWING AUTHORITY ACT, 1983-84 (NO. 2)

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Cosgrove that Bill C-151, to provide supplementary borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. George Hees (Northumberland): Mr. Speaker, in dealing with Bill C-151, let us first of all see what the Bill does. It gives the Government authority to borrow on behalf of the taxpayers of this country a further $14.7 billion. This is in addition to $16 billion in authority that it already possesses for this year through Bill C-143, for a total of no less than $30.7 billion. However, the financial requirements for this year are only $26.7 billion. The Government is thus seeking authority to borrow $4 billion more than it says it needs. What is this additional $4 billion for? The Minister of Finance (Mr. Lalonde) has never come into the House and explained what this further requirement of $4 billion is required for. Is it required for a Government slush fund? Is it the world's most expensive safety net, or just what is it? The Minister of Finance has never said.

Moreover, $2 billion of the authority granted in this Bill and $2 billion of the authority granted in Bill C-143 does not have to be used this year. It does not lapse until it is used. Parliament is being asked to grant authority today that might not be used until the year 2000. Think that over very carefully, Mr. Speaker. It is a long time ahead. Why is the Government so anxious to get this additional money that it may not use for a very, very long time?

This year's deficit has been 15 years in the making. It is due partly to slow economic growth and partly to irresponsible fiscal policies. The deficit has climbed from $491 million in 1968-69 to $31.3 billion this year. Spending has climbed from $12.6 billion in 1968-69 to $100.2 billion, on a national accounts basis, this year. Yet in August, 1969, the Prime Minister (Mr. Trudeau) warned, and I quote his words, "We'd be on the road to financial disaster if nothing was done to bring spending under control".

What has the Prime Minister done to bring spending under control? Absolutely nothing. Hon. Members opposite have been spending as though life is one great spree—spend, spend, spend—and the taxpayers of this country will make up the difference.

What are the costs of all this reckless spending? The growing interest burden is $1,800 per taxpayer or $700 per capita per year.

I should like to deal for a moment with the question of reduced fiscal flexibility. One revenue dollar in three today is used to service the debt, as opposed to one dollar in nine 15 years ago. For every $3 the Government spends, it must borrow $1. If there had been no deficits since 1968 the cost of servicing the debt this year would be $2 billion, not $18 billion. That is a shocking thought, Mr. Speaker. It shows the complete financial irresponsibility of the Government.

Let us look at the fact that private sector spending has been crowded out more and more by what the Government has been doing. This year the financial requirements of the Government will be equal to 84 per cent of expected personal savings. Interest rates could rise this Fall if private sector loans pick up as a consequence of recovery. As for confidence, the investment community does not trust a Government that continues to live so far beyond its means. That is one of the reasons it is so difficult for the economy of this country to get on its feet and produce the jobs our people so badly need.

Now let us look at the future. To date the Government has come to Parliament seven times in this session to ask for more borrowing authority in the following Bills, Bills C-30, C-59, C-111, C-125, C-128, C-143 and C-151. In fiscal 1982-83 alone, the Government came to Parliament, hat in hand, four times to seek borrowing authority.

The fiscal projections tabled with the April 19 budget would suggest that Parliament is in for a steady stream of borrowing authority Bills over the next few years. The financial requirements of the Government of Canada over the next four years will total $93.2 billion, so Bill C-143 and Bill C-151 are just the tip of the iceberg.

Over the four-year period extending from 1983-84 to 1986-87, the Government projects total spending of $438.1 billion on a national accounts basis or $390.5 billion on a public accounts basis. The deficit will total $112.3 billion.

The Government's fiscal mismanagement is hurting the business community very much indeed. Interest rates have been higher than need be the case as a consequence of heavy Government borrowing. The Government has tried to raise revenues through measures that will hurt the business community. The "half-year convention" will hurt the cash flow of business. The 12.5 per cent small business dividend distribution tax will punish small-businessmen who dare to become successful enough to pay a dividend.

The Small Business Development Bond has become a "bailout" bond with an interesting Catch-22 situation—you cannot apply unless you are in trouble and if you are in trouble, the bank will not lend you the money. Is that not a shocking situation, Mr. Speaker?

Small-businessmen are no longer able to participate in new deferred profit-sharing plans. Increased taxes on employee benefits will place increased wage demands on employers and make it hard to recruit employees in remote areas. There is a need for less Government red tape and paperwork.

The April, 1983 budget does not go far enough in undoing the damage of the 1981 budget, particularly as far as small business is concerned. The investment tax credit and share purchase tax credits are, in the words of CFIB President John Bullock " . . . much too restrictive . . . 90 per cent of business

startups in labour intensive industries like retail, service and distribution are ignored."

The indexed security investment plan will be of use in attracting equity investment in large firms but no offsetting measures are offered for small business. The Liberal's national energy policy has virtually destroyed the oil and gas industry. It has brought energy investment to a halt and stopped megaprojects which would have created thousands of jobs across Canada. The Special Recovery Capital Projects are a drop in the bucket compared to the lost megaprojects.

• (1620)

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, it does not give me necessarily a great deal of pleasure to participate in the debate here this afternoon because I believe this Bill is a rather shocking record of the Government across the floor from us. We are in second reading of Bill C-151, the borrowing authority, where the Government is asking us for $14.7 billion to continue its general business of running, or lack of proper running, of the Government of Canada. This is in addition to $16 billion for which it still has borrowing authority approved under Bill C-143, which was passed by Parliament in February.

The reason this is so shocking, Mr. Speaker, is that since June, 1982, the Government has come to us, the Parliament of Canada, to ask for borrowing authority, including this time, on five separate occasions. There was Bill C-111 in June, 1982, in which the Government asked for $6.6 billion. Then it came back with Bill C-125 and asked for $7 billion. Following that there was Bill C-128 in which it asked for $4 billion. Then there was Bill C-143 in which it asked for $19 billion. Now there is Bill C-151 in which it is asking for $14.7 billion. That is an accumulated amount of $51.3 billion, Mr. Speaker, since June, 1982, until the present time, a period of one year. That is an average of over $4 billion a month which this Government is asking to borrow so that it can sustain the general operations of the Government which it has created. I maintain, Mr. Speaker, that part of the problem is that there is a real lack of planning by this Government. There is certainly no long or medium-term planning. At best, there may be some short-term planning which comes into practice in the programs.

The Government purports to be doing good for the Canadian people, but I would suggest it is doing very little by way of good for the Canadian people when one looks at the horrendous amount of the national debt which has accumulated over the years from the deficit budgets of this Liberal Government. We are finding that an ever increasing amount of the general revenue which is coming in is going toward paying interest on the national debt. It is coming to a point where the taxpayers of this country can no longer afford to sustain a Government which goes on a spending spree which can be compared somewhat to that of a drunken sailor. Unless we start doing some long-term planning in this country, we are going to find ourselves in a position of not being able to maintain any sort of decent standard within the federal Government.

If one looks back to the time after the February election in 1980, one finds that we in western Canada were promised a Western Development Fund of some $4 billion. I would like to find out where that Western Development Fund is today, Mr. Speaker, because we have never seen it come into reality in western Canada. It is just the same as many of the programs promised in eastern Canada which have never come into existence. There have been false and empty promises, and that aggravates me and it is why it does not give me a great deal of pleasure to even participate in the debate today in this House of Commons on this borrowing authority Bill. When we asked questions about the Western Development Fund, we were told that it is still in the planning stage. When we asked where the money was, they said it had not been appropriated as yet. When we asked which Minister was in charge of the Western Development Fund, they knew not which Minister was in charge of it. When we asked which programs fall under the Western Development Fund, they could not tell us. I maintain, Mr. Speaker, that there never was a Western Development Fund. It was an attractive bit of verbiage which was put into the Throne Speech when this parliamentary session first started back in the Spring of 1980.

That Western Development Fund, which was much talked about, was dreamed up in order to grab some headlines in the press for the present Liberal Government. Some people thought that maybe it would be at least a patronage program for some areas of the country, but it was not even that. The Western Development Fund did not exist. There were no special appropriations set out for a Western Development Fund. Instead of that, the bolstering up of the economy in western Canada has gone in reverse. Government has taken away from the economy of western Canada, particularly from farming.

In our agricultural sector we find that farm bankruptcies this year are up 130 per cent over the same period last year. In addition to that, an increased burden is being placed upon the farmers, the producers in Canada, by removing the statutory Crow rate. Just what does that mean? I will pick two delivery points, Mr. Speaker, one being that of The Battlefords, where, by the year 1990, just the cost to the farmers who deliver to that delivery point alone would be an additional $1.15 million per year. For the town of Meadow Lake, a population of only 4,000 people or a little less, to deliver to that one delivery point would take out of the pockets of the farmers $1.43 million per year. Depending on which agricultural economist you want to listen to, that agricultural dollar has a multiplier effect of between four to seven times. Therefore, in the Meadow Lake area alone, for the farmers who deliver to the elevators at Meadow Lake it could cost very close to $10 million a year out of that community. In The Battlefords it would be almost an equal amount. So instead of saying the Government is helping us by these great programs which it is putting into place, it is actually helping our country deteriorate in an economic sense. I believe that the consequences of that will have social repercussions which this Liberal Government will grow to regret in the years to come.

The Government takes away also from the fishing industry under the guise of the Freshwater Fish Marketing Corporation. In what should be a thriving fishing industry on the East and West Coasts, we find that fishermen have to go out to look for other areas of work, work that does not exist because of the way that this Government has run down the fishing industry as well. Lake Athabasca in the northern part of my constituency, which operates under the Freshwater Fish Marketing Corporation, no longer has anyone fishing in the lake. This is the largest lake in the Province. It is now costing the fishermen more to transport their fish to the Strathcona plant in Winnipeg than the price they are receiving for their catch from the lake.

I believe, therefore, Mr. Speaker, that we are in very bad trouble. We are finding industries such as agriculture, fishing and manufacturing going down. Those people, especially in fishing and farming, are looking to other places for employment, either leaving agriculture and fishing, or looking to other areas to augment or supplement their incomes. But those jobs are not there in other areas as well, Mr. Speaker. I think that speaks volumes for the poor record of this Liberal Government.

• (1630)

I have many letters and, as you are well aware, Mr. Speaker, petitions which come in every week from my constituency asking that this Government do some sort of long-term planning that people can rely on for their own planning for the future. Canada should have a very vibrant economy. We have an abundance of natural resources and a very small population. If this Government cannot plan in such a way that our wealth can be distributed more equitably among the population of this country then I think the Government should go to the people of Canada and get the real message that people want to give to this Liberal Government.

Mr. Scott Fennell (Ontario): Mr. Speaker, I would like to commend the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish). That is probably the closest that side of the House has come to moving over to a conservative stand.

Some Hon. Members: Hear, hear!

Mr. Fennell: We are finally getting some wisdom from them. Mind you, Mr. Speaker, the whole world is going conservative. The Prime Minister (Mr. Trudeau) has decided that his socialist programs are not working so he has turned over and is trying to go conservative. But I think it is too late for him and I hope we in the Opposition can build our support and become the next Government. I believe we will because we have been consistent, whereas the Liberals are inconsistent; they are up one day, down the next. So I commend the Hon. Member who just spoke. He hit on a number of very important points.

The Hon. Member referred to fishing and farming. That is a concern in my riding but not a large one because it is predominantly industrial and suburban. But we have the same problems in Ontario that they have in the West. There is no difference between what is happening in our Province and what is happening in the Hon. Member's Province. Perhaps in his Province things may be moving ahead a little more with the aggressive policy which has been established out there, but this federal Government is not addressing the major problem of a lack of long-term planning. The last time I spoke in this House, and I have spoken so often on this—

Mr. Fisher: That is true.

Mr. Fennell: Well, Mr. Speaker, the Parliamentary Secretary knows how often I have had to speak against additional borrowing, five times in one year, and I think four of those were in about four months.

Mr. Fisher: We are accountable to Parliament.

Mr. Baker (Nepean-Carleton): What you need is a good accountant.

Mr. Fennell: Does the Government not know it should have a plan that will last at least one fiscal year?

Mr. Fisher: Tell that to your finance critic.

Mr. Fennell: The Government brought in its budget and now it keeps hitting us with additional borrowing. Where is it going to stop? This is a sham. The Minister of Finance (Mr. Lalonde) set our deficit this year at $31 billion. He now indicates he does not expect it to be that bad. The game the Government is playing is very simple. It was going to be $31 billion but, ladies and gentlemen, we have done such an excellent job of getting this economy back on the tracks that it is only $25 billion. Well, Mr. Speaker, whether it be $25 billion, $30 billion or $50 billion, it is too much and the country cannot stand it.

This will have a negative impact on future generations. We are not going to be taxing the present generation because all this money will do is to cover 50 per cent of the interest expense on this Government's debt. In 1968-69 when the Prime Minister came to office, there was an annual expenditure of about $12 billion. I cannot get my hands on these figures, but I understand the debt was less than 10 per cent of what it is today. Well, Mr. Speaker, I believe that the Parliamentary Secretary across the way should, if the Minister of Finance is unable to, develop a schedule of how much money we owe, to whom and when it is due.

Mr. Fisher: Read the budget.

Mr. Fennell: My concern is with the deficit, Mr. Speaker, because I have five children. I do not know how many hundreds of thousands of children in my constituency will be faced with this debt. The borrowing goes on and on and it does not reflect any over-all Government planning. I call it a band-aid, but it is a hodge-podge where everything is sort of thrown together.

I believe an election is coming, Mr. Speaker, because the Government is paying off all these areas across Canada with make work projects. That is not solving our criticial problem.

The Minister of Science and Technology (Mr. Johnston) has acknowledged that we have an unemployment problem. These small, short-term programs are not going to solve that problem. We put $5 billion out here, $5 billion out there. I do not think many people in this country can comprehend how much $1 billion is, let alone $30 billion. Well, it is thirty thousand million. It has nine zeroes after the number. That is an immense sum of money and no one in this country can comprehend it. If our total debt is $135 billion and we divide that among the 24 million people, you have around $6,000 for every man, woman and child in the country.

We really cannot go on with this. I expect another borrowing Bill will be brought in in September when we come back or during the Summer, if we sit in the Summer. Where does it stop? We do not know why this money is needed now. Is the Government replacing previous high interest borrowings? If so, I can accept that. But I do not believe they have to come to the House for that. The Hon. Member for Capilano (Mr. Huntington), who spoke just before me the last time on this Bill, has developed, along with one of his colleagues, an excellent program which would really assist us in the House in dealing with our over-all expenditure. It would be a great benefit, but he cannot get the formula accepted by the committee in which he is working. That to me is a shame because we must look at Estimates, we must get them long before the budget, and we must know how each Department is going to function, where the money is going to go, and we should know this well in advance. Instead, all we get from this Government on where the money is going is press releases every day about giving more money away to the different sections of the country. It is very difficult for an MP to keep track of all these numbers. I have a file on them all and I will be using it in the next election because it will show where the money is going.

One thing I am very worried about, Mr. Speaker, is that the private sector has had a very short time to do some equity financing. If we go into the marketplace and start competing with the private sector, that opportunity will be eliminated. Again we will force the private sector cost of interest up and up. The higher it gets, the more the private sector must capitalize its interest costs and the less productive it is. This is the one point to which I am really violently opposed because I am sure that following this borrowing authority Bill our interest rates will rise. It has already been seen throughout the U.S. market, which is experiencing the same problem, but we are just following the Americans. We could have done something better, but we did not. Our interest rates will rise and the country will be in the same morass that we were in less than a year ago.

• (1640)

I understand that my allotted time has almost expired. I have enjoyed the opportunity of speaking to the House on the subject. I regret that we will not be able to stop this borrowing authority with our numbers; otherwise, we would. I am against it. I need more explanation. I need more reasons for the need for this money.

Borrowing Authority

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, it seems as if it were just yesterday that I was standing here in the Chamber debating a Bill in which the Government requested the right to borrow $19 billion, the largest borrowing authority Bill in the history of Parliament. Now, just a few short weeks later, I find myself rising again to debate what the Government is asking to borrow, an additional $14.7 billion. So little time has elapsed since then that I clearly remember well my concern. At that time the Government was requesting to borrow $19 billion. It seemed that my concerns had fallen on deaf ears. I was concerned about the wasteful Government spending which has been going on for the past 15 years. Tax dollars have been spent on advocacy advertising, $70 million to tell us, among other things, of the wonders of the six and five program, to tell us what a good job the Government is doing. Billions have gone toward bailing out Dome Petroleum and Canadair. I was also concerned about the effects an accumulated deficit of $134 billion would have on the youth of today and on each and every taxpayer who will have to bear this heavy burden year after year.

It is just a few weeks since I rose in the House, and nothing has been done to alleviate those concerns I expressed. Those concerns still stand today, but they have an even greater effect because the figures have changed. For the seventh time, we are debating the right to borrow additional money. We are now facing an accumulated deficit of nearly $150 billion and a deficit for this fiscal year of $31.3 billion. We cannot expect much change in the next four years with a predicted yearly deficit averaging $25 billion.

Since this time last year, the Government has received authority to borrow $41 billion to meet such costs as those involved in operating various social programs which have skyrocketed because of the recession. Every three or four months the Government has come and asked the House to approve yet another borrowing Bill. The frightening trend has been established and this financial practice just cannot be allowed to continue. The Government cannot continue to operate under the impression that it will be given additional authority to borrow billions of dollars every time it feels the need to do so.

As was evident in the last Bill and with respect to at least $4 billion requested in the current Bill, the Government is not justifying the need to borrow funds. Since 1980, a total of $61.6 billion worth of borrowing authority has come and gone through the House. We are now asked to give authority for a further $14.7 billion. The Government feels that it should be able to spend and spend without any control over its spending. I strongly believe that the Government has lost all sense of fiscal responsibility it once had. It appears to have lost the ability to budget accurately and cannot work within the financial limits it has imposed upon itself. I am amazed and, at the same time, frightened by the "laissez-faire" attitude of the Government which treats billions of dollars without any concern whatsoever. Those billions are adding up faster than we could ever have imagined, yet the Government keeps

requesting more and more to add to our already escalating deficit figure. It is never ending.

Let us briefly consider the purpose of the latest request for borrowing authority. The Minister has indicated that the money will be used to cover the expenditures outlined in his recent budget. At that time the Minister of Finance (Mr. Lalonde) told us that he would need $26.7 billion to cover his current expenditures. Of that sum total, the Government had already received the authority to borrow $16 billion under the last borrowing Bill, Bill C-143, leaving an additional $10.7 billion to cover the remaining expenses outlined in the Special Recovery Projects, additional funding for Summer Canada and other employment programs, and for the Home Ownership Stimulation and Home Renovation Plans. We can certainly provide our support to fund these projects provided they achieve the goals they are set out to achieve. However, recent experience has revealed that many of these programs are only a smokescreen and will not create the number of immediate jobs which the Minister indicated they would, to say little of meeting long-term employment needs, which is desperately required here. My colleague, the Hon. Member for Vancouver Centre (Miss Carney) has already outlined those inadequacies in her excellent speech given four weeks ago in response to the Minister's introduction of the financial budget. Therefore, I do not wish to dwell further on those. Instead, I will go on to deal with the remaining $4 billion of borrowing authority which I have not mentioned.

The Government has indicated that it is requesting this additional money as a contingency fund, just in case. Just in case of what? Can the Government not predict its expenditures for the next six months? Does it not know how much it will have to spend on the present programs? If it is not able to do so, then perhaps it should not be running the country.

It appears that we as legislators are constantly being asked to approve requests for additional funds without ever knowing the justification or the reasons. We do not know whether, in actual fact, there is a requirement of the Government for these moneys or for whatever reasons. If there is not a justifiable need for additional funds, then we should not be burdening the taxpayer with greater deficits to shoulder through the addition of interest payments on money which was not needed in the first place. We as legislators should be concerned with the responsible dispatch of tax dollars and the Government must be accountable to Parliament for the tax dollars spent. We must ensure that we have control over the public purse. I fear that we are coming dangerously close to losing that control.

Government Departments spend as if there were a bottomless pit. There are no incentives whatsoever for them to curtail their spending estimates from year to year, thus reducing their budgets. Naturally, each year a Department estimates its spending needs. Rather than turning back any funds it has not expended, projects or non-essential programs are found to utilize those funds. If the money is there, it will be spent. That is why I believe the Government must only request borrowing authority for what is actually needed and justified. Funds should not be requested for what the Government only thinks it may need. There is a big difference. Until the Government regains its sense of responsibility and justifies its request to Parliament, the country will forever be in debt, mortgaging away the future of Canada.

I appreciated the opportunity of taking part in the debate at this time.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, it is a great pleasure to follow the speech of the Hon. Member for Leeds-Grenville (Mrs. Cossitt) in this debate in the House of Commons which is of some significance, and I will deal with it. I am glad that the Minister of National Revenue (Mr. Bussières) is present in the House, because I will consider the Bill in the light of a matter which was reported in terms of Government revenue today. I want him to be here to listen to what I have to say.

I very well remember the day the Leader of the Opposition and I had the privilege of bringing the Hon. Member for Leeds-Grenville into the House and introducing her to the Speaker. It was a very happy day. She has justified the faith of those of us who helped her in the course of events since she has come here. I think she has shown great concern for the senior citizens, the youth, the unemployed, and those among whom I would call the disadvantaged in the community today.

• (1650)

I am also very pleased to have heard the speech from my friend, the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish). He and I do not kick with the same foot politically. But I thought he was getting awfully close to putting on my shoes when he was worried about the size of the deficit. I want to congratulate him for his conversion, perhaps a death bed conversion, but a conversion nonetheless that warms our hearts when we listen to this kind of change that comes about when the House is considering further borrowing of $14.7 billion.

I do not know how the Government came to that figure. The Government said $14.7 billion and some cents. We would be no better than in the position we are. It is a mammoth figure. We have become so used to thinking in terms of billions that we have translated C. D. Howe's "What's a million?" into "What's a billion?". That is what has happened to this Government and its expenditures. Why, Mr. Speaker? It is because this Government forgot the biblical injunction that should hang over all governments that they should store up in the good years against the bad. What happened to this profligate Government through a whole range of Ministers of Finance from John M. Turner to the present Minister of Energy, Mines and Resources (Mr. Chrétien), to Mr. Macdonald—what was his first name?

Mr. Fennell: Donald.

Mr. Baker (Nepean-Carleton): Donald Macdonald, now the Bay Street baron who is looking after the interest of our country on that Royal Commission, to the present Minister of Finance (Mr. Lalonde), to the former Minister of Finance who

has been sent to his resting place in External Affairs. What we have had is the policy of spend, spend, spend, no hard decisions, no choices, no priority giving at all, until we find ourselves in this position, that caused the present Minister of Finance to bow a little in the direction of some programs, which are important and which were contained in his last budget, and to defer the taxation and payment for those programs somewhere down the road when our Government will likely have to deal with the matter.

In the meantime, as the Hon. Member for The Battlefords-Meadow Lake said, it has accumulated, up to and including this Bill, a borrowing record for any government per capita in North America an amount of $51.83 billion since June, 1982. That is $4 billion a month. That is what it amounts to. Why do I mention that figure, this grasping for borrowed money, this mortgaging of the future? Why do I mention that figure in relation to the Minister of National Revenue? I will tell you why, Mr. Speaker. I want to bring to his attention a case of a small company that has been victimized by the Department of National Revenue for the sake of some $60,000. This is an amount the company owes because it did not pay withholding tax on salaries. The company admits that was wrong. It was balancing priorities. The Minister's Department moved in on this company. The story is in today's paper. The company involved is Kitcraft Enterprises Ltd. This company is located in the riding of the Minister of Transport (Mr. Pepin). Where was he when that company needed protection? Where was he? The Department moved in and tried to collect $60,000. The Department did this when it knew there was evidence that the company was negotiating—it had the support of the bank—with the Eastern Ontario Development Corporation for more funds. What is their position now? If the company goes bankrupt as a result of the move by the Minister of National Revenue, the Government will not get the $60,000. The 20 workers or others who might come along will not get any security of employment in that situation. That is not supportive of a small business doing its best to get itself out of a difficult problem. I suggest that when that happens and the Government in the same breath asks me to approve, willy-nilly, $14 billion in borrowing, I will have to say that the Government has its priorities all wrong. That $14 billion in borrowing and its addition to the deficit will not provide the atmosphere where small business or large business will look forward to an era where the deficits will become less and less a drag on investment opportunities and opportunities to expand.

I listened to the Minister of Finance's budget speech. I tried to find some place where he did what should have been done, not wipe the deficit out in a week, or a month, or a year, or two years, but at least begin as my seatmate did, the Hon. Member for St. John's East (Mr. Crosbie), who began in his own way to attack the deficit in 1979. But the difference between 1979 and 1983 is that we have lost those years. Members on the Government side know that. It burns me up when I read in the paper about the Government's sweating the taxpayer, putting someone out of business for $60,000, which action will not do the Government any good. The Government will not collect the money. At the same time that the Government does that it comes into the House and has the guts to ask the House to approve out of hand a borrowing that is criminal in its size and sinful in its intent, because its actions do not do one thing to lower the deficit. They do absolutely nothing to lower the deficit. Then I read the same budget which, in human terms—

Mr. Lang: Job creation.

Mr. Baker (Nepean-Carleton): The Parliamentary Secretary says job creation. If the Parliamentary Secretary had read the budget of the Minister of Finance, he would know that the unemployment rate during the period of time for which the Minister of Finance predicted is not going to change appreciably, and that he and other Members of Parliament are going to have day after day after day coming through their offices people whose legacies have been forgotten by this Government. I am talking about the young people of the country, those between the ages of 14 and 25 years for whom, as any statistical analyst will tell you, there is no hope of any change. I am an optimistic person by nature. I heard that budget, the plaudits, the acclaim, but I saw those statistics in terms of employment. I read the column of Jack McArthur in the *Toronto Star* who argues:

> It's true that the jobless rate for the 15-to-24 age group has bloated to terribly high percentages.

But then Mr. McArthur says:

> But it hasn't increased any more rapidly—

Isn't that a comfort? Mr. McArthur does not say unemployment will go down. Mr. McArthur says it will increase, that it is going to maintain itself. We have become used to these high figures in this country. We have become used to sin. We have become immune to these figures and these things. But I am not immune to them. I think they are a shame. I believe that before a government comes before Parliament to ask it to approve this kind of borrowing it had better do something about those people, that small business to which I have referred and a host of other people and businesses who are finding they are disadvantaged at the end of a long Liberal tenure.

• (1700)

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I appreciate the contribution of the Hon. Member for Nepean-Carleton (Mr. Baker) who I think has put a great case before the Minister. As a farmer I have been required to go to the bank quite often this last while to try to keep my enterprise going. The banker is becoming more reluctant to say yes. In fact, the next time he may say no. We all know that there are limits on individuals in society as to how much they can borrow, yet the Government in this session of Parliament kept returning to borrow more and more money for programs. I believe the Government came before us seven times in this session of Parliament.

I have listened to my grandfather and my father talk about the recession and Depression of the 1930s and how they grew

up with a feeling of frugality. They had to be cautious about their expenditures and plan their businesses well so that if times were hard there was a little something to keep them going. That generation grew up saving and preparing themselves for difficult times. Perhaps the Premier of the Province of Alberta had some experience in that regard. He set up the Heritage Trust Fund in the early 1970s when things were going well. Right up until 1980 there was revenue coming in. A decision was made then that perhaps the good times could not continue forever and that money should be set aside, which was not necessary at the time and could have overheated the economy, for difficult times. Now the Province of Alberta is reaping the rewards of that decision and is drawing on that fund to assist its people. In terms of unemployment, Alberta is suffering as much as other Provinces. Its unemployment rate has doubled in the last year, but at least that money was set aside.

As was pointed out previously, the Government of Canada set aside nothing in that period of prosperity. In fact, the Ministers of Finance established deficits in their budgets and added more and more programs, perhaps to gain another election victory or for whatever purpose. They saw no difficulty in going to Parliament to borrow. The same has happened to the generation in which I grew up. We were relatively pampered. Things went well in the early 1950s. It was easy for my generation to go out and borrow and prosper. Suddenly many of them have lost their businesses and homes because they went too far in that regard. The Government should recognize this.

In that same period of time young people were driving big cars and were not very concerned about the future when they left jobs. There was no problem because there were plenty of available jobs. But as the present generation leaves school, they find that the country has no need for them. They are faced with high unemployment rates at the same time as they reluctantly look to the Government for assistance. They find that there is not much assistance and that they cannot put their faith in governments to solve the problems. In fact, in many cases governments are causing the problems.

When I ask some of my young constituents why they are in despair, they say that they looked to a future in the oil industry but the Government took it away from them with its National Energy Program. Tens of thousands of jobs which should have been available to people in my riding have now been lost as a result of Government policy. They do not look to a bright future. I suspect they will grow up in much the same way as some of our ancestors, reluctant to invest and to help our country out of difficulties as a result of leadership which has not followed the best economic policies in the last ten years or 15 years.

The Government comes to Parliament requesting not only the necessary borrowing authority to take it through the next few months. No, that is not adequate. It comes with a request which is far greater than what is actually needed. If it provided leadership to the citizens of the nation and said that it would borrow what was needed this month and attempt to pull back on its programs so that it would not have to return for more money next month, then I suspect Canadians would tell Parliament to pass the Bill. But that is not what the Government is doing; that is not the leadership it is providing. Not only have we passed a borrowing Bill a few months ago, it still has adequate borrowing and in fact a carryover of $2 billion. It is coming to Parliament before the summer recess and asking for another massive amount of money, some $14.7 billion, with very little justification as to how it will be spent or how it intends to be frugal in its spending practices.

We have had some success in convincing the Government that this theory is wrong. We have asked it over and over to come before Parliament with reasonable requirements and we would pass them quickly. We have indicated that if it had to come to Parliament more often, it would be fine as long as there was justification for it and it could show that it was attempting to cut back in extraordinary expenditures. But when Government comes before us requesting much more money than it needs for the next few months, it is very difficult for me as a Member of Parliament and for many others in this Chamber to say yes.

We have to show Canadians that we are capable of functioning without ever increasing deficits, without constantly borrowing and spending beyond our means. If we do not, we are not providing leadership to our young citizens, businesses and others that will encourage them to participate. We still have groups of people in Canada who are demanding far more than they require. If some group is successful enough to receive its demand, then other groups ask for the same even with massive unemployment, massive bankruptcies and so on.

If we do not get our spending under control, the programs which will suffer first are the social ones. Many people are now saying that we cannot afford these programs. I agree that there are some we cannot afford, but there are many others in times of recession which are absolutely necessary. I am sure in the next while they will be the ones which the Government and people will be attacking.

Rather than spending billions of dollars on establishing new Crown corporations, even one that does not spend much money but is superfluous, such as Canagrex, the Government seeks authority to borrow more money. Instead of pulling in its horns and offering incentives to the private sector that can provide jobs and help us out of the recession, we are faced with budgets that provide for larger deficits and more borrowing for federal Government spending.

I see my time has gone, Mr. Speaker; it goes by so fast.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to be here but I am not particularly pleased to be speaking on another borrowing Bill, Bill C-151 to borrow $14.7 billion, $4 billion of which the Government has given no indication as to how it will be spent or why it is wanted. This borrowing puts the borrowing per month over the last year at more than $1 billion per week. That is a fantastic record for the Government of Canada, probably a record among many countries of the world. Our friends opposite often challenge us

to be specific about where we in the NDP or those in the Conservative Party would make cuts if we were in Government. Such cuts could easily be listed because over the years the Auditor General has given us thousands of examples of where Government has badly managed its expenditures.

• (1710)

What does a Government have to do? Quite a number of practical suggestions have been made over the past number of weeks that this Bill has been before us as to how the deficit could be cut. Government Members must ask themselves whether they should continue to advocate the kind of deficiencies that appear in the operations of Government because deficits just do not happen. They are either planned or accidents of bad management or planning. In many cases, analysing Government spending turns up examples of bad management and bad planning.

My constituents ask me why this was allowed to happen, how the Government ever got in the situation in which it finds itself. They ask whether this kind of deficit financing and borrowing is of value to the country and whether it has been necessary over a long period of time.

For many years Canadian Governments did well in balancing their budgets. The first big spender in Government was Diefenbaker. Every year of the Diefenbaker Government there was a fairly large deficit. When we look at it now, it appears as though it were a small deficit. That was the beginning of the big spenders. The Pearson Government which followed balanced a couple of budgets. However, since this administration has been in power, this Prime Minister (Mr. Trudeau) has been the second of the big spenders.

This Government is well assisted in the expending of money by Crown corporations which the Government says must operate at arm's length. We in this Party are often attacked by the Liberals and Conservatives who say we are the big spenders. However, the Government record in Saskatchewan proves that even though we put before the people of that Province good programs and expenditures, we did not plan large deficits such as this Government is doing.

Saskatchewan was the deepest in debt of all Provinces in 1944 when the first CCF Government was elected. After 30 years, with the exception of Alberta, it had the least public debt. Over those years, it had put in place some of the best social programs in Canada, if not the world, and paid for them. That is what I mean when I say that planned spending is what is important.

Last year the Conservative Government of Saskatchewan had a larger deficit than in the previous 77 years. The planned deficit this year will be higher than in the previous 78 years. If it continues in this way, it will soon catch up to the federal Government.

When we allow the Government to proceed with a Bill such as the one before us, Bill C-151, it is our responsibility to see whether the Government is a good custodian of the taxpayers' money. It is part of our responsibility to ensure that what the Government spends is well spent. For example, if in the past it was a good custodian and spent well, maybe then we could be expected to support it when it asks for more money.

Let us look at the record of this Government. Let us look at the last annual Report of the Auditor General. I could go through many such Reports of the Auditor General and pick out thousands of authentic examples of bad expending of money. It is interesting to note that the Auditor Genral said in his 1982 report. It will paraphrase rather than read the exact quote. He stated that the examples they chose to put in the 1982 Report were not the worst or the best examples. If they are not the worst examples, I would like to see them, because what he listed in his Report illustrates the weakness in Government spending and control.

I would like to list some of those examples. A number of people who appeared before the committee talked about how the Government could take control of its spending so that spending did not continue, absolutely out of control, as stated by the previous Auditor General. There are a number of obvious examples in the Auditor General's Report. Statutory expenditures over which Parliament has no control are quite often over-expended and are often indexed. They were set 15 years ago and have been indexed ever since without any need or effort to make those increases viable in any way. They just increased automatically. We have no control over expenditures by Crown corporations. We have no control over money put out by this Government in the form of letters of comfort. Parliament does not have control, nor does the Government it seems, over tax credits established over many years and never reviewed expenditures. Let us look at some of these. All of these together have led to a $250 billion deficit, $180 billion in the public accounts and the rest in areas over which Parliament has no control. It is time we got that kind of control over expenditures, that we had some input with regard to the expenditures of the Government.

• (1720)

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, if I have caused some disappointment over there, I am genuinely sorry. It is my intention to join in the debate this afternoon. Rather than being somewhat repetitious by talking about what has been repeated many times, I think that it would be appropriate if my remarks dealt with the agricultural sector, a subject which I feel more at home with and which I think should be discussed at this time.

I want to talk about borrowing in the agricultural sector, and more particularly about the agricultural sector's repayment of borrowed funds. It is the repayment of borrowed funds that has brought on what I would consider to be a very serious crisis in the agricultural sector right across Canada. This crisis has been most noticeable over recent months.

I must say that it is one thing for the Government to come before Parliament and ask for borrowing authority for $26.7 billion but quite another to conscientiously explain how that amount may ever be repaid. If a member of the agricultural sector buys a farm or any part of a farm, repayment is a pretty important factor. The farmer dare not ignore the aspect of

repayment or he will be in trouble right from the beginning. Of course, farmers do not have the luxury of a national debt that can pile up indefinitely without any concern, and this is the impression with which we in Parliament leave the farmer, especially when we talk about a borrowing Bill.

Private Members' Bill C-653, at present before the Agricultural subcommittee, is attemting to address this problem of borrowing and the consequential repayment of borrowed funds that is faced by the agricultural sector right at this moment. Various witnesses who have come before this subcommittee have emphasized a number of facts that I believe we should talk about and discuss. As has been brought out in the subcommittee, most of the farmers who are in serious trouble are younger, and I think it is fair to say that, to a degree, they are less experienced. Many of them seem to be around the age of 30 which, when one spends a whole lifetime farming, is a rather young age.

A larger percentage of those farmers who are in trouble seem to be involved in my industry, the beef cattle industry, and perhaps this is understandable since the cattle industry has traditionally been a long-term type of farming operation. It takes many years to become established as a beef cattle farmer with a complete turnover in operation. It does not matter what sector of the cattle industry one is involved in, whether it is the cow-calf sector or the feeding industry or even the breeding industry, they are all long-term operations. The long-term nature of the cattle industry is perhaps understandable since I have always felt that it takes at least four to five years before a complete cow-calf cycle can fulfill itself or, by the same token, fail. This adds considerably to the financing of any cattle operation.

The year 1982 continuing into 1983 was easily the worst year of many years, and for many farmers it was a disastrous year. We are still accounting for that, and the subcommittee is making it rather obvious. The immediate explanation for this unsuccessful year is that dramatically increased operating costs have been so apparent over this period of time. Such increased operating costs include interest rates that have been as high as well over 20 per cent, record high fuel and fertilizer costs, record high farm land costs at least up to the end of 1981, and a major reduction in farm production prices such as all cereal grain prices, some of which have dropped well over $1 a bushel over the last two crop years. We have also seen continuing low cattle prices persist industry-wide over the same two years. We have seen all-time record high machinery and equipment costs, and we must not forget that repair costs for that equipment are also at a record high. A continuation of all these factors has created this crisis in agriculture for many of the younger farmers. Essentially, it is a crisis in borrowing and repayment on the individual farm level.

Very often during the subcommittee hearings I have received personal comments and letters from farmers outlining their particular crisis. They invariably make a statement which I have heard many times and which goes something like this: "Through no fault of our own, a series of disasters has brought on some final crisis or final demise of my operation." The farmers emphasize that this occurs through no fault of their own. In many cases those farmers were probably alluding to such traditional farm hazards as drought, especially in western Canada, killing frosts, especially in the summertime, and various forms of plant pests and diseases. The same goes for livestock farmers.

These and many other farming hazards are more or less routine or standard hazards that any farmer must face. If the farmer is serious about engaging in the farming occupation all his life, then surely he must plan according to those risks. Certainly a serious drought or a killing frost is not the farmer's fault, and we all recognize that, but surely all farmers, especially successful ones, are well aware of this risk and must be prepared to acquire a philosophy of living with this possible difficulty. It is part of farming as a way of life. We must learn to farm in spite of these hazards, to forget about whose fault it is and to forget about trying to find somebody to blame it on.

One of the factors that has complicated agricultural financing is the dramatic changes that have occurred in Canadian farmland values. From 1971 through to late 1981, a period of about 11 years, the value of western Canadian farmlands, the only lands that I can speak for, has increased five and sixfold. This has occurred over the three Prairie Provinces and is now well documented. From late 1981 to the end of 1982, these same farmlands not only reached their peak in value, but dropped off dramatically. It is difficult to say how much the value dropped because farmland sales have fallen off so much and there are far fewer farms now being offered for sale and less available capital for such purchases. What the value of farmland has dropped to is rather difficult to determine.

As farmland values level off to new and, in my opinion, lower levels, we will perhaps see farmland values come closer to reflecting their actual or true productivity levels. Farmland financing will be more realistic and acceptable by all concerned when this happens. Surely there are serious lessons to be learned by both borrowers and lenders, and surely these are lessons that should have been learned from the example of history. I refer especially to the era of the drought and the Depression of the 1930s.

Over the almost 11 years from 1971 to 1981 while we saw a boom, it is also fair to say that we saw too much bad business judgment by both overanxious young farmers and overzealous and overly aggressive credit sources, mostly banks but also the Farm Credit Corporation and other leading agencies.

Thank you for your indulgence, Mr. Speaker.

• (1730)

Mr. Walter McLean (Waterloo): Mr. Speaker, in this debate on Bill C-151 and the request of the Government for additional borrowing authority, the voters of Canada and the taxpayers of Kitchener-Waterloo, whom I represent, will want to be reminded that in past months the Government has already come to the House for a series of authorities. This $14.5 billion will bring the authority to a total of $73.3 billion,

which in itself indicates the Government's failure to do what taxpayers have had to do, and that is, bring its operations in line with reality.

As we begin to look at this request for borrowing authority we are reminded that since the Prime Minister (Mr. Trudeau) came to office some 15 years ago, federal spending has increased more than eightfold. The Estimates of the Government tabled some months ago are part of the continuum of economic mismanagement going back to 1968. As we are asked to give approval to this and as we seek to indicate why we will not vote for this authority, we are reminded that the federal budget was comfortably in balance when Prime Minister Trudeau and his Ministers took control in the 1960s. The years that followed brought a record of increased deficits.

The Government's expenditures have risen from $10.7 billion in the fiscal year 1968-69 to at least $88.9 billion in the 1983-84 fiscal year. Of this amount $2 billion does not have to be used this year and may be carried forward to the future. Thus the Government has a cushion of $2 billion for this year plus a cushion of $2 billion to be used in any year it may choose. This gives it far more flexibility than any Parliament ought to give any Government, let alone this Government with its track record of expenditures.

The authority granted through the borrowing Bill is only part of the picture. Many Crown corporations do not require special authority from Parliament to raise funds in the financial markets, nor must they tell Parliament what their financial requirements will be. I suggest there is no urgency for the passage of this Bill and that we as Members of Parliament have a right to give expression to the concerns of Canadians about the actions of the Government.

Part of that concern is reflected in the study undertaken by the Kitchener Chamber of Commerce on the matter of Government spending. It has undertaken a study of the Report of the Auditor General which was tabled recently and it has laid before the Treasury benches and local Members of Parliament copies of its comments. While these indicate that the Government seems to be paying some attention to the recommendations of the Auditor General in the March, 1982 report, the study contains this passage:

> Notwithstanding the improvements in government control procedures cited above, we have continued concern, as does the Auditor General, with the significant waste and inefficiency in the federal government bureaucracy. In particular, we are much concerned with the very apparent use of Crown corporations for political purposes to avoid public scrutiny of government policy and ineptitude.

The study paper indicates concern about Crown corporations as a sub-Government and notes the effect of Government mismanagement and the climate for troubled companies, many of which are in the Waterloo regional area. At one point this report reads as follows:

> Mr. Donald Johnston was recently quoted as saying that the current recession was responsible for eliminating a number of marginal Canadian companies and that we should alter our course and proceed with industries that are relevant and viable in today's economic environment. We believe that this policy should also apply to government ownership in the private sector through Crown corporations.

The study deals with the management style of the Government in light of the management style that has been forced upon many small-businesses. The report has this to say:

> In 1981-82, 33 per cent of the federal public civil servants collected a total of $219 million in additional wages as compensation for overtime and at the same time took time off in lieu of payment at additional estimated $25 million. Some public civil servants were paid more in overtime than their regular annual salaries.

This is at a time when the climate for investment and productivity was almost nonexistent, Mr. Speaker. The report says:

> We concur with the comments of the Auditor General for the need for better planning of overtime ... the control of absenteeism and the need for better allocation of overtime work.

In speaking against Bill C-151 for further borrowing authority, I suggest that not only are Canadian taxpayers concerned about the management of their resources but if there is to be expenditure, they are concerned about cost-effectiveness. As the same time as the Government wants great amounts of funds to use it is in the process of cutting off programs which could be of benefit and could be cost-effective in terms of our prison system, for example.

At the same time that it is seeking extra funds comes the penny-wise and pound-foolish announcement of the Solicitor General (Mr. Kaplan) that it is too expensive to continue educational programs for prisoners even though there is proof that as a result of these educational programs prisoners come back into society with much less recidivism.

Members of the House and the public will be interested in the case of Larry Cybulski. The *Kitchener-Waterloo Record* of May 2, 1983, reports as follows:

> Larry Cybulski's university education was cut short this spring only a few credits short of his graduation.
>
> Up to that moment, his education had turned an angry young man into a person who "appreciates that there's more to life," says one of his professors, Elliott Avedon—
>
> But the 34-year old Cybulski is serving a life sentence in Saskatchewan's maximum security prison in Prince Albert. In January, federal Solicitor General Robert Kaplan cut off money for his correspondence courses at UW, saying prisoners must pay for their own education from now on.
>
> Cybulski is one of 232 out of 10,000 federal prison inmates who are trying to improve themselves through correspondence and in-prison courses. He is proof that education is one of the most successful and cost-effective forms of rehabilitation that prisons have going for them—

This is the reason that university administrators, members of the John Howard Society, members of adult education associations and others have joined in condemning this short-sighted action. It is also why, in the light of no real plans for additional borrowing authority and the failure to be wise in the use of funds that are available, I will join with other Members on this side of the House in voting against the request of the Government for this authority.

• (1740)

Hon. Jake Epp (Provencher): Mr. Speaker, what we have before us today, again, is the Government asking Canadians to pay more money. It is asking the Canadian taxpayer, through the legislative process, to give authority to this Government to

go into the marketplace and borrow more money so it can cover the profligate spending for which this Government has become known. The Economic Summit on industrialized nations which was held at Williamsburg, Virginia, has just been completed, and it is interesting to note that in the economic communiqué there are two major principles which are expressed by the seven national leaders. he first is that the nations commit themselves to reducing their national deficits. The reason that they should commit themselves to reducing their national deficits is the acknowledgement of the effect these deficits have on international inflation and, of course, inflation within the given countries. This deficit results, just as we have before us today, in a Government which has to go into the money markets to get loans, and as Governments get into the money markets they affect the rates of interest which loans will bear. This obviously has an effect on business, on mortgages and, in fact, on any loans to which the average citizen wants to obligate himself in order either to increase his business or for personal use. The fear is that if these deficits increase, and if Governments continue to be so heavily involved in the money markets, interest rates will increase and thereby curtail the economic recovery which all of us are hoping will take place.

Therefore, the first principle of that economic communiqué has been to reduce the national deficits. The second aspect of the economic communiqué has been that these Governments, these nations, commit themselves to reducing their ever escalating expenditures. This, of course, is concomitant with the first principle, as ever increasing deficits are, but it is also a reflection of ever increasing Government expenditures. It would appear, Mr. Speaker, from the press conferences given by the Prime Minister (Mr. Trudeau) and by the Minister of Finance (Mr. Lalonde) that it was these two points which Canada was insisting upon at the Williamsburg Conference, that it was Canada which was in the forefront of insisting that Governments commit themselves to reducing their deficits and their ever escalating Government expenditures. If only that were the case in Canada. If only those words of the Prime Minister and the Minister of Finance, given to the nations of the world, were in fact the case here. But their actions in Canada give lie to the words they express at international forums, because the evidence before us today, namely, another borrowing Bill, is evidence again that they have not made any serious effort to reduce either the national deficit or the ever increasing escalating Government expenditures.

Mr. Fisher: What about the six and five?

Mr. Epp: Oh, I am going to get to the six and five.

Mr. Fisher: You voted against it.

Mr. Epp: Mr. Speaker, I will get to the six and five if the gentleman will stop making the best speeches he does, and that is when he is sitting down.

An Hon. Member: Why don't you stand up and make a speech?

Mr. Fisher: We will.

Mr. Epp: Mr. Speaker, I heard one of my colleagues say that the Hon. Member should make a speech. I must inform my colleagues, in case they did not know, that those gentlemen opposite are not allowed to make speeches on this Bill.

The evidence in Canada, Mr. Speaker, is that the deficit in Canada is increasing. In fact, the Prime Minister indicates that the projected United States deficit is too high. President Reagan, and other members of the U.S. Government, agree and they are trying to reduce that deficit. However, if you take a look at the magnitude of their deficit, either per capita or relative to the GNP, you will find that the Canadian deficit on both counts is much higher than the American one. What we are saying here in Canada, Mr. Speaker, is, "United States, get your house in order." For some reason the Government is trying to convey to Canadians that things are better in Canada than in the United States, the Government it condemns.

This Government wants a deficit of $31 billion. That is projected in this budget. If you take economies of scale per capita of ten to one to the United States, that would mean that the United States would have to have a projected deficit in the coming year in the order of $300 billion to $310 billion, when their projected deficit is somewhere in the order of $175 billion. How can this Government keep coming back to this House and saying to Canadians, "Look Canadians, we have our house in order, but our neighbour to the south does not"?

What about spending? It is said that expenditures should not be escalating as they are. I do not sit on the Public Accounts Committee, Mr. Speaker, but that Committee's record and testimony is replete with cases of legitimate programs having been brought into disrepute because of the lack of financial management of this Government. From 1968 to the present, on a public accounts basis, expenditures, since this Government has been in power, have increased by some 550 per cent, five and a half times. Yet it is going internationally and saying to its industrial allies, "Get your house in order". Let us start here. We can take an even more recent date; since its re-election in 1980, Government expenditures have increased by 78 per cent. That is in this Parliament. Yet it is trying to convince Canadians it is keeping its expenditures in check. The Hon. Member for Mississauga North (Mr. Fisher) asks about the six and five.

Mr. Fisher: You voted against it.

Mr. Epp: If you will give me a minute, I will give you some detail. Just hang on.

Mr. Fisher: You cannot hide. You voted against it. It is on the record.

Mr. Epp: Just keep your blood pressure down. The Government says six and five, Mr. Speaker, and inflation is 6.6 per cent annualized now. That is great, but business, long before this Government ever thought it gave leadership, had already made decisions relative to the economic reality in business. If

the Government wants six and five, then why does its expenditures increase by double that amount?

An Hon. Member: Why?

An Hon. Member: Why? Answer that.

Mr. Fisher: What a weak line of thought.

Mr. Epp: If that is the case, why does Government not hold its expenditures to 6 per cent? If it wants wage earners in Canada to keep at 6 per cent, if it wants all services to be kept at 6 per cent, why does the Government of Canada feel justified in doubling and increasing its expenditures by 12 per cent? If that program is to have validity, and Government wants to reduce the inflation rate, then why does it increase it by 12 per cent?

Mr. Fisher: Surely you can use better logic.

Mr. Epp: That is absolute logic, and you know it.

An Hon. Member: "Six per cent for everybody but us".

Mr. Fisher: You are a man who could do his homework and yet you have not. That is shameful.

Mr. Deputy Speaker: Order. Order.

Mr. Epp: What is interesting, Mr. Speaker—

An Hon. Member: You don't know the difference between $19 billion and $126 billion, where you will be a year from now.

Mr. Deputy Speaker: Order, please. The Hon. Member for Provencher (Mr. Epp) has the floor.

Mr. Epp: What is interesting, Mr. Speaker, is that when you raise the point with the Hon. Members opposite that they seem to be saying, "Don't do as we do, do as we say", that is when they become sensitive. The fact of the matter is, Mr. Speaker, the Government is demanding from every Canadian a 6 per cent ceiling, but it will go to 12 per cent and tax all Canadians at that level.

Some Hon. Members: Hear, hear!

Mr. Epp: There is no way those Members opposite can escape that fact. That being the case, Mr. Speaker, this Government, must come to grips with its deficit and must come to grips with the escalation of its expenditures, both of which are absolutely at variance with the words Hon. Members opposite say in this House, words they want to have Canadians believe, and the words they say in international forums. Until they are able to square those words with actions, we will vote against this Bill.

• (1750)

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I had not actually intended to speak on this Bill, but after listening to the last two Conservative speakers I felt it important to rise and add just a modicum of sanity to the debate.

Some Hon. Members: Oh, oh!

Mr. Deans: The Member who spoke just prior to the last speaker was going on at some length about the plight of farmers. First of all, I want to acknowledge that he knows as much about that as anyone in the House. He spoke lucidly and intelligently about the difficulties that farmers face. There is no doubt in my mind that the overwhelming majority of the farming community will well understand the logic of much of what was said by the Hon. Member. I find only one minor problem with his presentation. I put it to you, Mr. Speaker, when we talk about this, that there is no doubt that the economic policy pursued by the Government of the day has wreaked havoc with all sectors of the economy, particularly the farming sector. The inability of farmers to match their cash requirements with their sales in many areas has resulted in many farmers going into default on their bank loans and being forced into bankruptcy. We have seen farmers so often, many of them not so young, having their equipment sold out from under them. I can remember when, not too many weeks ago in this House, there was a Private Members' Bill dealing with that very topic, supported by a significant number of farmers from all parts of the country. If I recalll correctly, it was Bill C-653, and it would have established a mechanism, albeit imperfect, for dealing with bank foreclosures. It was an intermediate step which would have allowed for consultation and apportionment of the indebtedness over a long period of time. But the Tories have locked it up in committee to the point where it will never become law. That is evidence of their commitment. When the farmers are really on the line they are standing shoulder to shoulder with them, only until they can stab them in the back.

We have seen so many other problems develop over the course of the last couple of years. The Government is its own worst enemy in that regard. There was the interest rate escalation which took place over the course of, oh, the 24 months preceding the last three or four months; in other words, starting back in 1980 and coming forward into the latter part of 1982. The Government not only allowed that rapid escalation of interest rates, it encouraged it. Had it not done so, then the cost of the borrowing that the Government undertakes so frequently would not have been so high. If that had been brought under control, the amount of money the Government is now asking for would have been considerably less.

So you cannot help feeling that on the one side we get the plaintive bleating of the Conservatives as to how they do not like what is happening, but when there is concrete action to deal with it, they refuse to do so. On the other hand you have a Government which has brought about much of this deficit because of its inability or unwillingness to come to grips with the usurious interest rates permitted to be charged in this

country to farmers, small and large businessmen, and to private individuals or consumers who are trying to renew their mortgages, and of course to the Government itself.

I can remember that we argued from this corner of the House about high interest rates and the terrible toll they were taking on Canadians who were being driven out of their homes and businesses and off their farms. We sought the support of the Conservative Party in trying to push this Government to bring in an Act in order to take away some control of the Bank of Canada so we would not have high interest rates. I can remember when the then Tory finance critic, the Hon. Member for Etobicoke Centre (Mr. Wilson), who is now ranked No. 5 in the Tory leadership race, said, when speaking in Montreal, that there was nothing that could be done other than what was being done by the Government. I even recall the previous leader, the Hon. Member for Yellowhead (Mr. Clark), saying on May 4, 1982, that we have looked for a solution other than the current Liberal Government's solution and we could not come up with an alternative. That referred to the high interest rate problem.

We are opposed to this Government's economic policy, Mr. Speaker. We are opposed to the way it has mismanaged the economy. We are opposed to this Government's complacency in allowing the Bank of Canada to set interest rates which forced so many hardworking Canadians into poverty. We are opposed to the way this Government, together with their bedmates in the Conservative Party—

Some Hon. Members: Oh, oh!

Mr. Deans: —have devised and designed policies which have not been in the best interest of Canadians. I say to you, Mr. Speaker, in the minute remaining to me, that there is no doubt in my mind that the Tories are about to try to bring this Bill down a bit. Oh, they will probably be prepared to accept minor alterations to the Bill in return for quick passage, but I would not be surprised that the Tories might be prepared to allow the Government to go ahead with this borrowing if only it would borrow a little less. Well, I tell you, Mr. Speaker, we are opposed to this Government borrowing this money at this time. If the Tories want to sell out, so be it. If they want to join their friends in the Liberal Party and accept a somewhat smaller amount of borrowing in the interest of some short term political gain, then let me say to you, Mr. Speaker, that they can do that but we will not play that game. It is wrong, and the people of Canada cannot afford it. The Government has brought this on itself. I say to the Government: if you want to see the economy of Canada improve, then resign.

Hon. Bill Jarvis (Perth): Mr. Speaker, I do not have much time. I might just point out that the NDP take up so much room in that Liberal bed there has never been room for us at any time. They sprawl out, spreadeagled from one side to the other, from top to bottom.

May I call it six o'clock, Mr. Speaker.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CORRECTIONAL SERVICE CANADA—POLLING OF EMPLOYEES—ROLE OF MANAGEMENT

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, yesterday I rose in the House to ask a question of the Solicitor General (Mr. Kaplan) with regard to the administration of the prison system in Canada. All of us have been made very aware of many of the problems existing in the prison system. Most of the attention has been devoted to the inmates of the prisons, and rightly so, I suppose. However, in the process of giving that attention to the inmate population, concerning whether or not certain people should be incarcerated, what kind of treatment they should receive and so forth, most of the time we have overlooked the administration of the prison system itself.

Yesterday I asked the Solicitor General why it was that he has commissioned a Gallup study to be done within the work force of Corrections Canada to examine its opinion of the work place. I did so because I had received in the mail the Notice of Attitude Survey which the Solicitor General has commissioned. It states in part:

> The Correctional Service of Canada is planning a survey regarding staff attitudes toward their employment and work programs.
>
> We have commissioned the Canadian Gallup Poll organization to undertake this project which will consist of several hundred telephone interviews. The survey will deal with your attitudes and opinions in general and will not touch on private personal topics.

That comes hard on the heels of a study that was already done within Corrections Canada, a welfare program category study to the tune of $250,000—the cost to the taxpayer, not including the service of employees on the payroll. That study which cost the taxpayer a quarter of a million dollars resulted in acceptance by the senior management of all the recommendations of the study which could proceed no further due to the national restraint program.

The obvious question, then, is: why should a study be conducted if the so called six and five program prohibits Corrections Canada from implementing the recommendations of such study? Having spent a quarter of a million dollars on the study, the Government now commissions another one to an outside organization, the Gallup Poll. It will presumably cost quite a few thousand dollars. What will happen to the results of the study when they again are subject to the guidelines of six and five?

My reason for asking the question yesterday however lies in the fact that presumably, with the growth of the managerial sector of Corrections Canada, there ought to be enough in house expertise to conduct such a study. To be sure, it has

already done so. It must therefore know something of the attitudes within the workplace.

I point out that in answer to a Question No. 3,505 on the Order Paper, I really received a wealth of information.

The Minister told me yesterday that there are 10,000 employees in Corrections Canada. I think that is probably accurate, because there are about 10,000 inmates within the federal corrections system, and we know that there is a ratio of about one employee to every inmate. That does not mean that there is one line officer to every inmate, but there is one employee. If we examine the return of the question as it was given to me some months ago, we find that about 50 per cent of the employees in Corrections Canada are somewhere in the managerial class. About 50 per cent—possibly as low as 40 per cent, maybe as high as 60 per cent, but in that range—of the employees of Corrections Canada are managerial and the rest are line officers. It is no wonder that the people at the CX level in Corrections Canada are nervous about the cutbacks in their program, because you can rest assured, Sir, that the cutbacks will not come at the managerial level. Cutbacks always seem to come at the line officer level, the CX class. That is why people are worried about whether or not the survey will continue.

• (1805)

I point out, for example, in the Joyceville Prison there are 156 CX officers and 145 other employees. In Millhaven there are 224 CX officers and 164 other employees. At the Regional Reception Centre there are 155 CX officers and 121 other employees. At Drumheller there are 162 CX officers and 134 other employees, and so on down the line it goes.

If we have that proportion of management in the penitentiary system, is there not enough expertise to conduct this kind of a survey? Is it necessary to spend more tax dollars on another survey? It is bad enough to spend those dollars. I am not so much concerned about the taxpayers expenditures, but the fact that the managerial staff is so cut off from the line officers that it cannot get to the heart of the problem. It becomes a staff management problem rather than an inmate management problem. If there is not enough trust between management and CX officers that they are unable to find out where the problems lie, then the problems of management are worse than the problems of the inmates.

[*Translation*]

Mr. Alain Tardif (Parliamentary Secretary to Solicitor General): Mr. Speaker, yesterday during Question Period, the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) asked the Solicitor General (Mr. Kaplan) why Correctional Service Canada was conducting a poll among its employees. Correctional Service Canada, which employs about 10,000 people, has, in fact, sent its employees a memo urging them to take part in a survey aimed at obtaining a better understanding of their attitudes toward the workplace and working conditions. All are free to participate or not.

The Canadian Gallup Poll organization has been asked to conduct this survey which will consist of several hundred telephone interviews. The survey will cover general attitudes and opinions of employees and no questions of a personal or private nature will be asked. All the data collected will be strictly confidential, and replies of respondents will be compiled and analyzed in a statistical report.

Mr. Speaker, the Solicitor General has also indicated that the opinions and concerns of employees within Correctional Service Canada are very important to him. The results will be put to good use in labour-management relations. I hope the Hon. Member will be interested in seeing the results of this survey. As the Solicitor General said, the questions along with the answers will be available when the survey is completed.

[*English*]

LABOUR RELATIONS—EASTERN PROVINCIAL AIRWAYS DISPUTE—ENFORCEMENT OF SAFETY REGULATIONS

Mr. Howard Crosby (Halifax West): Mr. Speaker, once again my purpose is to review the labour-management dispute at Eastern Provincial Airways. Let me begin my remarks by providing some background material.

On January 27, 1983 the pilots of Eastern Provincial Airways, represented by the Canadian Air Line Pilots Association, exercised their right under the Canada Labour Code to strike after failing to reach an agreement through collective bargaining. Over the intervening weeks and months it became apparent that the pilots were willing to accept more onerous working conditions in order to return to work, provided their jobs would be reinstated on the basis of the existing seniority rules common to all Canadian airlines.

The management of EPA made it clear that any back-to-work agreement must provide for the retention of pilots promoted or hired during the course of a strike. This led to an impasse that precluded agreement on the terms and conditions under which the pilots would work. Whether one agrees or disagrees with the legalization of strikes, all Canadians must acknowledge that the right to strike exists under federal statutory law approved by the Parliament of Canada. Consequently, a denial of the right to strike when legal conditions are observed or interfering with the rights of strikers cannot be justified.

• (1810)

Faced with this situation I sought on two occasions, on April 29 and on May 25 of this year, to raise the matter in the House of Commons. My purpose was to ensure that the Canada Labour Relations Board would review carefully and quickly any matters in dispute so that a settlement could be reached at the earliest possible date. A second even more important concern was the safety of the public and its protection through the officers of the Department of Transport in carefully monitoring and enforcing the safety regulations that exist. Safety measures could easily be neglected when an

airline operates during a legal strike with personnel who may not be familiar with the equipment or are overworked.

The Canada Labour Relations Board has made its decision on the matters in dispute between EPA pilots and management. The decision is public knowledge, but in basic terms it finds Eastern Provincial Airways management in breach of the Canada Labour Code and provides for a quick return to work by directing the restoration of seniority rights for pilots.

Let me say that I am not the only Member concerned with the settlement of the Eastern Provincial Airways strike. My colleagues in the Official Opposition, particularly the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall), have discussed the issues and have offered assistance. Members representing the Government, including the Hon. Member for Gander-Twillingate (Mr. Baker) and the Hon. Member for Restigouche (Mr. Harquail), have publicly stated their concerns and sought satisfactory solutions. But the Canada Labour Relations Board has rendered its decision. I sincerely believe that all Members of the House of Commons from Atlantic Canada desire the strike settled and full service restored to the travelling public.

Many of us view with alarm the indication by the management of EPA that it will not abide by the decision of the Canada Labour Relations Board. The President of EPA has stated publicly that he will appeal the Board's decision. Yet Section 122 of the Canada Labour Code indicates clearly that the Board's decision is final and cannot be reviewed or questioned by a court. There is the possibility of an intervention by the Federal Court of Canada, but this recourse is reserved for technical errors and is not an appeal on the merits of the case.

Today in the House of Commons we had an assurance of the Acting Minister of Labour to the effect that the Government expected compliance with the decision of the Canada Labour Relations Board, notwithstanding any reference to the Federal Court. In fact the Acting Minister said in the House today, that these orders of the Canada Labour Relations Board cannot in any way be delayed even if some kind of appeal is put forward by the President of EPA. Those were the words of the Acting Minister, and I take him at his word. I hope the Government will take every action possible to ensure immediate compliance with the decision of the Canada Labour Relations Board so that full service on EPA can be restored.

There are one or two other points which have arisen during the course of this labour dispute at EPA that are of real concern to myself and other Members. One is that the Canadian Transport Commission in the midst of this strike situation approved a merger between EPA and CP Air. Not only did it approve that merger, but apparently it took no offence with the fact that EPA announced the merger the day before, as far as I can determine, it was actually approved. For the CTC to be so insensitive to the rights of the employees involved in the operation by deciding an important issue like that, virtually without reference to the employees involved, is not a proper interpretation of the mandate of the CTC. It was bound to prolong the labour dispute. It was bound to encourage management to resist settlement of the dispute. I think the Canadian Transport Commission owes Parliament and the public an explanation of its action.

We from Atlantic Canada have always recognized that Eastern Provincial Airways is a community corporation, a corporation which contributes in a very important way to the economy of the Atlantic region. There are over 900 EPA employees in the area of Halifax which I represent. EPA contributes something in the area of $10 million to the local economy on an annual basis. We all have an interest in the continued success and viability of this air transport business and operation.

• (1815)

I can only repeat that we beg the management of Eastern Provincial Airways to recognize that the time has come for settlement of this dispute. I can virtually state on the basis of my many conversations with the pilots involved in this strike that they are more than willing to go back to work and co-operate, with all the reasonable demands of management.

One concern that should be important to management and the pilots is that the confidence of the public in the operation of the airline is essential to its continued success in the future. Any questions about safety will result in loss of consumer and customer confidence. I warn the management of EPA in a fair-minded way that if they do not sit down with the pilots and reach an immediate settlement of this dispute on the basis already approved by the Canada Labour Relations Board, this may in years to come affect the viability and success of the airline operation.

These are difficult times for all Canadian businesses. I can understand why any company would be concerned with its collective bargaining agreements, but I have every assurance from the persons involved that what is at stake here is that viability of the airlines and the continued interest of the employee in that commercial success for the airline. The Management of EPA have little to fear on the part of all their employees, particularly the pilots, if they commence to bargain in good faith, as the Canada Labour Relations Board has directed, and reach a settlement so that this matter can be put to rest and the airline put back into full operation.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it is my pleasure to reply on behalf of the Minister of Labour (Mr. Caccia) and his Parliamentary Secretary. I should also thank the Hon. Member for Gander-Twillingate (Mr. Baker) who has given me some advice. I know that the Hon. Member for Gander-Twillingate has taken a very deep interest in the welfare of the pilots and the company in the management of this issue.

The Canada Labour Relations Board ruled that EPA violated provisions in the Canadian Labour Code, and stated that EPA had failed to bargain in good faith and to make every reasonable effort to enter into a collective agreement; had unlawfully interfered with the internal affairs of the union; and had negotiated to an impasse provisions of the

return-to-work agreement discriminatory as to the reinstatement of striking pilots.

The board ordered EPA to cease and desist from bad faith bargaining and from interfering in the union's internal affairs. EPA must cease from conferring permanent status to the replacement pilots hired during the strike. EPA must cease discriminating against striking pilots as to their re-instatement.

EPA is directed to remove from its proposed collective agreement a clause which added a third year to the two-year term earlier negotiated. The union has been directed by the board to submit the proposed collective agreement to its membership for ratification. If it is ratified, the union is to inform the board whether it is ready to sign the agreement. If ratification is confirmed, the board has ordered that a collective agreement is deemed to be in effect. The parties must further meet within five working days from the date of the board's order of May 27, 1983 and negotiate a return-to-work agreement.

Each striking pilot with seniority standing on January 27 who wants to return to EPA is directed by the board to confirm his desire in writing to the company and to send a copy to the board within 24 hours of the termination of the strike. The striking pilots, under a revised return-to-work agreement, are to be reinstated to their former positions or substantially equivalent positions. The board will retain jurisdiction to deal with any problems arising out of the implementation of its order.

Current media reports suggest that EPA intends to challenge the board's decision through a court appeal. While this is not a matter for which the Minister has responsibility, I draw your attention, Mr. Speaker, to Section 122 of the Canada Labour Code which states:

—every order or decision of the board is final and shall not be questioned or reviewed in any court, except in accordance with paragraph 28(1)(a) of the Federal Court Act.

The latter provision does empower the Federal Court to hear and determine an appeal concerning a decision of a federal board where it is alleged that the latter has failed to observe a principle of natural justice or otherwise acted beyond or refused to exercise its jurisdiction. I again thank the Hon. Member for Gander-Twillingate for his invaluable advice and support in settling this matter.

• (1820)

MEDICAL CARE—REQUEST THAT MINISTER INTRODUCE NEW HEALTH CARE ACT—INQUIRY RESPECTING DATE OF INTRODUCTION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, today I would like to pursue a question I put to the Minister of National Health and Welfare (Miss Bégin) yesterday about the status of the proposed Canada Health Act. I would like to elaborate on why I think it is so very, very important to see an actual proposal for a Canada Health Act in the very near future.

I believe that the events in Alberta in particular, where we have seen the proposed introduction of user fees by October 1, make it incumbent upon the Minister of National Health and Welfare to act and to act very soon to do something about the erosion of the principles of medicare which the action taken in Alberta represents and which I predict will only be the beginning of many, many actions of that kind should nothing be done about what is happening in Alberta. I have asked the Minister of National Health and Welfare to bring forth a Canada Health Act and so far, her answers to me have been unsatisfactory. She either argues that she has powers within existing legislation to do something about what is happening in Alberta and so she likes to ask me why I am calling for a new Act, or, alternatively, she says that the Canada Health Act will be coming forward when it is ready, but there has never been any indication of when it might be ready.

My argument, Mr. Speaker, is that the present legislation puts the Minister in a position where she has no viable political options. She can only continue to lecture the Province of Alberta until October 1 at which time, if the Province is unpersuaded and brings in the user fees, she will have only one alternative other than simply complaining about it and that will be to withdraw all federal health funding to Alberta. In my view, that would not only risk interruption of health care services but would also contain a great many known and unknown risks. One of the known risks would be that it would provoke a federal-provincial political crisis of great magnitude, I am sure.

I suggest to the Minister that if she brings in a Canada Health Act which clarifies and strengthens the five basic principles of medicare but which also provides the federal Government with more flexibility in responding to Provinces which are seen to be in violation of the principles of medicare, she will accomplish two things. One, she will indicate to the Minister of Health in Alberta and any other Minister in any other Province which is considering these kinds of actions, that she is really serious about being able to deal with the problem. She will also give Canadians who are in favour of preserving medicare a more real and viable political option around which to rally and give support, providing that the Act does these things which I have mentioned.

Right now, she only has the negative option of literally kicking Alberta out of medicare, and this is not something around which, I believe, she can as effectively rally pro-medicare Canadians. Whereas, she could rally pro-medicare Canadians around a Canada Health Act, because it would be a positive action. That is why I suggest this to her and why I wanted to take this opportunity to elaborate on the reasons that I believe it is so very, very important that by the end of June, we see something around which pro-medicare forces in Canada could gather. Otherwise, if the Minister fails to indicate her intention to remove herself from the box that the federal Government put itself in as far back as 1977 went it adopted block funding, then the Minister of Health in Alberta and all the others who would erode Medicare, will know that the federal Government and the Minister are not serious about trying to do something. The federal Government will have failed to indicate its intention to give itself the capacity to

respond to the crisis. As, within the existing legislation, it does not have the capacity that it needs in order to respond effectively.

I think the Government should go along with the recommendations of the Special Parliamentary Task Force on Federal-Provincial Fiscal Arrangements that any new funding arrangements—and this is presumably what the Canada Health Act would bring in—would provide the federal Government with the capacity to gradually withhold federal funding from Provinces that were seen to be in violation of the principles of Medicare.

If we had a Canada Health Act which gave the federal Government that kind of flexibility and provided for a gradual withholding of funding, and provided that extra billing and user fees, and profit-oriented hospitals, and various other things that have been on the increase lately which threaten Medicare, were in violation of Medicare, then the Minister of National Health and Welfare would be living up to her responsibilities.

If we do not get an Act in the very near future, I am afraid the Minister will be quite justifiably open to the accusation that she fiddled while Rome burned by doing nothing except talk while Medicare went to pieces before our very eyes.

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I want to thank the Hon. Member for Winnipeg Birds Hill (Mr. Blaikie) who points out very clearly the threat that faces Medicare in Canada. It emphasizes the importance of a careful consideration before the Act is drafted.

As the Minister of National Health and Welfare (Miss Bégin) has stated on several occasions, and as recently as yesterday, it can only be restated that work is progressing as quickly as is possible on the new Canada Health Act, and that as soon as it is appropriate she will be meeting with provincial Health Ministers to complete the consultation process before introducing the new Act to Parliament. This is a very important program to Canadians with very large amounts of money involved and it is essential that the time be taken to develop the Act properly.

The Minister has received a great deal of mail in favour of maintaining and improving our universal Medicare system—the best in the world—and in support of her efforts to develop a new Act. She is grateful for this support. It is hoped that all Members of this House would put similar pressure on provincial Governments to likewise support these efforts.

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adapted. Accordingly, this House stands adjourned until tomorrow afternoon at two o'clock.

At 6.28 p.m. the House adjourned, without question put, pursuant to Standing Order.

END OF VOLUME XXII